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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 FULFILLING THE NON-COMPETITION UNDERTAKING IN THE INTERBANK BUSINESS BETWEEN THE DE FACTO CONTROLLER AND THE COMPANY

I. BACKGROUND OF THE COMMITMENT

During the course of the implementation of the Non-public Issuance of A Share of First Tractor Company Limited (hereinafter referred to as “**First Tractor**”, the “**Company**”) in 2020, the Company and China National Machinery Industry Corporation (hereinafter referred to as “**Sinomach Group**”), the de facto controller of the Company, issued the Letter of Non-competition Undertaking in the interbank business between Sinomach Finance Co., Ltd. and China YTO Group Finance Company Limited, respectively, in respect of avoidance of potential competition risk between Sinomach Finance Co., Ltd. (a subsidiary controlled by Sinomach Group, hereinafter referred to as “**Sinomach Finance**”) and China YTO Group Finance Company Limited (a controlled subsidiary of the Company, hereinafter referred to as “**YTO Finance**”), in which it made clear arrangements on the subject and scope of services of Sinomach Finance and YTO Finance, and undertook to procure Sinomach Finance and YTO Finance to strictly implement the above service scope arrangement, and ensure the non-competition between YTO Finance and Sinomach Finance in the interbank business.

II. DETAILS OF THE PERFORMANCE OF UNDERTAKING

Since the date of the undertaking, there has been no violation of the undertaking by Sinomach Group and First Tractor. Meanwhile, 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, Sinomach Group, First Tractor, YTO Finance and Sinomach Finance entered into the Framework Agreement on Restructuring and Integration between China YTO Group Finance Company Limited and Sinomach Finance Co., Ltd., the Asset

Disposal Agreement and the Capital Increase Agreement, which were considered and approved at the 2022 second extraordinary general meeting of First Tractor (for details, please refer to the Announcement on Entering into the Framework Agreement on Restructuring and Integration between China YTO Group Finance Company Limited and Sinomach Finance Co., Ltd., Announcement on Disposal of Assets by a Controlled Subsidiary and Related Party Transaction, Announcement on Capital Increase in Sinomach Finance Co., Ltd. and Related Party Transaction, Announcement on the Dissolution and Cancellation of China YTO Group Finance Limited, a Controlled Subsidiary and Related Party Transaction, Announcement on Voting Results of the Second Extraordinary General Meeting of 2022 published by the Company on the website of the Shanghai Stock Exchange on 30 March 2022 and 17 June 2022). Pursuant to the executed Framework Agreement on Restructuring and Integration and the relevant restructuring and integration arrangements, a general meeting of YTO Finance was held on 23 June 2022 to consider and approve the dissolution and cancellation of YTO Finance and an application for dissolution was submitted to the China Banking and Insurance Regulatory Commission Henan Office (中國銀行保險監督管理委員會河南監管局), and no new business would be conducted by YTO Finance after 30 June 2022.

Sinomach Group has recently issued a Statement on the Completion of Fulfilling the Non-competition Undertaking in the interbank business between Sinomach Finance Co., Ltd. and China YTO Group Finance Company Limited: Upon completion of the restructuring and integration between Sinomach Finance and YTO Finance, YTO Finance would terminate its operation and would be dissolved and deregistered. Sinomach Finance would become the only financial company of Sinomach Group. The factors constituting potential horizontal competition in the interbank business between Sinomach Finance and YTO Finance would be eliminated and the undertaking of Sinomach Group in respect of the avoidance of the horizontal competition in the interbank business between Sinomach Finance and YTO Finance would be fulfilled.

Given that YTO Finance would cease to have any new business after 30 June 2022 and enter into the liquidation preparation process, the material factors constituting the horizontal competition in the interbank business would be eliminated, the Company and Sinomach Group have fulfilled their undertaking in respect of the avoidance of the horizontal competition in the interbank business between Sinomach Finance and YTO Finance.

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

Luoyang, the PRC
30 June 2022

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. Ma Zhihui as non-executive Directors; and Mr. Edmund Sit, Mr. Wang Shumao and Mr. Xu Liyou as independent non-executive Directors.

* For identification purposes only