

*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 THE APPROVAL OF THE  
CAPITAL INCREASE IN SINOMACH FINANCE CO., LTD.  
BY THE BEIJING SUPERVISION BUREAU OF  
CHINA BANKING AND INSURANCE COMMISSION**

First Tractor Company Limited\* (the “**Company**”) and all members of the board (the “**Board**”) of directors (the “**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.

On 29 March 2022 and 27 May 2022, the Company and SINOMACH Finance Co., Ltd. (“**SINOMACH Finance**”) entered into the “Capital Increase Agreement regarding SINOMACH Finance Co., Ltd.” (the “**Capital Increase Agreement**”) and the “Supplemental Agreement of the capital increase agreement regarding SINOMACH Finance Co., Ltd.” with effective conditions respectively. Pursuant to the agreements, the Company intends to increase its capital to SINOMACH Finance by RMB554,776,100 in cash, of which RMB250,000,000 will be included in the registered capital of SINOMACH Finance and RMB304,776,100 will be included in the capital reserve of SINOMACH Finance. After the completion of the capital increase, the Company holds 14.29% equity interest in SINOMACH Finance. The agreement is subject to the approval of the shareholders’ meeting of the Company and the Beijing Supervision Bureau of the China Banking and Insurance Regulatory Commission before implementation (for details, please refer to the Company’s Announcement on Capital Increase in SINOMACH Finance Co., Ltd. and Related Transactions, the Announcement on the Progress of the Reorganization of China YTO Group Finance Limited Liability Company and SINOMACH Finance Co., Ltd. and Related Transactions published on the website of Shanghai Stock Exchange on 30 March and 28 May 2022).

The 2022 Second Extraordinary General Meeting of the Company was held on 16 June 2022 to consider and approve the “Resolution of the Company to Increase Capital to SINOMACH Finance Co., Ltd. and signed the “Capital Increase Agreement” (for details, please refer to the “Announcement on the Resolutions of the 2022 Second Extraordinary General Meeting” disclosed on the website of Shanghai Stock Exchange on 17 June 2022).

The Company recently received from SINOMACH Finance the “Approval of Beijing CBRC on the Change of Registered Capital and Adjustment of Shareholding Structure of SINOMACH Finance Co., Ltd., which agreed to change the registered capital of SINOMACH Finance to RMB1,750,000,000, of which the Company contributed RMB250,000,000, representing the capital contribution of 14.29%.

As of the disclosure date of this announcement, all the conditions for the Capital Increase Agreement to become effective have been satisfied and the Capital Increase Agreement has become effective.

The Company will perform its capital contribution obligations in accordance with the agreement. Regarding the progress of the transaction, the Company will fulfill its information disclosure obligations in accordance with the relevant regulatory requirements.

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

Luoyang, the PRC

15 September 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*