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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 IN RELATION TO THE PROGRESS OF THE MATERIAL ASSET DISPOSAL

The Board of Directors of the Company and all its Directors guarantee that, the contents of this announcement do not contain any false information, misleading statement or material omission, and shall accept legal responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

I. OVERVIEW OF THE TRANSACTION

On 26 December 2023, First Tractor Company Limited (the “**Company**”) held the 17th meeting of the Ninth Session of the board of Directors and the 10th meeting of the Ninth Session of the board of Supervisors, and considered and approved the relevant resolution in relation to the disposal of 0.8827% equity interest in Zhongyuan Bank Co., Ltd. (“**Zhongyuan Bank**”) held by YTO (Luoyang) Diesel Engine Company Limited (“**YTO Diesel Engine**”), a controlled subsidiary of the Company, by way of public listing (the “**Transaction**”). The listed transaction price was RMB667.83 million. The Transaction constitutes a material asset restructuring under the relevant provisions of the “Administrative Measures for the Material Asset Restructuring of Listed Companies” (《上市公司重大資產重組管理辦法》). For details, please refer to the “Announcement on Public Listing-For-Sale of Equity Interests in Participating Bank” as disclosed by the Company on the website of The Stock Exchange of Hong Kong Limited on 26 December 2023, the “Proposal of Material Asset Disposal of First Tractor Company Limited” as disclosed by the Company on the website of the Shanghai Stock Exchange on 27 December 2023, and other relevant announcements.

II. PROGRESS OF THE TRANSACTION

As of the date of the disclosure of this announcement, the progress of the Transaction is as follows:

1. On 28 December 2023, the 0.8827% equity interest in Zhongyuan Bank held by YTO Diesel Engine was officially publicly listed on the Beijing Equity Exchange. The information disclosure announcement period is from 28 December 2023 to 25 January 2024. As of 25 January 2024, the first information disclosure announcement period expired, and no qualified intended transferees was identified. Subsequently, YTO Diesel Engine will extend the disclosure period in a cycle of 5 business days, while the conditions for listing and transfer will remain unchanged until intended transferee is identified. The maximum disclosure period shall not exceed 12 months from the date of the first information disclosure.
2. CITIC Securities Co., Ltd. has been engaged by the Company to act as an independent financial advisor for the material asset disposal.

III. RISK WARNING

The Company will continue to facilitate the implementation of the Transaction as planned and will perform its information disclosure obligations in a timely manner based on the progress of the Transaction as required under the relevant provisions of material asset restructuring. The Transaction is subject to uncertainty, and investors are advised to invest rationally and be aware of the investment risks.

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

Luoyang, the PRC
25 January 2024

As at the date of this announcement, the Board comprises Mr. Liu Jiguo (Chairman) and Mr. Wei Tao as executive Directors; 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*