

*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)

## **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

An announcement in Chinese version by First Tractor Company Limited has been published on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the English translation of such announcement is hereby set out for references only.

By Order of the Board

**FIRST TRACTOR COMPANY LIMITED\***

**Yu Lina**

*Company Secretary*

Luoyang, the PRC

26 December 2023

*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*



# 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)

## **EXPLANATION FROM THE BOARD OF DIRECTORS ON SALES AND PURCHASES OF ASSETS WITHIN 12 MONTHS**

YTO (Luoyang) Diesel Engine Company Limited (“**YTO Diesel Engine**”), a controlling subsidiary of First Tractor Company Limited\* (the “**Listed Company**” or the “**Company**”) proposes to dispose of its 0.8827% equity interest of Bank of Zhongyuan Bank Co., Ltd. (“**Zhongyuan Bank**”) by way of public listing and transfer on the Beijing Equity Exchange (the “**Transaction**”), with the consideration to be paid in cash by the counterparty. After the completion of the Transaction, YTO Diesel Engine will no longer hold any equity in Zhongyuan Bank. According to the relevant provisions of the Measures for the Material Asset Restructuring of Listed Companies\* (《上市公司重大資產重組管理辦法》), the Transaction constitutes a material asset restructuring.

### **I. The Company's asset transactions that required consideration by the board of directors during the last 12 months are as follows:**

In order to further focus on the development of its principal business and to divest itself of its non-principal assets and businesses, on 27 October 2023, the Company held the 15th Meeting of the Ninth Session of the Board of Directors to consider and approve the “Resolution Relating to the Transfer of Equity Interest in Luoyin Financial Leasing Co., Ltd. By the Company”. The Listed Company has publicly listed for the transfer of its 6.875% equity interest in BOL Financial Leasing Co., Ltd. (“**BOL Financial Leasing**”) (the “**Subject Equity in BOL Financial Leasing**”) on the Beijing

Equity Exchange on 15 December. The Transaction is not required to be submitted to the shareholders' meeting of the Company for consideration and does not constitute a material asset restructuring as stipulated in the Measures for Reorganization Management.

The Company has engaged Beijing Zhong Tian Hua Asset Appraisal Company Limited\* (北京中天華資產評估有限責任公司) in order to evaluate the value of the 6.875% Equity in BOL Financial Leasing using 31 May 2023 as the base date. The appraised value filed with the state-owned assets regulatory agency was RMB307 million. The listed transfer price was RMB325 million. After the completion of this equity transfer, the Company will no longer hold any equity interests in BOL Financial Leasing. As of the date of this explanation, the aforesaid share transfer is being publicly listed on the Beijing Equity Exchange to solicit transferees, the transaction has not been completed.

Apart from the above transactions, no other material purchases or sales of assets by the Listed Company took place in the 12 months prior to the Transaction.

**II. According to the provisions of Article 14 of the Measures for the Material Asset Restructuring of Listed Companies: “Where a listed company makes consecutive purchases or sales of the same or related assets within 12 months, the corresponding amounts shall be calculated separately on the basis of their cumulative amounts. Transactions for which a report on material asset restructuring has been prepared and disclosed in accordance with the provisions of these Measures need not be included in the scope of cumulative calculation. Where the CSRC has stipulated otherwise in respect of the cumulative period and scope of material asset restructuring as stipulated in Paragraph 1 of Article 13 of these Measures, it shall comply with such stipulations. Where the subject assets of the transaction are owned or controlled by the same counterparty, or belong to the same or similar business scope, or under other circumstances as determined by the CSRC, they may be recognized as the same or related assets.”**

As Luoyin Leasing is a controlling subsidiary of Zhongyuan Bank, and according to Article 14 of the Administrative Measures for Restructuring, the 6.875% equity interest in Luoyin Leasing held by the listed company and the 0.8827% equity interest in Zhongyuan Bank held by YTO Diesel Engine are same or related assets, and the cumulative total of which should be used to calculate the corresponding amount of the major asset restructuring. Since the sale of 0.8827% equity interest in Zhongyuan Bank by YTO Diesel Engine has separately constituted the act of major asset restructuring, the cumulative amount of the two transactions and the financial ratio are no longer calculated.

Explanation has been provided herein.

The board of directors of First Tractor Company Limited\*

26 December 2023