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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: 00038)

ANNOUNCEMENT IN RELATION TO THE DISPOSAL OF EQUITY INTERESTS IN EQUITY PARTICIPATING COMPANY

References are made to the announcements of First Tractor Company Limited* (the "**Company**") dated 27 October 2023 and 23 December 2024, in relation to, among other things, the public listing-for-sale of equity interests in equity participating company (the "**Announcements**"). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board and all Directors hereby warrant that the content of this announcement does not contain false information, misleading statements or material omissions, and accept several and joint responsibilities for the truthfulness, accuracy and completeness of its contents.

I. BACKGROUND

On 28 August 2026, BOL Financial Leasing Co., Ltd.(洛銀金融租賃股份有限公司) ("**BOL Financial Leasing**") and AB Leasing Co., Ltd. (邦銀金融租賃股份有限公司)("**AB Leasing**") signed the conditional Merger by Absorption Agreement, under which AB Leasing proposed to absorb and merge BOL Financial Leasing through a share exchange involving the issuance of new shares. Upon completion of the merger by absorption, BOL Financial Leasing will be deregistered, and all of its assets, liabilities, businesses, and personnel will be assumed by AB Leasing.

According to the Merger by Absorption Agreement, as negotiated and determined by BOL Financial Leasing and AB Leasing with reference to the valuation reports on the two companies issued by Vocation (Beijing) International Assets Appraisal Co., Ltd. 沃克森(北京)國際資產評估有限公司, the issue price per share to be issued by AB Leasing for the exchange of all shares in BOL Financial Leasing held by its shareholders is approximately RMB2.28 per share, while the conversion price for the shares of BOL Financial Leasing is approximately RMB1.89 per share, representing a conversion ratio of approximately 1:0.8272. Based on the aforementioned conversion ratio, assuming that this merger by absorption is completed and the Company's equity interest participates in the share exchange, the Company will hold 113,735,200 shares in AB Leasing, representing approximately 2.44% of the total share capital of AB Leasing following the merger by absorption.

On 29 September 2026, BOL Financial Leasing held its second extraordinary general meeting of 2026 to consider the merger by absorption, at which the Company voted against all resolutions related to the merger by absorption. Pursuant to the Company Law, "A shareholder who objects to a resolution adopted by the general meeting regarding a company merger or division may request that the company repurchase its shares." Accordingly, the Company formally sent a letter to BOL Financial Leasing, requesting it to repurchase the Company's 6.875% equity interests in BOL Financial Leasing and that an audit firm and a valuation firm to be re-engaged to conduct a special audit and a valuation, respectively.

II. PROGRESS OF THE DISPOSAL OF EQUITY INTERESTS

The Company has formally sent a letter to BOL Financial Leasing, requesting it to repurchase all the shares held by the Company and that an audit firm and a valuation firm to be re-engaged to conduct a special audit and a valuation, respectively. Accordingly, as at the date of this announcement, the price at which BOL Financial Leasing will repurchase the Company's equity interest remains uncertain.

If the Company is unable to reach an agreement with BOL Financial Leasing on the repurchase within a certain period of time, it will initiate legal proceedings in accordance with the relevant provisions of the Company Law, and fulfil its information disclosure obligations in a timely manner according to the progress of the matter.

For details, please refer to the overseas regulatory announcement of the Company dated 29 October 2026.

The Company will keep the Shareholders and potential investors of the Company informed of any further material development regarding the above matter by way of further announcement(s) as and when appropriate. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. The Company will comply with the requirements under the Listing Rules, the Shanghai Listing Rules and other laws and regulations as and when appropriate.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED*
LIU Bin
Joint Company Secretary

Luoyang, the PRC
29 October 2026

As at the date of this announcement, the Board comprises Mr. Zhao Weilin (Chairman) and Mr. Wei Tao as executive Directors; Mr. Fang Xianfa, Mr. Yang Jianhui and Mr. Sun Feng as non-executive Directors; Mr. Wang Shumao, Mr. Xu Liyou and Ms. Wong Yee Man as independent non-executive Directors; and Mr. Li Peng as employee representative Director.

* *For identification purposes only*