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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)

## **CONTINUING CONNECTED TRANSACTIONS FOR 2023**

### **2023 CONTINUING CONNECTED TRANSACTION AGREEMENTS**

On 20 December 2022,

- (a) YTO, on behalf of YTO Group, as the purchaser, and the Company, on behalf of the Group, as the supplier, entered into the Research and Development Services Agreement, pursuant to which the Group agreed to provide the product research and development, technological and calibration services to YTO Group;
- (b) Xiyuan Company, as the supplier, and the Company, on behalf of the Group, as the purchaser, entered into the Product Inspection and Testing as well as Technological Services Agreement, pursuant to which, Xiyuan Company agreed to provide the Product Inspection and Testing as well as Technological Services to the Group; and
- (c) Tractor Research Company, as the supplier, and the Company, on behalf of the Group, as the purchaser, entered into the Tractor Research Company Technological Services Agreement, pursuant to which, Tractor Research Company agreed to provide the production technology research and development, technological consultation and other technological services in respect of tractor and other agricultural machinery and diesel engine and other power machinery products to the Group.

## **RELATIONSHIP BETWEEN THE PARTIES**

As at the date of this announcement, YTO beneficially owns approximately 48.81% equity interest in the Company and is the immediate controlling shareholder of the Company. Xiyuan Company is a direct wholly-owned subsidiary of YTO. Tractor Research Company is an associate of YTO and a connected subsidiary of the Company under the Listing Rules. Accordingly, each of the members of YTO Group, Xiyuan Company and Tractor Research Company is a connected person of the Company and the transactions contemplated under the 2023 Continuing Connected Transaction Agreements constitute continuing connected transactions of the Company under the Listing Rules.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios for each of the Research and Development Services Agreement, the Product Inspection and Testing as well as Technological Services Agreement and the Tractor Research Company Technological Services Agreement are more than 0.1% but less than 5%, the provision of services under each of the Research and Development Services Agreement, the Product Inspection and Testing as well as Technological Services Agreement and the Tractor Research Company Technological Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **(1) RESEARCH AND DEVELOPMENT SERVICES AGREEMENT**

### **Introduction**

On 20 December 2022, YTO, on behalf of YTO Group, as the purchaser, and the Company, on behalf of the Group, as the supplier, entered into the Research and Development Services Agreement, pursuant to which the Group agreed to provide Research and Development Services to YTO Group.

### **Research and Development Services Agreement**

Details of the principal terms of the Research and Development Services Agreement and its proposed Annual Cap are set out below:

### **Date**

20 December 2022

### **Parties**

- (a) YTO, on behalf of YTO Group, as the purchaser; and
- (b) the Company, on behalf of the Group, as the supplier.

## **Services to be provided**

Pursuant to the Research and Development Services Agreement, the Group agreed to provide the Research and Development Services to YTO Group, including:

- (1) Product research and development: the research and development of agricultural machinery products (including harvesters and agricultural tools and other products) and the relevant production technologies;
- (2) Technological services: technological services in relation to the products of YTO Group;
- (3) Material testing services: metallic materials, inorganic materials, chemical materials and physical flaw detection;
- (4) Calibration services: calibration services provided for material weighing, product testing, technical training, procurement of calibration instrument, assessment of standard instrument, system management, and preparation and revision of calibration standards; and
- (5) Calibration instrument testing services: services including verification, calibration, testing, maintenance and modification for the calibration instruments of YTO Group.

## **Term**

From 1 January 2023 to 31 December 2023.

## **Payment Terms**

The payment under the Research and Development Services Agreement shall be settled in cash and the payment terms shall be specified in each separate contract to be agreed by the parties in accordance with the Research and Development Services Agreement.

## **Pricing Standard for the Transactions under the Research and Development Services Agreement**

Under the Research and Development Services Agreement, the fee of the Research and Development Services shall be determined in the following order:

- (1) the price of non-connected transactions of similar business between the Group and third parties who are independent of the connected parties;
- (2) the price which consists of the reasonable cost of services provided by the Group plus gross profit of comparable unconnected transactions in the same category (including but not limited to those which are the same as or similar to the contents, work period and intellectual property rights in respect of design, research and development or testing projects, etc.); or
- (3) in the event that the above prices are not available or not applicable, the price shall be determined through negotiations by the parties on an arm's length basis.

## **Historical figures and the proposed Annual Cap for the transactions under the Research and Development Services Agreement**

The following table sets out the historical service fees of the Research and Development Services of the Company for the two years ended 31 December 2021 and the eleven months ended 30 November 2022, and the proposed Annual Cap amount for the year ending 31 December 2023 under the Research and Development Services Agreement:

<b>Historical service fee for the year ended 31 December 2020 (audited) RMB'000</b>	<b>Historical service fee for the year ended 31 December 2021 (audited) RMB'000</b>	<b>Historical service fee for the eleven months ended 30 November 2022 (unaudited) RMB'000</b>	<b>Proposed Annual Cap amount for the year ending 31 December 2023 RMB'000</b>
1,760	8,860	3,890	11,000

The Annual Cap amount for the year ending 31 December 2022 has not been fully utilized, which was mainly due to the lower than expected demand on the research and development projects as well as the inspection and testing projects from the Enlarged YTO Group.

### **Basis for the proposed Annual Cap under the Research and Development Services Agreement**

The proposed Annual Cap amount for the year ending 31 December 2023 under the Research and Development Services Agreement was determined with reference to historical service fees for the two years ended 31 December 2021 and the eleven months ended 30 November 2022 as well as the proposed research and development projects, inspection and testing and other business needs of YTO in 2023.

## **(2) PRODUCT INSPECTION AND TESTING AS WELL AS TECHNOLOGICAL SERVICES AGREEMENT**

### **Introduction**

On 20 December 2022, Xiyuan Company, as the supplier, and the Company, on behalf of the Group, as the purchaser, entered into the Product Inspection and Testing as well as Technological Services Agreement, pursuant to which Xiyuan Company agreed to provide the Product Inspection and Testing as well as Technological Services to the Group.

### **Product Inspection and Testing as well as Technological Services Agreement**

Details of the principal terms of the Product Inspection and Testing as well as Technological Services Agreement and its proposed Annual Cap are set out below:

### **Date**

20 December 2022

## **Parties**

- a. Xiyuan Company, as the supplier; and
- b. the Company, on behalf of the Group, as the purchaser.

## **Services to be provided**

According to the Product Inspection and Testing as well as Technological Services Agreement, Xiyuan Company agreed to provide the Product Inspection and Testing as well as Technological Services to the Group, including:

- (1) products-related technological testing services: technical judgement made to the specific targets using instrument and equipment, environmental facilities and based on other technological conditions in accordance with relevant standard or technical norms;
- (2) standardized technological support services: the provision of third-party patent services, experimental verification of standardized technological indicators, standardized information services, guidance on standardized research process, standard publicity implementation and other services; and
- (3) the provision of research and manufacturing services on non-standard equipment such as inspection and testing equipment based on the demands of the Group.

## **Term**

From 1 January 2023 to 31 December 2023.

## **Payment Terms**

Pursuant to the Product Inspection and Testing as well as Technological Services Agreement, the Group shall pay the service fee incurred to Xiyuan Company for entrusting it to provide the abovementioned services, the detailed service fee of which and others shall be agreed in a separate engagement agreement to be entered into by the parties.

## **Pricing Standard for the Transactions under the Product Inspection and Testing as well as Technological Services Agreement**

Under the Product Inspection and Testing as well as Technological Services Agreement, the fee of the Product Inspection and Testing as well as Technological Services shall be determined in the following order:

- (1) the price of non-connected transactions of similar business between Xiyuan Company and independent third parties;
- (2) the price which consists of the reasonable cost of services provided by Xiyuan Company plus gross profit of comparable non-connected transactions; or
- (3) in the event that the above prices are not available or not applicable, the price shall be determined through negotiations by the parties on an arm's length basis.

## **Historical figures and the proposed Annual Cap for the transactions under the Product Inspection and Testing as well as Technological Services Agreement**

The following table sets out the historical service fees of the Product Inspection and Testing as well as Technological Services provided by Xiyuan Company to the Group for the two years ended 31 December 2021 and the eleven months ended 30 November 2022, and the proposed Annual Cap amount for the year ending 31 December 2023 under the Inspection and Testing as well as Technological Services Agreement:

<b>Historical service fee for the year ended 31 December 2020 (audited) RMB'000</b>	<b>Historical service fee for the year ended 31 December 2021 (audited) RMB'000</b>	<b>Historical service fee for the eleven months ended 30 November 2022 (unaudited) RMB'000</b>	<b>Proposed Annual Cap amount for the year ending 31 December 2023 RMB'000</b>
25,670	26,760	30,880	22,000



## **Basis for the proposed Annual Cap under the Product Inspection and Testing as well as Technological Services Agreement**

The proposed Annual Cap for the year ending 31 December 2023 for the Product Inspection and Testing as well as Technological Services Agreement was determined with reference to the historical service fees for the two years ended 31 December 2021 and the eleven months ended 30 November 2022 as well as the Company's related product testing and non-standard equipment business needs in 2023.

### **(3) TRACTOR RESEARCH COMPANY TECHNOLOGICAL SERVICES AGREEMENT**

#### **Introduction**

On 20 December 2022, Tractor Research Company, as the supplier, and the Company, on behalf of the Group, as the purchaser, entered into the Tractor Research Company Technological Services Agreement, pursuant to which, Tractor Research Company agreed to provide the new production technology research and development, technological consultation as well as other technological services in respect of tractor and other agricultural machinery and diesel engine and other power machinery products to the Group.

#### **Tractor Research Company Technological Services Agreement**

Details of the principal terms of the Tractor Research Company Technological Services Agreement and its proposed Annual Cap amount are set out below:

#### **Date**

20 December 2022

#### **Parties**

- (a) Tractor Research Company, as the supplier; and
- (b) the Company, on behalf of the Group, as the purchaser.

## **Services to be provided**

Tractor Research Group agreed to provide the Group with technology research and development, technological consultation and other technological and special services (including testing services) related to the products in relation of tractor and diesel engine.

## **Undertakings by Tractor Research Company**

Tractor Research Company has undertaken:

- (1) to procure that Tractor Research Company will not provide services that are the same as or similar to those under the technological service agreement to other corporate legal persons or institutions whose business is competing with that of the Group; and
- (2) to procure that Tractor Research Company will give priority to the research and development projects of the Group over other third-parties' projects except for the national research or development projects of the Chinese government.

## **Term**

From 1 January 2023 to 31 December 2023.

## **Payment Terms**

Pursuant to the Tractor Research Company Technological Services Agreement, the Group shall pay the research and development fee incurred to Tractor Research Company for provision of the abovementioned services (technology research and development, technological consultation, technological services and special services) as entrusted. Specific project contents, term, acceptance method, amount, etc. shall be agreed in each separate engagement agreement to be entered into by the parties.

## **Derived Intellectual Property**

Unless otherwise agreed by the parties, all intellectual property rights such as patent application rights and proprietary technology use rights of the new production technology developed by Tractor Research Company under the engagement by the Group shall belong to the Group. With the written consent of the Group, Tractor Research Company may use such intellectual property rights free of charge, but shall not transfer or license the right to use such intellectual property rights to other third parties in any way.

For the new production technology developed by Tractor Research Company under the engagement by the Group, if both parties agree that such new production technology and the related intellectual property rights applied for belong to Tractor Research Company, the Group has the permanent right to use the same free of charge.

## **Pricing Standard for the Transactions under the Tractor Research Company Technological Services Agreement**

Under the Tractor Research Company Technological Services Agreement, service fees shall be determined in the following order:

- (1) the price of transactions of similar business between Tractor Research Group and independent third parties;
- (2) the price which consists of the reasonable cost of services provided by Tractor Research Company plus gross profit of comparable non-connected transactions; or
- (3) in the event that the above prices are not available or not applicable, the price shall be determined through negotiations by the parties on an arm's length basis.

**Historical figures and the proposed Annual Cap amount for the transactions under the Tractor Research Company Technological Services Agreement**

The following table sets out the historical service fees for the two years ended 31 December 2021 and the eleven months ended 30 November 2022 under the Tractor Research Company Technological Services Agreement, and the proposed Annual Cap amount for the year ending 31 December 2023 under the Research And Development Services Agreement:

<b>Historical service fee for the year ended 31 December 2020</b> <b>(audited)</b> <i>RMB'000</i>	<b>Historical service fee for the year ended 31 December 2021</b> <b>(audited)</b> <i>RMB'000</i>	<b>Historical service fee for the eleven months ended 30 November 2022</b> <b>(unaudited)</b> <i>RMB'000</i>	<b>Proposed Annual Cap amount for the year ending 31 December 2023</b> <i>RMB'000</i>
71,380	132,670	144,680	200,000

**Basis for the proposed Annual Cap under the Tractor Research Company Technological Services Agreement**

The proposed Annual Cap of the services to be provided under the Technological Services Agreement was determined with reference to the historical transaction amounts and the Group's tractor and diesel engine product research and development and manufacturing upgrade plans for 2023.

## **INTERNAL CONTROL MEASURES**

To ensure that each of the Research and Development Services Agreement, the Product Inspection and Testing as well as Technological Services Agreement and the Tractor Research Company Technological Services Agreement is in conformity with the principle of arm's length transaction, the Company has established relevant internal control measures on the decision-making for and implementation of connected transactions. Such relevant internal control measures on connected transactions are conducted and supervised by the business department, finance department, office of the Board and audit and legal department of the Company:

- (1) the Company having established measures on decision-making for and daily management of connected transactions. The Board of the Company having approved the abovementioned agreements in accordance with the decision-making process of connected transactions;
- (2) the independent directors of the Company having conscientiously performed their duties, and having issued consent opinions on the connected transactions;
- (3) the relevant business department, the office of the Board and the finance department of the Company having reviewed the reasonableness and fairness of the terms of the abovementioned agreements (in particular the pricing terms). Each business unit will have its finance department and related departments review and monitor the prices and related terms proposed for each type of transaction between the Company and independent third parties and connected parties through their participation in the contract evaluation process as it conducts its specific business;
- (4) the internal audit department of the Company and the external auditing firms shall conduct regular supervision and evaluation on whether the connected transactions of the Company have been carried out in accordance with the internal control requirements of the Company; and
- (5) the Company having clearly stated in the management system for connected transactions that when a business unit enters into a specific agreement in accordance with the abovementioned agreements, it must be determined in accordance with the pricing standards and other terms as agreed in the agreement.

The Directors are of the view that the above internal control measures can ensure that the transactions under each of the 2023 Continuing Connected Transaction Agreements will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS UNDER THE VARIOUS AGREEMENTS**

The Company and YTO utilize geographical convenience and leverage their respective resource advantages to carry out business related to daily operations with each other, which is conducive to reducing operating costs and ensuring the normal operation of each other's production and operation. The terms of each agreement on connected transactions are reached by both parties through negotiation and in accordance with the principle of fair transaction, without affecting the independence of the Company and are in the interests of the Company and the Shareholders as a whole.

### **(1) Research and Development Services Agreement**

The businesses of the Group cover the provision of Research and Development Services for YTO Group. The Company has a strong research, manufacture and development capabilities in agricultural machinery products, technological transformation and product quality improvement capabilities in casting and forging products, and capabilities and conditions to provide measurement services and measurement instrument testing services. Provision of such services by the Company to YTO Group will help the Company to give full play to its technological advantages in respect of process research and development and improve the utilization of relevant resources, which is in the interests of the Company and its Shareholders as a whole.

### **(2) Product Inspection and Testing as well as Technological Services Agreement**

Product-related inspection and testing services provided by Xiyuan Company, as a state-authorized independent testing organization and a certified public service platform, to the Group meet the needs of the Company in product manufacturing and marketing.

### **(3) Tractor Research Company Technological Services Agreement**

The Tractor Research Company has strong capability in tractor products research and development. The Group wishes that the Tractor Research Company will continue to provide new production technology research and development and technological services related to tractor products to the Group, and meet the Company's product technology upgrade needs.

## **INFORMATION OF THE GROUP, YTO, YTO GROUP, XIYUAN COMPANY AND TRACTOR RESEARCH COMPANY**

The Group is principally engaged in the production and sale of agricultural machineries and power machineries. The principal products include tractors of hi-powered, mid-powered and low-powered, diesel engines and relevant parts and components.

As at the date of this announcement, YTO is the immediate controlling shareholder of the Company, holding approximately 548,485,853 A Shares of the Company, representing approximately 48.81% of the total issued Shares of the Company. YTO is principally engaged in the production of specific transport machinery, vehicle products and components. China National Machinery Industry Corporation\* (中國機械工業集團有限公司) owns 88.22% interests of YTO, Luoyang State-Owned Assets Operation Company Limited owns the remaining 11.78% interests of YTO.

As at the date of this announcement, Xiyuan Company is a direct wholly-owned subsidiary of YTO, the controlling shareholder of the Company. Xiyuan Company, in the capacity of a state-authorized inspection and testing organization and a certified public service platform, is principally engaged in: the testing and inspection of tractors, three-wheeled vehicles, low-speed trucks, automobiles (including special-purpose vehicles), electric vehicles, construction machineries, internal combustion engines, agricultural machineries, motorcycles, agricultural machineries, transformation machineries and its components; conducting security check on motor vehicles; development, production and sale of agricultural machinery process equipment and test equipment, instruments, new materials and related products; licensed sale of imported equipment and instruments; technical development, consultation, transfer and related services; judicial authentication in the quality of machinery products; land inspection; measurement and calibration of the instrument and equipment.

As at the date of this announcement, Tractor Research Company is a non-wholly owned subsidiary of the Company, and the Company holds 51% equity interest in Tractor Research Company and YTO holds the remaining 49% equity interest in Tractor Research Company. Tractor Research Company is an associate of YTO and a connected subsidiary of the Company under the Listing Rules. Tractor Research Company is a domestic company incorporated in the PRC with limited liability. Its principal activities include research and development as well as inspection and testing of products such as tractors, engines, construction machineries and agricultural transporters; research and development of equipment as well as technology development, transfer, consultancy services and sales.

## **LISTING RULES IMPLICATIONS**

### **(1) Research and Development Services Agreement**

As at the date of this announcement, YTO beneficially owns approximately 48.81% equity interest in the Company and is the immediate controlling shareholder of the Company. Accordingly, YTO is a connected person of the Company and the transactions contemplated under the Research and Development Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios for the Research and Development Services Agreement are more than 0.1% but less than 5%, the provision of services under the Research and Development Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

### **(2) Product Inspection and Testing as well as Technological Services Agreement**

As at the date of this announcement, YTO beneficially owns approximately 48.81% equity interest in the Company and is the immediate controlling shareholder of the Company. Xiyuan Company is a direct wholly-owned subsidiary of YTO. As such, Xiyuan Company is a connected person of the Company, and the transactions contemplated under the Product Inspection and Testing as well as Technological Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.



As the applicable percentage ratios for the Product Inspection and Testing as well as Technological Services Agreement are more than 0.1% but less than 5%, the provision of services under the Product Inspection and Testing as well as Technological Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules.

### **(3) Tractor Research Company Technological Services Agreement**

As at the date of this announcement, YTO beneficially owns approximately 48.81% equity interest in the Company and is the immediate controlling shareholder of the Company. Tractor Research Company is an associate of YTO and a connected subsidiary of the Company under the Listing Rules. As such, the transactions contemplated under the Product Inspection and Testing as well as Technological Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios for the Tractor Research Company Technological Services Agreement are more than 0.1% but less than 5%, the provision of services under the Tractor Research Company Technological Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BOARD'S CONFIRMATION**

The 2023 Continuing Connected Transaction Agreements and the transactions contemplated thereunder have been approved by the Board. Liu Jiguo, Fang Xianfa, Zhang Zhiyu and Zhang Bin, all being Directors, have abstained from voting at the Board meeting, as they are connected to YTO and (if applicable) Xiyuan Company.

The terms of each of the 2023 Continuing Connected Transaction Agreements were determined after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) consider that the terms of each of the 2023 Continuing Connected Transaction Agreements are on normal commercial terms and in the usual course of business of the Group, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“2023 Continuing Connected Transaction Agreements”	collectively, the Research and Development Services Agreement, the Product Inspection and Testing as well as Technological Services Agreement and the Tractor Research Company Technological Services Agreement;
“Annual Cap”	the maximum aggregate annual amount payable to or, as the case may be, receivable by the Group for the transactions under each of the Research and Development Services Agreement, the Product Inspection and Testing as well as Technological Services Agreement and the Tractor Research Company Technological Services Agreement;
“Board”	the board of Directors;
“Company”	First Tractor Company Limited* (第一拖拉機股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H Shares and A Shares of which are listed on the main board of the Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038) respectively;
“connected person(s)”	has the same meaning as ascribed to this term under the Listing Rules;
“connected subsidiary(ies)”	(i) non wholly-owned subsidiary(ies) of the Company that YTO and/or its controlling companies or entities, individually or together, can exercise 10% or more of the voting rights at general meeting of such subsidiary(ies) (such 10% excludes any indirect interest in the subsidiary(ies) which is/are held by YTO and/or its controlling companies or entities through the Company) and (ii) any subsidiary of a non wholly-owned subsidiary referred to in (i) above;

“controlling shareholder(s)”	has the same meaning as ascribed to this term under the Listing Rules;
“Director(s)”	the director(s) of the Company, including the independent non-executive directors;
“Enlarged YTO Group”	(i) YTO Group; (ii) the associates of YTO Group; and (iii) the connected subsidiaries;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong of the PRC;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“percentage ratio(s)”	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction;
“Product Inspection and Testing as well as Technological Services”	the corporate products-related technological inspection and testing services and patent services, standardized technological support services and research and development services on non-standard equipment such as inspection and testing equipment under the Product Inspection and Testing as well as Technological Services Agreement;
“Product Inspection and Testing as well as Technological Services Agreement”	the agreement dated 20 December 2022 entered into between Xiyuan Company, as the supplier, and the Company, on behalf of the Group, as the purchaser, pursuant to which Xiyuan Company agreed to provide the Product Inspection and Testing as well as Research and Development Services on non-standard equipment to the Group;

“Research and Development Services”	the product research and development, process technological services, material testing services, calibration services and calibration instrument testing services under the Research and Development Services Agreement;
“Research and Development Services Agreement”	the agreement dated 20 December 2022 entered into between YTO, on behalf of YTO Group, as the purchaser, and the Company, on behalf of the Group, as the supplier, pursuant to which the Group agreed to provide the Research and Development Services to YTO Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Share(s)”	share(s) of RMB1.00 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tractor Research Company”	Luoyang Tractors Research Institute Company Limited* (洛陽拖拉機研究所有限公司), a company incorporated in the PRC with limited liability, which is an associate of YTO and a connected subsidiary of the Company under the Listing Rules;
”Tractor Research Company Technological Services Agreement”	the technological services agreement dated 20 December 2022 entered into between the Company, on behalf of the Group, as the purchaser, and Tractor Research Company, as the supplier, pursuant to which Tractor Research Company agreed to provide the new production technology research and development as well as technological services in respect of tractor products to the Group;
“Xiyuan Company”	Luoyang Xiyuan Vehicle and Power Inspection Institute Co., Ltd.* (洛陽西苑車輛與動力檢驗所有限公司), a company established in the PRC with limited liability, which is a direct wholly-owned subsidiary of YTO;

“YTO”	YTO Group Corporation* (中國一拖集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of the Company, holding approximately 48.81% equity interest in the Company;
“YTO Group”	YTO and its subsidiaries (other than the Group); and
“%”	per cent.

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

Luoyang, the PRC  
20 December 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. 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*