



FIRST TRACTOR COMPANY LIMITED

第一拖拉機股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0038)

ANNOUNCEMENT

DISCLOSURE PURSUANT TO RULES 13.13 & 13.16 OF THE LISTING RULES

The Board announces that as at 30th September 2004, First Tractor Finance had provided certain financial assistance and advances to entities and/or affiliated companies of the Group exceeding 8% of the consolidated net profit before tax of the Group as at 31st December 2003. This announcement is made pursuant to the general disclosure obligations under Rules 13.13 and 13.16 of the Listing Rules to disclose the relevant information.

This announcement is made pursuant to the general disclosure obligations under Rules 13.13 and 13.16 of the Listing Rules.

FINANCIAL ASSISTANCE AND ADVANCES TO ENTITIES AND/OR AFFILIATED COMPANIES OF THE GROUP

First Tractor Finance is a non-wholly owned subsidiary of the Company which is a non-banking financial institution approved by The People's Bank of China and is principally engaged in providing financial services, including loan-making, deposit taking, bills-discounting, finance lease, bills acceptance, guarantee and designated loan to China Yituo Group and the Group. As at 30 September 2004, First Tractor Finance had provided certain financial assistance and advances to entities and/or affiliated companies of the Group exceeding 8% of the consolidated net profit before tax of the Group as at 31st December 2003.

(A) Disclosure under Rule 13.13 of the Listing Rules:

The details of relevant advances to entities provided by First Tractor Finance as at 30 September 2004 for the purpose of Rule 13.13 of the Listing Rules were as follows:

Entities	Date of Loan Agreement	Advances as at 30 September 2004		Interest rate per annum	Maturity Date	Note
		RMB (Million)				
China Yituo	28 January 2003	19		5.49%	28 January 2006	1
	7 November 2003	20		5.49%	7 November 2006	2
	7 January 2004	20		5.49%	7 January 2006	1
	7 January 2004	14		5.49%	7 January 2006	1
	21 July 2004	15		5.49%	21 July 2007	2
	30 July 2004	20		5.49%	30 July 2007	2
	9 September 2004	25		5.49%	9 September 2007	1
	10 September 2004	25		5.49%	10 September 2007	1
	21 September 2004	30		5.49%	21 September 2006	3
		<u>188</u>				
Dongfanghong (Luoyang) Zi Ye Company Limited (東方紅(洛陽)置業有限公司)	10 September 2004	7		5.841%	10 March 2005	4
		<u>7</u>				
Yituo Dongfang	22 December 2003	3		5.5756%	22 December 2004	5
	8 March 2004	5		5.841%	8 March 2005	5
	10 June 2004	30		5.841%	10 June 2005	5
	18 June 2004	5		5.841%	18 June 2005	5
	12 July 2004	3		5.841%	12 July 2005	5
	12 July 2004	15		5.841%	12 July 2005	5
		<u>61</u>				
Yituo (Luoyang) Vehicles Company Limited (一拖(洛陽)車輛有限公司)	31 August 2004	1.75		5.544%	28 February 2005	6
	31 August 2004	1.75		5.841%	31 May 2005	6
	31 August 2004	1.5		5.544%	30 November 2004	6
		<u>5</u>				
China Yituo (Luoyang) Central Hospital (一拖集團(洛陽)中心醫院)	19 April 2004	5		6.039%	19 April 2005	7
	14 July 2004	6		6.039%	14 July 2006	8
		<u>11</u>				

Notes:

- These advances represent loans to China Yituo as working capital and are unsecured, due on the maturity date, and guaranteed by Yituo Diesel. As at the date of this announcement, no advances had been due or repaid.
- These advances represent loans to China Yituo as working capital and are unsecured, due on the maturity date, and guaranteed by YIET. As at the date of this announcement, no advances had been due or repaid.
- These advances represent loans to China Yituo as working capital and are unsecured, due on the maturity date, and guaranteed by Yituo (Luoyang) Casting & Forging Company Limited (一拖(洛陽)鑄鍛有限公司), which is owned as to 25% by the Company, 50% by China Yituo and 25% by an Independent Third Party. As at the date of this announcement, no advances had been due or repaid.

- The advance represents a loan to Dongfanghong (Luoyang) Zi Ye Company Limited (東方紅(洛陽)置業有限公司), which is owned as to 89% by China Yituo and 11% by YIET, as working capital and are unsecured, due on the maturity date, and guaranteed by China Yituo. As at the date of this announcement, no advances had been due or repaid.
- These advances represent loans to Yituo Dongfang as working capital and are unsecured, due on the maturity date, and guaranteed by China Yituo. As at the date of this announcement, no advances had been due or repaid.
- These advances represent loans to Yituo (Luoyang) Vehicles Company Limited (一拖(洛陽)車輛有限公司), which is owned as to 10% by China Yituo and 90% by Independent Third Party, as working capital and are unsecured, due on the maturity date, and guaranteed by Luoyang Hua Lun Tractors Construction Company Limited (洛陽華倫拖拉機製造有限公司), an Independent Third Party. As at the date of this announcement, no advances had been due or repaid.
- The advance represents a loan to China Yituo (Luoyang) Central Hospital (一拖集團(洛陽)中心醫院), an Independent Third Party, as working capital and is unsecured, due on the maturity date, and guaranteed by Yituo Properties Management Company Limited (一拖物業管理有限公司), an Independent Third Party. As at the date of this announcement, no advances had been due or repaid.
- The advance represents a loan to China Yituo (Luoyang) Central Hospital (一拖集團(洛陽)中心醫院), an Independent Third Party, as working capital and is unsecured, due on the maturity date, and guaranteed by China Yituo. As at the date of this announcement, no advances had been due or repaid.

The Company will comply with the continuing disclosure obligations under Rule 13.20 of the Listing Rules in relation to the above advances to entities in the subsequent interim and annual reports if the circumstances giving rise to such disclosure obligations continue to exist at the interim period and/or annual financial year end.

(B) Disclosure under Rule 13.16 of the Listing Rules:

The details of relevant advances to the affiliated companies of the Group provided by First Tractor Finance as at 30 September 2004 for the purpose of Rule 13.16 of the Listing Rules were as follows:

Entities	Group's Direct Interest	Date of Loan Agreement	Advances as at 30 September 2004		Interest rate per annum	Maturity Date	Notes
			RMB (Million)				
Yituo (Luoyang) Casting & Forging Company Limited (一拖(洛陽)鑄鍛有限公司)	25%	20 July 2004	1		5.841%	20 July 2005	1
		28 July 2004	4		5.544%	28 January 2005	1
		26 August 2004	4		5.841%	26 August 2005	1
		28 September 2004	0.9		5.841%	28 September 2005	1
			<u>9.9</u>				
Yituo (Luoyang) Engine Machinery Company Limited (一拖(洛陽)動力機械有限公司)	42%	5 April 2004	6		5.841%	5 April 2005	2
		19 May 2004	4		5.841%	19 May 2005	2
			<u>10</u>				

Notes:

- These advances represent loans to Yituo (Luoyang) Casting & Forging Company Limited (一拖(洛陽)鑄鍛有限公司) as working capital and are unsecured, due on the maturity date, and guaranteed by China Yituo. As at the date of this announcement, no advances had been due or repaid.
- These advances represent loans to Yituo (Luoyang) Engine Machinery Company Limited (一拖(洛陽)動力機械有限公司) as working capital and are unsecured, due on the maturity date, and guaranteed by Yituo Diesel. As at the date of this announcement, no advances had been due or repaid.

The Group does not have any capital injection commitment to the affiliated companies of the Group.

The Company will comply with the continuing disclosure obligations under Rule 13.22 of the Listing Rules in relation to the above advances to the affiliated companies of the Group in the subsequent interim and annual reports if the circumstances giving rise to such disclosure obligations continue to exist at the interim period and/or annual financial year end.

Save for the above disclosure, the Board confirms that there are no other general disclosure obligations under Rules 13.13 to 13.19 of the Listing Rules as at the date of this announcement.

DEFINITIONS

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

"Board"	the board of Directors
"Brilliance China"	Brilliance China Machinery Holdings Limited (華晨中國機械控股有限公司), a Bermuda incorporated company with limited liability and is owned as to approximately 90.1% by the Company, approximately 9.9% by Brilliance China Holdings Ltd. and one share is owned by Mr. Yang Rong, both of which are not connected persons (as defined under the Listing Rules) of the Company



FIRST TRACTOR COMPANY LIMITED

第一拖拉機股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0038)

ANNOUNCEMENT

DISCLOSURE PURSUANT TO RULES 13.13 & 13.16 OF THE LISTING RULES

“China Yituo”	China Yituo Group Corporation Limited (中國一拖集團有限公司), a PRC company with limited liability, the controlling shareholder and holding company of the Company, holding approximately 57.32% of the equity interests of the Company
“China Yituo Group”	China Yituo and its subsidiaries/controlled companies or entities and for the purpose of this announcement exclude the Group
“Company”	First Tractor Company Limited (第一拖拉機股份有限公司), a joint stock limited company incorporated under the PRC Company Law
“Director(s)”	director(s) of the Company
“First Tractor Finance”	China First Tractor Group Finance Co., Ltd. (中國一拖集團財務有限責任公司), a subsidiary of the Company since it was acquired on 14 June 2002, which is owned as to approximately 79.67% by the Company, 10% by Yituo Building, 1.33% by Yituo Dongfang, 1% by YIET, 7% by Yituo Diesel and 1% by China Yituo
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are independent of and not connected with the Company and any of the directors, chief executives, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC”	the People's Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	state-owned legal person shares and H shares of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yituo Building”	Yituo (Luoyang) Building Machinery Co., Ltd. (一拖(洛陽)建築機械有限公司), a company established in the PRC and is owned as to 49% by the Company and as to 51% by Brilliance China
“Yituo Diesel”	Yituo (Luoyang) Diesel Co., Ltd. (一拖(洛陽)柴油機有限公司), a company established in the PRC and is owned as to 75% by China Yituo Group and 25% by Brilliance China
“Yituo Dongfang”	Luoyang Yituo Dongfang Industrial Company Limited (洛陽一拖東方實業公司), a company established in the PRC and is owned as to 94.9% and 5.1% by Yituo Dongfang Industry Company Limited — Staff Union Committee (中國第一拖拉機工程機械有限公司東方實業公司工會委員會) and 20 individuals, respectively, all of which are not connected persons (as defined in the Listing Rules) of the Company
“YIET”	Yituo International Economic and Trade Company Limited (一拖國際經濟貿易有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of China Yituo
“%”	per cent.

By Order of the Board of
First Tractor Company Limited
Zhang Guo Long
Company Secretary

Luoyang, Henan Province, the PRC, 2 November 2004

As at the date of this announcement, the Board comprises ten executive Directors, namely Mr. Liu Da Gong, Mr. Liu Wen Ying, Mr. Shao Hai Chen, Mr. Li Teng Jiao, Mr. Zhao Yan Shui, Mr. Zhang Jing, Mr. Liu Shuang Cheng, Mr. Yan Lin Jiao, Mr. Zhao Fei and Mr. Li You Ji and four independent non-executive Directors, namely Mr. Lu Zhong Min, Mr. Tao Xiang, Mr. Chen Zhi and Mr. Chan Sau Shan, Gary.