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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)

OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT IN RESPECT OF UNUSUAL MOVEMENT
IN TRADING OF A SHARES

This announcement is made by First Tractor Company Limited (the “Company” or “First Tractor”) pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

I. DETAILS OF UNUSUAL MOVEMENT IN TRADING OF A SHARES

The deviation value of the increase in the closing prices of the A Shares of the Company accumulated more than 20% in three consecutive trading days namely, 22 July 2020, 23 July 2020 and 24 July 2020. According to the relevant requirements of Trading Rules of the Shanghai Stock Exchange, this situation constitutes unusual movement in the trading of the Shares.

II. RELEVANT ISSUES CONCERNED AND VERIFIED BY THE COMPANY

(I) Production and operation

In the first half of 2020, the tractor industry has shown a trend of recovery supported by a series of national policies to benefit farmers and policies to accelerate the development of agriculture and agricultural mechanization. Facing the impact of the COVID-19 pandemic, the Company has spared no effort to accelerate the resumption of operation and production and seize market opportunities, and thereby the sales volume of major products has a relatively large increase in the first half of the year as compared with the corresponding period last year. Meanwhile, the Company continued to

strengthen its internal management, achieving remarkable results in control of costs and expenditure. For details, please refer to the Announcement on Estimated Increase in Results for the Half Year of 2020 of First Tractor published by the Company as at the same date of this announcement on the website of the Shanghai Stock Exchange, China Securities Journal, Shanghai Securities News and the website of the Hong Kong Stock Exchange.

(II) Significant events

Save for the matters pertaining to the non-public issuance of A shares which are being implemented by the Company, after self-review and checking with YTO Group Corporation, the controlling shareholder of the Company, and China National Machinery Industry Corporation (中國機械工業集團有限公司), the de facto controller of the Company, the Company confirmed that there was no significant matter about the Company which should be disclosed but have not yet been disclosed, including but not limited to material assets reorganization, acquisitions by listed companies, debt restructuring, asset stripping and asset investment, etc, as at the disclosure date of this announcement.

(III) Upon self-review and verification, the Company did not identify any other major events that were likely to cause significant impact on the share price of the Company.

III. DECLARATIONS AND UNDERTAKINGS OF THE BOARD

Save for the disclosable matter as referred to in the above-mentioned Part II, the Board of the Company confirms that the Company has no other significant event or relevant planning and intention of such significant event which should be disclosed pursuant to the relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange but has not yet been disclosed. The Board is not aware of any information, which should be disclosed pursuant to the relevant rules including the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange but have not yet been disclosed and has relatively substantial impact on the trading price of the Shares of the Company.

IV. RISK WARNING

China Securities Journal, Shanghai Securities News, the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) are the designated media for information disclosure of the Company, information published by the Company on such media shall prevail and be official. Investors are advised to make rational investments and pay attention to investment risks.

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

Luoyang, the PRC
24 July 2020

As at the date of this announcement, the Board comprises Mr. Li Xiaoyu (Chairman), Mr. Cai Jibo (vice Chairman) and Mr. Liu Jiguo as executive Directors; Mr. Li Hepeng, Mr. Xie Donggang and Mr. Zhou Honghai as non-executive Directors; and Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit as independent non-executive Directors.

* *For identification purposes only*