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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)

ANNOUNCEMENT ON CLOSING OF DESIGNATED ACCOUNT FOR FUNDS RAISED FROM NON-PUBLIC ISSUANCE

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

I. BASIC INFORMATION ON THE RAISED FUNDS

As approved by the China Securities Regulatory Commission in the “Approval in relation to the Non-public Issuance of Shares by First Tractor Company Limited (Zheng Jian Xu Ke [2020] No. 3379) (《關於核准第一拖拉機股份有限公司非公開發行股票的批覆》(證監許可[2020] 3379 號))”, the Company has conducted non-public issuance of 137,795,275 RMB ordinary Shares (A Shares) with a par value of RMB1 each at an issue price of RMB5.08 per Share. The total amount of funds raised was RMB699,999,997. After deducting various issuance expenses, the actual net amount of the funds raised was RMB694,178,644.67. On 25 January 2021, such raised funds were fully transferred to the designated account of the Company for the funds raised. Asia Pacific (Group) Certified Public Accountants LLP (Special General Partnership) (亞太(集團)會計師事務所(特殊普通合夥)) has issued the Capital Verification Report (Ya Kuai Yan Zi (2021) No. 01210002) (亞會驗字(2021)第01210002號) in respect of the receipt of the funds raised from the non-public issuance of the Company.

II. INFORMATION ON DEPOSIT AND MANAGEMENT OF RAISED FUNDS

In order to regulate the management and use of the raised funds of the Company, and to protect the legitimate interests of the investors, in accordance with the requirements under the No. 2 Regulatory Guidance on Listed Companies – Regulatory Requirements for Management and Use of Raised Funds of Listed Companies (《上市公司監管指引第2號–上市公司募集資金管理和使用的監管要求》), the Administrative Measures for Funds Raised by Companies

Listed on the Shanghai Stock Exchange (Revised in 2013) (《上海證券交易所上市公司募集資金管理辦法(2013年修訂)》), the Management System for the Use of Raised Funds (《募集資金使用管理制度》) of the Company and other relevant documents, the Company has opened a designated account for the funds raised from the non-public issuance at China Everbright Bank Company Limited Luoyang Xiyuan Road Sub-branch, and the Company, CITIC Securities Co., Ltd. and China Everbright Bank Company Limited Zhengzhou Branch entered into the Tripartite Custody Agreement relating to the Raised Funds, for details of which, please refer to the Announcement of First Tractor Company Limited in relation to the Entering Into of the Tripartite Custody Agreement on the Funds Raised from the Non-public Issuance of A Shares published by the Company on the website of the Shanghai Stock Exchange on 28 January 2021. The information in relation to the opening of the account for funds raised is as follows:

Account name	Bank name	Bank account No.
First Tractor Company Limited	China Everbright Bank Company Limited Luoyang Xiyuan Road Sub-branch	53760188000042559

III. INFORMATION ON CLOSING OF DESIGNATED ACCOUNT FOR FUNDS RAISED

Given that all funds raised from the non-public issuance of the Company were used to replenish the working capital in line with the intended use of proceeds, the designated account for funds raised will cease to be used. As at the date of this announcement, the Company has completed the procedures for closing the designated account for funds raised, and the Tripartite Custody Agreement relating to the Raised Funds entered into between the Company and the sponsor and the bank was terminated accordingly.

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

Luoyang, the PRC
22 March 2021

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