FIRST TRACTOR COMPANY LIMITED
WORKING RULES FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

September 2025

CHAPTER 1 GENERAL PROVISIONS

Article 1 To further improve the corporate governance structure of First Tractor Company Limited (the "Company"), strengthen the decision-making function of the Board of Directors, and protect the legitimate rights and interests of investors, the Board of Directors has established an Audit Committee. These Working Rules are formulated in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Shanghai Stock Exchange Listing Rules, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Standardised Operation, the Administrative Measures for Independent Directors of Listed Companies, the Articles of Association of First Tractor Company Limited (the "Articles of Association") and other relevant provisions.

Article 2 The Audit Committee of the Board of Directors is a specialised working body under the Board of Directors. The Audit Committee is responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal controls, as well as other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the Company's listing venues and the Articles of Association.

CHAPTER 2 COMPOSITION

Article 3 The Audit Committee shall be composed of three members, who shall be directors not serving as senior management of the Company. Members shall possess the professional knowledge, work experience, and high standards of professional ethics necessary to discharge their duties competently, and shall devote sufficient time and attention to performing the responsibilities of the Committee. All members of the Audit Committee are existing non-executive directors of the Company, with a majority being independent non-executive directors. Among them, at least one shall be an independent non-executive director possessing appropriate accounting or related financial management expertise as required under Rule 3.10(2) of the Hong Kong Listing Rules.

A former partner of the auditing firm currently responsible for auditing the Company's accounts shall not serve as a member of the Company's Audit Committee for a period of two years from whichever is the later of the following dates:

(a) the date on which such person ceased to be a partner of such firm; or

(b) the date on which such person ceased to have any financial interest in such firm.

Article 4 Members of the Audit Committee shall be nominated by the Chairman, half of the independent Directors or more than one-third of the Directors, and appointed by the Board of Directors.

Article 5 The Audit Committee shall have one Chairman, who shall be an independent Director and shall be an accounting professional. The Chairman shall be responsible for convening and presiding over the work of the Audit Committee.

Article 6 The term of office of the Audit Committee shall be consistent with that of the Directors. Members may be re-elected and re-appointed upon expiry of their terms of office, but independent Director members shall not serve consecutively for more than six years. If any Director ceases to serve as a Director of the Company during such period, such person shall automatically lose qualification as a member, and the Board of Directors shall determine the new candidate in accordance with Articles 3 to 5 of these Working Rules.

Article 7 Members of the Audit Committee may submit written resignation reports to the Board of Directors before the expiry of their terms of office, but any circumstances related to their resignation or which they consider necessary to bring to the attention of the Company's Board of Directors and shareholders shall be stated in the resignation reports.

If the resignation of an independent Director would result in the proportion of independent Directors on the Audit Committee of the Board of Directors not complying with the provisions of these Working Rules, or if there would be a lack of accounting professionals among the independent Directors, the independent Director intending to resign shall continue to perform duties until the date when a new independent Director is appointed. The Company shall complete the by-election within sixty days from the date the independent Director submits the resignation.

CHAPTER 3 TERMS OF REFERENCE

Article 8 The primary duties and powers of the Audit Committee are to act in the best interests of the Company and its shareholders using professional judgement, with specific work including:

(1) Supervising and evaluating external audit work, and proposing the appointment or replacement of external auditing firms;

(2) Supervising and evaluating internal audit work, and coordinating between internal and external audits;

(3) Reviewing the Company's financial information and its disclosure;

(4) Supervising and evaluating the Company's internal controls;

(5) Making recommendations to the Board regarding the appointment, reappointment and removal of external auditors (i.e. external auditing firms), approving the remuneration and terms of engagement of external auditors, and dealing with any questions of resignation or dismissal of auditors.

(6) Reviewing and monitoring the auditors' independence and objectivity and the effectiveness of the due diligence and audit process in accordance with applicable standards; discussing with auditors the nature, scope, plan and methodologies of the audit and reporting obligations before the audit commences.

(7) Developing and implementing policy on engaging external auditors to provide non-audit services. The Audit Committee shall report to the Board and make recommendations on any matters for which action or improvement is needed.

(8) Reviewing the external auditors' management recommendation to the management and any material queries raised by auditors to the management regarding accounting records, financial accounts or systems of control and the management's response; ensuring the Board will provide a timely response to the issues raised in the external auditors' management recommendation to the management.

(9) Monitoring the completeness of the Company's financial statements and annual reports and accounts, interim reports and quarterly reports through the audit report by the external auditors, and reviewing significant accounting and audit issues regarding financial reporting set out in the statements and reports, following up with the progress of the handling and making recommendations or reporting to the Board. The Audit Committee shall review such statements, reports and accounts before submission to the Board, focusing their review particularly on the following matters:

1. any changes in accounting policies and practices;

2. major judgmental areas;

3. significant adjustments resulting from audit;

4. the going concern assumptions and any qualifications;

5. compliance with accounting standards; and

6. compliance with the Hong Kong Listing Rules and other legal requirements for financial reporting.

(10) For the purpose of item (9) above: (1) members of the Audit Committee shall liaise with the Board and senior management of the Company. The Audit Committee must meet with the Company's auditors at least twice each year; (2) the Audit Committee shall consider any significant or unusual matters that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, the monitoring function or auditors.

(11) Listening to internal audit reports, reviewing the Company's financial and accounting policies and practices; supervising the Company's internal audit system and its implementation; reviewing the Company's financial controls, risk management and internal control systems.

(12) Discussing with management the risk management and internal control systems to ensure that management has discharged its duty to have an effective system. This discussion should include the adequacy of resources, staff qualifications and experience of the Company's accounting and financial reporting function, and the adequacy of the training programmes taken by the staff and such budget.

(13) Reviewing the Company's internal control self-assessment report and the internal control audit report issued by external auditing firms, assessing the results of internal control evaluation and audit, and supervising the rectification of internal control deficiencies.

(14) Studying the major investigation findings on risk management and internal control matters and management's response to such investigation findings on its own initiative or as delegated by the Board.

(15) Paying attention to the communication on relevant matters between the Company's finance and audit department, internal audit department and external auditors to ensure that the work of internal and external auditors is coordinated, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness.

(16) Reviewing the Group's financial and accounting policies and practices.

(17) Reporting to the Board on the matters set out in these Working Rules and handling other matters authorised by the Board.

(18) Considering other topics as defined by the Board.

(19) Reviewing the following arrangements set by the Company: staff of the Company may, in confidence, raise concerns about possible wrongdoings in financial reporting, internal control or other matters. The Audit Committee shall ensure that proper arrangements are in place for the Company to conduct fair and independent investigations into such matters and take appropriate follow-up action.

The Audit Committee may also establish a whistle-blowing policy and system for employees and those who deal with the Company (such as customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible wrongdoings in any matter related to the Company;

(20) Acting as the key representative between the Company and the external auditors, responsible for overseeing the relationship between the two parties.

(21) Exercising the powers of the supervisory committee as prescribed by the Company Law:

1. examining the Company's finances;

2. supervising the performance of duties by Directors and senior management, and proposing the removal of Directors and senior management who violate laws, administrative regulations, the Articles of Association of the Company or resolutions from the general meetings;

3. requiring Directors and senior management to rectify their conduct when such conduct damages the Company's interests;

4. proposing the convening of extraordinary general meetings, and convening and presiding over general meetings when the Board fails to discharge its duties of convening and presiding over general meetings;

5. submitting resolutions to general meetings;

6. initiating litigation against Directors and senior management in accordance with Article 189 of the Company Law;

7. conducting investigations when there are unusual circumstances found in the operation of the Company; when necessary, appointing accounting firms, law firms and other professional institutions to assist in the work, with expenses borne by the Company;

8. other powers stipulated by laws and regulations, provisions of the China Securities Regulatory Commission, and relevant provisions of the Shanghai Stock Exchange.

(22) Being responsible for matters stipulated by laws and regulations, listing rules of the Company's stock listing venues, as well as other matters stipulated in the Articles of Association of the Company and authorised by the Board.

Article 9 The Audit Committee of the Board of Directors shall review the Company's financial and accounting reports, provide opinions on the truthfulness, accuracy and completeness of financial and accounting reports, focus on significant accounting and audit issues in the Company's financial and accounting reports, particularly whether there is potential for fraud, irregularities and material misstatements related to financial and accounting reports, and supervise the rectification of financial and accounting report issues.

The Audit Committee shall make recommendations to the Board regarding the appointment or replacement of external auditing firms and review the audit fees and terms of appointment of external auditing firms, without being subject to improper influence from the Company's substantial shareholders, de facto controllers, Directors or senior management.

The Audit Committee shall urge external auditing firms to be honest and trustworthy, diligent and responsible, strictly comply with operation rules and industry self-regulatory standards, strictly implement internal control systems, verify and validate the Company's financial and accounting reports, perform special duty of care, and prudently express professional opinions.

Article 10 The Audit Committee of the Board of Directors shall supervise and evaluate internal audit work and perform the following duties:

(1) Guiding and supervising the establishment and implementation of internal audit systems;

(2) Reviewing the Company's annual internal audit work plan;

(3) Supervising the implementation of the Company's internal audit plan;

(4) Guiding the effective operation of the internal audit department. The Company's internal audit department shall report its work to the Audit Committee, and various audit reports, audit issue rectification plans and rectification status submitted by the internal audit department to management shall be simultaneously submitted to the Audit Committee;

(5) Reporting to the Board on the progress and quality of internal audit work and significant issues discovered;

(6) Coordinating relationships between the internal audit department and external audit units such as accounting firms and national audit institutions.

Article 11 Unless otherwise provided by laws and regulations, the Audit Committee of the Board of Directors shall supervise the internal audit department to conduct inspections of the following matters at least once every six months, issue inspection reports and submit them to the Audit Committee.

(1) Implementation of the Company's major events such as use of raised funds, provision of guarantees, connected transactions, securities investment and derivative transactions, provision of financial assistance, purchase or sale of assets, and external investments;

(2) The Company's large-amount fund transactions and the fund transactions with Directors, senior management, controlling shareholders, de factor controllers and their associates.

The Audit Committee shall issue written assessment opinions on the effectiveness of the Company's internal controls based on internal audit reports and relevant information submitted by the internal audit department and report to the Board.

Article 12 The Audit Committee is accountable to the Board of Directors. Resolutions of the Audit Committee shall be submitted to the Board for consierdation and approval.

CHAPTER 4 WORKING PROCEDURES

Article 13 The Audit Committee may require senior management including the general manager to report work directly to the Audit Committee or accept work inquiries. When necessary, the Audit Committee may hold separate meetings with management, the internal audit department and external auditing firms and submit meeting minutes to the Board.

Article 14 The Company shall provide necessary working conditions for the Audit Committee of the Board of Directors and assign dedicated personnel or bodies to undertake the Audit Committee's daily work such as work liaison, meeting organisation, material preparation and file management. When the Audit Committee performs its duties, the Company's management and relevant departments shall provide cooperation.

The Company's management and relevant departments such as finance and internal audit shall be responsible for providing the Audit Committee with materials regarding the Company:

(1) Resolution materials related to the Audit Committee's duties prepared for submission to the Board for deliberation;

(2) The Company's relevant financial reports;

(3) Work reports of the internal audit department;

(4) External audit contracts and related work reports;

(5) Financial information disclosed by the Company to the public;

(6) The Company's major connected transaction audit reports;

(7) Risk management and internal control reports;

(8) Other relevant matters.

Article 15 Within 30 days after the end of each accounting year, the Audit Committee shall coordinate with the Company's auditors to determine the time schedule for the current year's financial report audit. The Audit Committee shall strengthen communication with auditors after they are engaged and review again the Company's financial accounting statements after they issue preliminary audit opinions to form written opinions.

CHAPTER 5 RULES OF PROCEDURE

Article 16 The Audit Committee shall convene regular meetings at least once per quarter. The Audit Committee may convene extraordinary meetings as needed. When two or more members propose or when the Chairman of the Audit Committee considers it necessary, extraordinary meetings may be convened.

The Audit Committee shall convene at least one meeting per year without management participation.

Article 17 When the Audit Committee convenes meetings, all members should in principle be notified three days before the meeting with relevant materials and information provided. In urgent circumstances, after confirming that notice has been served on all members, extraordinary meetings may be convened without being subject to the aforementioned meeting notice time limitations.

Article 18 Audit Committee meetings shall only be held with attendance by no fewer than two-thirds of the members. Meetings shall be chaired by the Committee Chairman. If the Committee Chairman cannot attend, he/she may authorise another member (independent Director) to chair the meeting.

Article 19 The following matters of the Audit Committee shall only be passed by a majority of all members before submission to the Board for consideration:

(1) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) Appointment or dismissal of accounting firms undertaking the Company's audit business;

(3) Appointment or dismissal of the Company's Chief Financial Officer;

(4) Changes in accounting policies, accounting estimates or major accounting error corrections for reasons other than changes in accounting standards;

(5) Other matters stipulated by laws, administrative regulations, CSRC provisions and the Articles of Association.

For the Company's engagement or replacement of external auditing firms, the Audit Committee of the Board of Directors shall form consideration opinions and make recommendations to the Board before the Board may consider related resolutions.

Article 20 Audit Committee meetings shall in principle be held by means of on-site meeting. When necessary and ensuring that all participating members can fully communicate and express opinions, meetings may be held via video, telephone or other means in accordance with procedures.

Audit Committee members shall attend Audit Committee meetings in person and express clear opinions on reviewed matters. Those unable to attend meetings in person shall review meeting materials in advance, form clear opinions and record such opinions in authorisation letters, and authorise other members in writing to attend on their behalf. Each Audit Committee member may accept authorisation from at most one member, and authorisation letters must specify the scope and duration of authorisation. Independent Director members unable to attend meetings shall authorise other independent Director members on the Audit Committee to attend on their behalf.

Audit Committee meeting voting shall be conducted by show of hands or written ballot; Each member has one vote; resolutions proposed at the meetings must be passed by a majority of members attending the meeting.

When necessary, the Audit Committee may invite other Directors, management and personnel from other relevant departments of the Company to attend meetings.

Article 21 If necessary, the Audit Committee may engage intermediary institutions to provide professional opinions for its decision-making, with relevant costs borne by the Company.

Article 22 The convening procedures for Audit Committee meetings, voting methods and resolutions passed at the meetings must comply with the provisions of the relevant laws, regulations, the Articles of Association and these Working Rules.

Article 23 Audit Committee meetings shall be recorded, and meeting records shall be truthful, accurate and complete, fully reflecting opinions raised by attendees on reviewed matters. Draft and final versions of meeting records shall be sent to all Committee members within a reasonable time after the meeting, with drafts for members to express opinions and final versions for record purposes. Members attending meetings shall sign the meeting records; Meeting records shall be kept by the Company's Board Secretary for no less than ten years.

Article 24 Resolutions and poll results passed by Audit Committee meetings shall be reported to the Company's Board of Directors in writing.

Article 25 Audit Committee members have confidentiality obligations regarding Company matters that came to their knowledge through their term of office and shall not disclose relevant information without authorisation, otherwise they shall bear corresponding legal responsibilities.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 26 Matters not covered in these Working Rules shall be implemented in accordance with the provisions of the relevant laws, regulations, rules, normative documents of China, listing rules of the Company's stock listing venues and the Articles of Association. When inconsistent with relevant laws, regulations, rules, normative documents of China, listing rules of the Company's stock listing venues or the Articles of Association as amended through legal procedures, immediate amendments shall be made and submitted to the Board for consideration and approval.

Article 27 In these Working Rules, "above" and "below" include the stated number; "exceeding" and "less than" do not include the stated number.

Article 28 These Working Rules shall take effect from the date of approval by the Board of Directors. The same applies when amended.

Article 29 These Working Rules shall be interpreted by the Company's Board of Directors.