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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 UTILIZATION OF INTERNAL IDLE FUNDS TO PURCHASE DEPOSIT-BASED FINANCIAL PRODUCTS

First Tractor Company Limited* (the "**Company**") and all members of its board (the "**Board**") of directors (the "**Directors**") hereby warrant that there are no false information, misleading statements, or material omissions in this announcement and jointly and severally accept responsibility for the truthfulness, accuracy, and completeness of its contents.

KEY POINTS:

- Type of Investment: First Tractor Company Limited* (the Company) proposed to use its internal idle funds to purchase low-risk principal-guaranteed structured deposit-type financial products issued by banks.

- Investment Amount: The Company's balance of holdings in structured deposits shall not exceed RMB2.0 billion at any time, with a validity period for no more than 12 months from the date of approval by the Board of the Company, and the aforesaid limit may be used on a rolling basis.

- Approval Procedures: This matter was considered and approved at the third meeting of the tenth session of the Board of the Company and does not require submission to the shareholders' meeting for approval.

- Special Risk Warning: The Company uses its idle funds to purchase structured deposits with high security, good liquidity and meet principal guarantee requirements. The investment risks are controllable. However, due to macroeconomic factors and policies, investment returns may fluctuate and are subject to certain uncertainties. Investors are advised to pay attention to investment risks.

I. INVESTMENT OVERVIEW

(i) Purpose of investment

The purpose is to effectively utilize seasonal idle funds, improve capital utilization efficiency and enhance returns on capital operations, provided that the daily operating capital needs and capital security of the Company are guaranteed.

(ii) Investment amount and sources of funds

The Company will use its internal idle funds to purchase structured deposits, and the balance at any time shall not exceed RMB2.0 billion.

(iii) Investment method

1. Investment Products: principal-guaranteed structured deposit financial products issued by banks.

2. Product Maturity: Each structured deposit shall have a maturity term of up to one year (inclusive).

(iv) Authorization period

The authorization period shall be no longer than 12 months from the date of approval by the Board.

II. APPROVAL PROCEDURE

At the third meeting of the tenth session of the Board of the Company convened on 26 March 2026, the "Resolution on the Purchase of Deposit-type Financial Products with the Company's Internal Idle Funds for 2026" was considered and approved.

III. INVESTMENT RISK AND RISK CONTROL

Structured deposits are financial products of high security and good liquidity, principal-guaranteed and floating-profit that ensure the safety of the invested principal. However, investment return remains uncertain due to macroeconomic factors and policies. The Company will adhere to the principles of prudent investment, carefully selecting issuers and suitable products based on their security, term, and return, and strictly following the investment decision-making process. The relevant departments of the Company will promptly analyze and monitor product changes, and take appropriate measures to manage risks when any risk factors are identified. Additionally, the Company will fulfill its information disclosure obligations in accordance with applicable regulations.

IV. IMPACT ON THE COMPANY

The Company's purchase of low-risk principal-guaranteed deposit-type financial products issued by banks with its internal idle funds will be carried out while ensuring the security of the Company's daily operations and funds. It will not affect the normal business operation of the Company or its daily cash flow. Instead, it will improve the efficiency of capital utilization and enhance returns, thereby providing better investment returns for the Company and its shareholders.

By Order of the Board
FIRST TRACTOR COMPANY LIMITED*
LIU Bin
Joint Company Secretary

Luoyang, the PRC
26 March 2026

As at the date of this announcement, the Board comprises Mr. Zhao Weilin (Chairman) and Mr. Wei Tao as executive Directors; Mr. Fang Xianfa, Mr. Yang Jianhui and Mr. Sun Feng as non-executive Directors; Mr. Wang Shumao, Mr. Xu Liyou and Ms. Wong Yee Man as independent non-executive Directors; and Mr. Li Peng as employee representative Director.

* *For identification purposes only*