Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

POTENTIAL CONNECTED TRANSACTION ACQUISITION OF EQUITY INTERESTS IN THE TARGET COMPANY AND CAPITAL INJECTION

The Board is pleased to announce that the Company intends to acquire, and Intelligent Research Institute Company intends to sell, 39% equity interests in the Target Company by way of public tender on the China Beijing Equity Exchange (北京產權交易所). If the tender is successful, the Company intends to inject capital in the amount of approximately RMB8 million in the Target Company upon completion of the Acquisition. As at the date of this announcement, no agreement or letter of intent for equity transactions and capital increases is entered into between the parties and the Acquisition and Capital Injection are subject to the tender results and further negotiation (if any).

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the production and sale of agricultural machinery and power machinery. The principal products include tractors of hi-powered, mid-powered and low-powered, diesel engines and relevant parts and components.

Intelligent Research Institute Company

Intelligent Research Institute Company, with a registered capital of approximately RMB100 million, is mainly engaged in the manufacture of agricultural machinery; the manufacture of specialized machinery for agriculture, forestry, animal husbandry, and sideline fishery; internet of things equipment manufacturing; sales of intelligent agricultural machinery and equipment; agricultural machinery services; technical services, technology development, technical consultation, technical exchanges, technology transfer, and technology promotion; industrial design services; mechanical equipment research and development; new material technology research and development; software development; sales of artificial intelligence hardware; sales of hydraulic power machinery and components; sales of intelligent robots; processing of mechanical parts and components; sales of mechanical parts and components; sales of machinery equipment; sales of intelligent drones; manufacturing of navigation terminals; sales of navigation terminals; technology import and export; import and export of goods; information system integration services; geographic remote sensing information services; vegetable cultivation; labour services (excluding labour dispatch); agricultural production custody services; big data services; information consulting services (excluding licensed information consulting services); conference and exhibition services; land consolidation services; irrigation services; agricultural professional and auxiliary activities; engineering and technical services (excluding planning management, surveying, design, and supervision); business training (excluding education and training, vocational skills training, and other training requiring licenses); intellectual property services (excluding patent agency services); manufacturing of bearings; sales of bearings (except for projects that require approval by law, business activities may be carried out independently in accordance with the law based on the business license), etc.

As at the date of this announcement, YTO, the controlling shareholder of the Company, holds 48.48% equity interests in Intelligent Research Institute Company. As at the date of this announcement, Intelligent Research Institute Company is held as to 12.08% by Jiangsu Yueda Intelligent Agricultural Equipment Co., Ltd.*(江蘇悅達智能農業裝備有限公司); 10.24% by Qingyan (Luoyang) Advanced Manufacturing Industry Research Institute*(清研(洛陽)先進製造產業研究院); 6.40% by China Agricultural Mechanization Science Research Institute Group Co., Ltd.*(中國農業機械化科學研究院集團有限公司); and 6.40% by Nongxin Technology (Beijing) Co., Ltd.*(農芯科技(北京)有限責任公司). No other shareholders of Intelligent Research Institute Company holds more than 5% of its equity interests as at the date of this announcement.

To the best knowledge and belief of the Company and after making due enquiry, save for YTO and China Agricultural Mechanization Science Research Institute Group Co., Ltd.*(中國農業機械化科學研究院集團有限公司), which is a wholly-owned subsidiary of Sinomach Group, none of Jiangsu Yueda Intelligent Agricultural Equipment Co., Ltd.*(江蘇悅達智能農業裝備有限公司), Qingyan (Luoyang) Advanced Manufacturing Industry Research Institute*(清研(洛陽)先進製造產業研究院) and Nongxin Technology (Beijing) Co., Ltd.*(農芯科技(北京)有限責任公司) is a connected person of the Company.

Target Company

Heilongjiang Beidahuang Reclamation Agricultural Machinery Equipment Co., Ltd., with a registered capital of RMB50 million, is mainly engaged in the agricultural machinery manufacturing; manufacturing of specialized machinery for agriculture, forestry, animal husbandry, and fisheries; manufacturing of IoT equipment; sales of intelligent agricultural machinery and equipment; agricultural machinery services; technical services, technology development, technology consulting, technology exchange, technology transfer, and technology promotion; industrial design services; research and development of machinery and equipment; research and development of new materials technology; software development; sales of artificial intelligence hardware; sales of intelligent robots; processing of mechanical parts and components; sales of mechanical parts and components; sales of machinery and equipment; labor services (excluding labor dispatch); agricultural production custody services; and technical, information, and facility construction and operation services related to agricultural production and operation, etc.

As at the date of the announcement, Beidahuang Agricultural Service Group Co., Ltd.*(北大荒農業服務集團有限公司) holds 51% equity interests in the Target Company, and Intelligent Research Institute Company holds the remaining 49%. YTO holds 48.48% equity interests in Intelligent Research Institute Company.

LISTING RULES IMPLICATIONS

As at the date of the announcement, YTO, the controlling shareholder of the Company, holds 48.48% equity interests in Intelligent Research Institute Company. Therefore, pursuant to Chapter 14A of the Listing Rules, Intelligent Research Institute Company is a connected person of the Company.

It is expected that the Acquisition and the Capital Injection, if materialised, may constitute a connected transaction of the Company under the Listing Rules which is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The resolutions on the Acquisition and the Capital Injection were considered and approved by the Board at a Board meeting held on 28 April 2026. Mr. Zhao Weilin, Mr. Wei Tao, Mr. Fang Xianfa, Mr. Yang Jianhui and Mr. Sun Feng, the Directors, were deemed to have interests in the Acquisition and the Capital Injection as they are currently also directors of YTO and therefore have abstained from voting on the relevant resolutions at the Board meeting.

Shanghai Listing Rules Implications

As the A Shares are listed on the Shanghai Stock Exchange, the Company is also required to comply with relevant requirements of the Shanghai Listing Rules. In accordance with the Shanghai Stock Exchange Listing Rules, the Acquisition and the Capital Injection do not constitute major asset reorganisation nor require the Shareholders' approval.

Upon confirmation of the final consideration and detailed terms of the Acquisition and the Capital Injection, the Company will enter into agreement for equity transactions and capital increases with Intelligent Research Institute Company. The Company will comply with the requirements under the Listing Rules, the Shanghai Listing Rules and other laws and regulations as and when appropriate.

As the Acquisition and the Capital Injection are subject to the tender results, the final consideration and detailed terms and/or the satisfaction and/or waiver of the relevant conditions precedent, and may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

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

"Acquisition"	the potential acquisition of 39% equity interests in the Target Company by the Company
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Capital Injection"	the potential capital injection by the Company in the amount of approximately RMB8 million in the Target Company
"Company"	First Tractor Company Limited*(第一拖拉機股份有限公司), a joint stock company with limited liability incorporated in the PRC, the H Shares and A Shares of which are listed on the main board of the Stock Exchange (Stock Code: 0038) and the Shanghai Stock Exchange (Stock Code: 601038), respectively
"connected person(s)"	has the same meaning as ascribed to this term under the Listing Rules
"controlling shareholder(s)"	has the same meaning as ascribed to this term under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries

"Intelligent Research Institute Company"	Luoyang Intelligent Agricultural Equipment Research Institute Co., Ltd.*(洛陽智能農業裝備研究院有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio(s)"	has the same meaning as ascribed to this term under the Listing Rules, as applicable to a transaction
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Listing Rules"	Shanghai Stock Exchange Share Listing Rules
"Shareholder(s)"	the shareholder(s) of the Company
"Share(s)"	share(s) of RMB1.00 each of the Company
"Sinomach Group"	China National Machinery Industry Corporation*(中國機械工業集團有限公司), a limited liability company incorporated in the PRC and a controlling shareholder of YTO holding approximately 88.22% equity interest in YTO as at the date of this announcement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Heilongjiang Beidahuang Reclamation Agricultural Machinery Equipment Co., Ltd.*(黑龍江北大荒墾征農機裝備有限公司)

"YTO"	YTO Group Corporation*(中國一拖集團有限公司), a limited liability company incorporated in the PRC and the controlling shareholder of the Company, holding approximately 48.81% equity interest in the Company. YTO is controlled by an enterprise directly administered by the State-owned Assets Supervision and Administration Commission of the State Council
"%"	per cent.

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

28 April, 2026
Luoyang, the PRC

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*