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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 THE
(1) EXPIRY OF TERM OF OFFICE OF INDEPENDENT NON-EXECUTIVE DIRECTOR, MEMBER OF AUDIT COMMITTEE AND CHAIRMAN OF REMUNERATION COMMITTEE
AND
(2) APPOINTMENT OF MEMBER OF AUDIT COMMITTEE, MEMBER OF REMUNERATION COMMITTEE AND CHAIRMAN OF REMUNERATION COMMITTEE
AND
(3) CHANGE IN COMPOSITION OF INDEPENDENT BOARD COMMITTEE

The board of directors (the “**Board**”) of First Tractor Company Limited* (the “**Company**”) and all members of the Board warrant that there are no false representations, misleading statements or material omissions in this announcement, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the content herein.

EXPIRY OF TERM OF OFFICE OF INDEPENDENT NON-EXECUTIVE DIRECTOR, MEMBER OF AUDIT COMMITTEE AND CHAIRMAN OF REMUNERATION COMMITTEE

Mr. Yu Zengbiao, an independent Director of the Company, has been in office as an independent Director for six consecutive years since his appointment as an independent Director of the Company from 29 May 2014. According to the relevant requirements under the Guidelines on the Establishment of Independent Directorship of Listed Companies issued by China Securities Regulatory Commission, an independent director's term of office in a listed company shall not exceed six years on a successive basis. Therefore, Mr. Yu Zengbiao shall cease to be an independent Director of the eighth session of the Board of the Company, a member of the Audit Committee and the chairman of the Remuneration Committee upon the expiry of his term of office on 28 May 2020. Mr. Yu Zengbiao has confirmed that there is no disagreement between him and the Board of the Company, nor are there any matters relating to the expiry of his term of office as an independent non-executive Director that need to be brought to the attention of the shareholders of the Company.

Following the expiry of the term of office of Mr. Yu Zengbiao on 28 May 2020, the number of the members of the Board has fallen from 10 to 9, amongst which three are independent Directors which are not less than one third of the total number of all Directors. Given that the composition of the Board of the Company is in compliance with the relevant requirements under the Company Law of the People's Republic of China, Code of Corporate Governance for Listed Companies, Guidelines on the Establishment of Independent Directorship of Listed Companies, Articles of Association of the Company and Procedural Rules for Meetings of the Board of the Company, the Company has determined not to elect any new independent Director as an addition to the existing Board.

APPOINTMENT OF MEMBER OF AUDIT COMMITTEE, MEMBER OF REMUNERATION COMMITTEE AND CHAIRMAN OF REMUNERATION COMMITTEE

The Company has convened the 18th meeting of the eighth session of the Board to adjust the composition of the Audit Committee and the Remuneration Committee of the Board following Mr. Yu Zengbiao's resignation on 28 May 2020 and resolved to elect Wang Yuru, a Director, as an additional member of the Audit Committee of the eighth session of the Board of the Company, to elect Yang Minli, a Director, as an additional member of the Remuneration Committee of the eighth session of the Board of the Company and to elect Edmund Sit as the chairman of the Remuneration Committee of the eighth session of the Board, such terms of office to commence from the date of approval by the Board until the expiry of the eighth session of the Board.

Immediately after the appointments, the composition of the various special committees of the Board is as follows:

(I) Strategic and Investment Committee

Chairman: Mr. Li Xiaoyu

Members: Mr. Cai Jibo, Mr. Liu Jiguo, Mr. Xie Donggang, Ms. Yang Minli

(II) Nomination Committee

Chairman: Ms. Yang Minli

Members: Mr. Li Xiaoyu, Ms. Wang Yuru

(III) Remuneration Committee

Chairman: Mr. Edmund Sit

Members: Mr. Cai Jibo, Mr. Li Hepeng, Ms. Wang Yuru, Ms. Yang Minli

(IV) Audit Committee

Chairman: Mr. Edmund Sit

Members: Ms. Wang Yuru, Mr. Zhou Honghai

CHANGE IN COMPOSITION OF INDEPENDENT BOARD COMMITTEE

Reference is made to the announcement of the Company dated 23 April 2020 (the “**Announcement**”) in relation to, among other things, the establishment of the Independent Board Committee (as defined in the Announcement).

As disclosed in the Announcement, the Independent Board Committee (comprising Mr. Yu Zengbiao, Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit, being all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules and Rule 2.8 of the Takeover Code to advise the Independent Shareholders on the Proposed A Shares Issue and Whitewash Waiver. Following the expiry of the term of office of Mr. Yu Zengbiao on 28 May 2020, Mr. Yu Zengbiao will cease to act as member of the Independent Board Committee. The Independent Board Committee now comprises Ms. Yang Minli, Ms. Wang Yuru and Mr. Edmund Sit, being all of the remaining independent non-executive Directors.

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

Luoyang, the PRC
28 May 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

* *For identification purposes only*