SANY

三一重工股份有限公司

SANY HEAVY INDUSTRY CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 6031

2025

Annual Report

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CORPORATE INFORMATION

COMPANY NAME

SANY Heavy Industry Co., Ltd.

COMPANY ABBREVIATION

SANY Heavy Industry

LEGAL REPRESENTATIVE

Mr. XIANG Wenbo

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. XIANG Wenbo *(Chairman of the Board)*
Mr. YU Hongfu

NON-EXECUTIVE DIRECTORS

Mr. LIANG Wengen
Mr. LIANG Zaizhong
Mr. LIU Daojun *(Employee representative Director) (appointed on December 30, 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. WU Zhongxin
Ms. XI Qing
Mr. LAM Yuk Kun Lawrence

JOINT COMPANY SECRETARIES

Ms. QIN Zhiyu
Ms. LAI Siu Kuen

BOARD SECRETARY

Ms. QIN Zhiyu

AUDIT COMMITTEE

Mr. WU Zhongxin *(Chairperson)*
Mr. LAM Yuk Kun Lawrence
Ms. XI Qing

REMUNERATION AND EVALUATION COMMITTEE

Mr. LAM Yuk Kun Lawrence *(Chairperson)*
Mr. WU Zhongxin
Ms. XI Qing

NOMINATION COMMITTEE

Ms. XI Qing *(Chairperson)*
Mr. XIANG Wenbo
Mr. LAM Yuk Kun Lawrence

STRATEGY COMMITTEE

Mr. XIANG Wenbo *(Chairperson)*
Mr. YU Hongfu
Mr. WU Zhongxin

SUSTAINABILITY COMMITTEE

Mr. XIANG Wenbo *(Chairperson)*
Mr. YU Hongfu
Ms. XI Qing

AUTHORISED REPRESENTATIVES

Mr. YU Hongfu
Ms. LAI Siu Kuen

CORPORATE INFORMATION

AUDITORS

Ernst & Young
(Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance)
27/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

LEGAL ADVISORS

As to Hong Kong Law
Linklaters LLP
11/F, Alexandra House
Chater Road
Central, Hong Kong

As to PRC Law
Hunan Qiyuan Law Firm
63/F, Shimao World Financial Center
No. 393 Jianxiang Road
Furong District
Changsha, Hunan Province
PRC

COMPLIANCE ADVISER

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

REGISTERED OFFICE AND HEADQUARTERS IN MAINLAND CHINA

5/F, Building 6
No. 8, Beiqing Road
Changping District, Beijing
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1808-10, 18th Floor, Landmark North
No. 39 Lung Sum Avenue, Sheung Shui
New Territories
Hong Kong

PRINCIPAL BANKS

Industrial and Commercial Bank of China Hunan Provincial Branch
No. 615, Furong Middle Road, Section 1
Furong District
Changsha, Hunan Province
PRC

China Construction Bank Hunan Branch
Yin'gang Plaza
No. 85, Furong Middle Road, Section 2
Furong District
Changsha, Hunan Province
PRC

Agricultural Bank of China Limited Hunan Branch
25-42 Floor, No. 540, Furong Middle Road, Section 1
Furong District
Changsha, Hunan Province
PRC

CORPORATE INFORMATION

Bank of China Limited Hunan Branch
No. 593, Furong Middle Road, Section 1
Furong District
Changsha, Hunan Province
PRC

Bank of Communications Hunan Provincial Branch
No. 447, Wuyi Avenue
Furong District
Changsha, Hunan Province
PRC

Export-Import Bank of China Hunan Branch
44/F, Huayuan Centre
No. 36, Xiangjiang Middle Road, Section 2
Tianxin District
Changsha, Hunan Province
PRC

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE (A SHARE)

600031

STOCK CODE (H SHARE)

6031

COMPANY WEBSITE

www.sany.com.cn

PRINCIPAL FINANCIAL DATA AND INDICATORS

I. Major Financial Data prepared in accordance with China Accounting Standards ("PRC GAAP")

Unit: RMB'000

	2025	2024	Change	2023
Total revenue	89,699,505	78,383,379	14.44%	74,018,936
Net profit attributable to owners of the parent of the Company	8,408,057	5,955,567	41.18%	4,527,451
Net profit attributable to owners of the parent of the Company after extraordinary items	8,221,213	5,333,989	54.13%	4,388,393
Net cash flow from operating activities	19,975,261	14,814,278	34.84%	5,708,220
Basic earning per share	0.9834	0.7038	39.73%	0.5347
Diluted earning per share	0.9834	0.7035	39.79%	0.5347
Return on net assets (%)	11.18	8.52	increase by 2.66 percentage points	6.85

	As of December 31, 2025	As of December 31, 2024	Change	As of December 31, 2023
Total assets	173,299,138	152,145,077	13.90%	151,203,358
Net assets attributable to owners of the parent of the Company	88,331,244	71,923,866	22.81%	68,029,017

FINANCIAL HIGHLIGHTS

II. Major Financial Data of the Company of the Past Four Years[1] prepared in accordance with International Financial Reporting Standards ("IFRS")

Unit: RMB'000

Revenue and Profit	2025	2024	2023	2022
Revenue	89,699,505	78,383,379	74,018,936	80,838,530
Profit before taxation	9,907,171	6,907,770	5,316,554	4,863,910
Income tax	1,419,521	815,232	710,444	431,086
Profit for the year	8,487,650	6,092,538	4,606,110	4,432,824
Profit for the year attributable to:				
Owners of the parent	8,408,057	5,955,567	4,527,451	4,301,041
Non-controlling interest	79,593	136,971	78,659	131,783
Basic earnings per share (RMB)	0.9834	0.7038	0.5347	0.5088
Diluted earnings per share (RMB)	0.9834	0.7035	0.5347	0.5088
Gearing ratio[2]	48.39%	52.02%	54.26%	58.42%

Unit: RMB'000

	As of December 31,			
Assets and Liabilities	2025	2024	2023	2022
Non-current assets	49,001,387	50,639,757	53,569,013	53,156,166
Current assets	124,297,751	101,505,320	97,634,345	105,766,231
Current liabilities	71,856,386	63,669,229	54,427,014	67,723,901
Net current assets	52,441,365	37,836,091	43,207,331	38,042,330
Total assets less current liabilities	101,442,752	88,475,848	96,776,344	91,198,496
Non-current liabilities	12,011,355	15,474,249	27,614,311	25,115,730
Net assets	89,431,397	73,001,599	69,162,033	66,082,766
Total equity attributable to owners of the parent	88,331,244	71,923,866	68,029,017	65,039,719
Non-controlling interest	1,100,153	1,077,733	1,133,016	1,043,047

Notes:

(1) The H Shares of our Company were listed on the Main Board of the Hong Kong Stock Exchange on October 28, 2025.

(2) Gearing ratio is calculated based on the total liabilities divided by total assets at the end of the respective reporting period.

III. Reconciliation of Financial Data under PRC GAAP and IFRS

Unit: RMB'000

	Net profit attributable to owners of the parent of the Company		Net assets attributable to owners of the parent of the Company	
	Current year	Last year	Current year	Last year
Under PRC GAAP	8,408,057	5,955,567	88,331,244	71,923,866
Under IFRS Accounting Standards	8,408,057	5,955,567	88,331,244	71,923,866

CHAIRMAN'S STATEMENT

Dear Shareholders:

In 2025, the global industrial landscape underwent profound adjustments, with technological transformation continuing to reshape the equipment manufacturing industry in which the Company operates. Facing the "period of significant technological opportunity", Sany Heavy Industry remained true to its founding principle that "quality changes the world" and resolutely advanced its business strategy of "globalization, digitalization and decarbonization", delivering solid results on the path to high-quality development.

In 2025, the Company achieved total revenue of approximately RMB89.7 billion, representing a year-on-year increase of 14.4%; net profit attributable to owners of the parent of the Company amounted to approximately RMB8.41 billion, representing a substantial year-on-year increase of 41.2%; basic earnings per share amounted to RMB0.9834. Net cash flow from operating activities amounted to approximately RMB19.98 billion, representing a year-on-year increase of 34.8%, and setting a new record high. The Board proposed a final dividend of RMB0.18 per share (tax inclusive) for the year ended December 31, 2025, continuing to demonstrate its commitment to rewarding shareholders for their long-standing trust and support.

The Company remains steadfast in its commitment to globalization as its top strategic priority. In 2025, the Company generated revenue from international business of approximately RMB56.27 billion, representing a year-on-year increase of 15.2%, with revenue from international business accounting for approximately 63% of the total. By region, the Asia-Oceania region was RMB24.23 billion, representing an increase of 16.44%; the European region was RMB12.57 billion, representing an increase of 1.24%; the American region was RMB11.16 billion, representing an increase of 8.52%; and the African region was RMB8.31 billion, representing an increase of 55.24%. Benefiting from expanded overseas sales scale and improved product structure, the gross profit margin for the international business rose to 31.7%, up by 2 percentage points compared to the same period last year.

The Company is accelerating the comprehensive upgrade from "product export" to "industry going global". As the first "Lighthouse Factory" in the global engineering equipment industry to implement China's smart manufacturing standards overseas, the Company's factory in Indonesia has produced products reaching high-end markets in Europe and the United States. Sany Heavy Industry has not only exported high-quality products manufactured in China, but also shared its leading manufacturing standards and managerial expertise. In 2025, the localization rate of its overseas teams reached nearly 70%, with high-end products such as 400-tonnes mining excavator being successfully launched to the market. At international events such as the BMW Show in Germany and the China-Africa Economic and Trade Expo, the Company's products have garnered widespread recognition from customers around the world.

Decarbonization is a long-term strategic priority for Sany Heavy Industry. In 2025, the Company's new energy product sales reached RMB8.64 billion, representing a year-on-year increase of 115%. The Company ranked first in the industry in terms of market share of sales of electric mixers, electric dump trucks, electric excavators, electric cranes and electric pump trucks. The Company continues to advance the electrification of its products and promote green synergy across the industry chain, systematically conducts climate risks and opportunities assessment and continuously strengthens its business resilience, thereby contributing to the global "dual carbon" goals.

The Company has established 37 smart factories worldwide. Among them, Changsha No.18 Plant and Beijing Piling Machinery Plant are the only two world-class "Lighthouse Factories" in the global heavy industry sector. Digital and intelligent technologies are being effectively translated into measurable efficiency gains and cost optimizations.

In 2025, through comprehensive talent development and incentive systems, more than 5,300 employees of the Company participated in the Stock Ownership Schemes. The Company is committed to fostering an open and inclusive organizational culture that enables personal growth to advance in synch with corporate innovation. Facing natural disasters such as floods in East and North China, typhoons in Zhanjiang and earthquakes in Myanmar, Sany Heavy Industry's equipment and personnel have consistently been on the front lines, putting into practice the belief that "national responsibility outweighs corporate interests".

Looking ahead to 2026, demands from domestic infrastructure investment, new-type urbanization, mining and water conservancy projects are expected to continue to grow, while rising penetration rates of new energy and smart products will generate demand for upgrade and replacement. Overseas, global infrastructure and mining investments are expected to remain robust, and the Company will further expand its global market share through a strategy of deep "localization". Sany Heavy Industry will continue to embrace a long-term perspective, guided by its "three transformations" strategy. By driving growth through technological innovation, the Company aims to elevate China's equipment manufacturing industry to new heights and create more sustainable value for shareholders and society.

Finally, on behalf of the Board, I would like to express my sincere gratitude to our shareholders, domestic and overseas customers, supply chain partners and friends from all sectors of society for their longstanding trust and support for Sany Heavy Industry. Every step of the Company's development has been made possible by our collective efforts. Meanwhile, we would like to express our heartfelt gratitude to all Sany colleagues working tirelessly around the world and standing firm at their posts – it is your professionalism, dedication and sense of responsibility that have built the solid foundation for the Company's continued progress.

Chairman of the Board

XIANG Wenbo

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present their report and the audited financial statements of the Group for the year ended December 31, 2025.

I. REVIEW OF OPERATION FOR THE YEAR 2025

In 2025, China's economy advanced steadily guided by the principle of high-quality development, with the effect of macro-level incremental policies continuing to unfold. Domestically, there was a commercial inflection point resulting from the continuous expansion of high-standard farmland construction and water conservancy projects, as well as the replacement demand for new energy equipment, and the construction machinery market formally transitioned from the "cyclical consolidation" phase to a new stage of "structural recovery". Overseas markets remained highly prosperous, and mining and infrastructure investment in emerging markets such as Africa and Southeast Asia accelerated, driving strong growth in equipment exports.

During the Reporting Period, the Company achieved total revenue of RMB89.7 billion, representing a year-on-year increase of 14.4%; net profit attributable to owners of the parent of the Company amounted to RMB8.41 billion, representing a substantial year-on-year increase of 41.2%, demonstrating strong profitability; net cash flow from operating activities amounted to RMB19.98 billion, representing a year-on-year increase of 34.8%, with risk control and operational quality maintaining at a high level. The Company maintained stable market shares for core products. Its main products such as excavating machinery and concrete machinery ranked first in terms of domestic market share, while their global share rose steadily. In terms of new energy products, electric mixers, electric dump trucks and other products saw explosive growth, with annual sales of new energy products reaching RMB8.64 billion, representing a year-on-year increase of 115%. As at the end of the Reporting Period, the Company's total assets amounted to RMB173.3 billion.

(I) Steady Growth in Market Share of Core Products

During the Reporting Period, the Company's product competitiveness continued to strengthen, leading to sustained market share growth.

Excavating machinery: Sales revenue amounted to RMB34.54 billion, ranking first in the domestic market for 15 consecutive years.

Concrete machinery: Sales revenue amounted to RMB15.74 billion, ranking as the No.1 brand worldwide for 15 consecutive years.

Hoisting machinery: Sales revenue amounted to RMB15.56 billion, with a steady increase in global market share.

Road machinery: Sales revenue amounted to RMB3.76 billion, with a growth of over 30% in overseas sales.

Piling machinery: Sales revenue amounted to RMB2.82 billion, with rotary drilling rigs maintaining No.1 in domestic market share.

(II) Significant Improvement in Profitability and Continuous Optimization of Operational Quality

During the Reporting Period, the Company adhered to the principle of high-quality development, achieving synchronous improvement in operational quality, business scale and profitability.

A record-high cash flow: In 2025, net cash flow generated from operating activities amounted to RMB19.98 billion, representing a year-on-year increase of 34.8% to a record high, providing solid support for the Company's long-term operational stability.

Substantially enhanced profitability: Benefiting from the steady recovery of market demand and effective implementation of cost-reduction and efficiency-improvement measures, the Company recorded net profit attributable to the owners of the parent of the Company of RMB8.41 billion during the Reporting Period, representing a substantial year-on-year increase of 41.2%, with net profit margin of 9.5%, up by 1.7 percentage points year-on-year.

Continuous improvement in operational efficiency: The Company continuously optimized its inventory and receivables management, with continuous improvement in the scale, quality and turnover days of inventory and outstanding receivables.

(III) Solid Progress in Globalization Strategy

The Company remained unwavering in its commitment to globalization as its top priority, accelerating the comprehensive operational upgrade from "product export" to "industry going global". During the Reporting Period, the Company achieved revenue from international business of RMB56.27 billion, representing a year-on-year increase of 15.2%, with the revenue from international business accounting for approximately 63% of the total.

1. *Overall Strategy: "Group Leadership, Localized Operation, Service First"*

   "Group Leadership": The Group formulated the overall overseas operation strategy, actively promoted the Company's unique channel model, and vigorously developed overseas self-operated channels. To date, the Company has established an overseas market channel system covering more than 400 overseas subsidiaries, joint ventures and premium distributors.

   "Localized Operation": Localization of the management team served as the cornerstone of local operation. The Company would continuously promote the localization across the management team, products, culture, processes and mechanism.

   "Service First": The Company strengthened service capacity building, accelerated the deployment of service personnel, service vehicles, service outlets and other resources, optimized parts centers in all overseas regions, enhanced overseas parts supply capacity, and built the No.1 service brand. The Company launched the unified customer interaction interface MySANY in 129 countries and regions in the world, enabling convenient functions such as one-click customer communication, online visibility and real-time service outlet tracking, significantly improving service efficiency and enhancing customer experience.

2. *Continuous Upgrade of Global Organizational Structure*

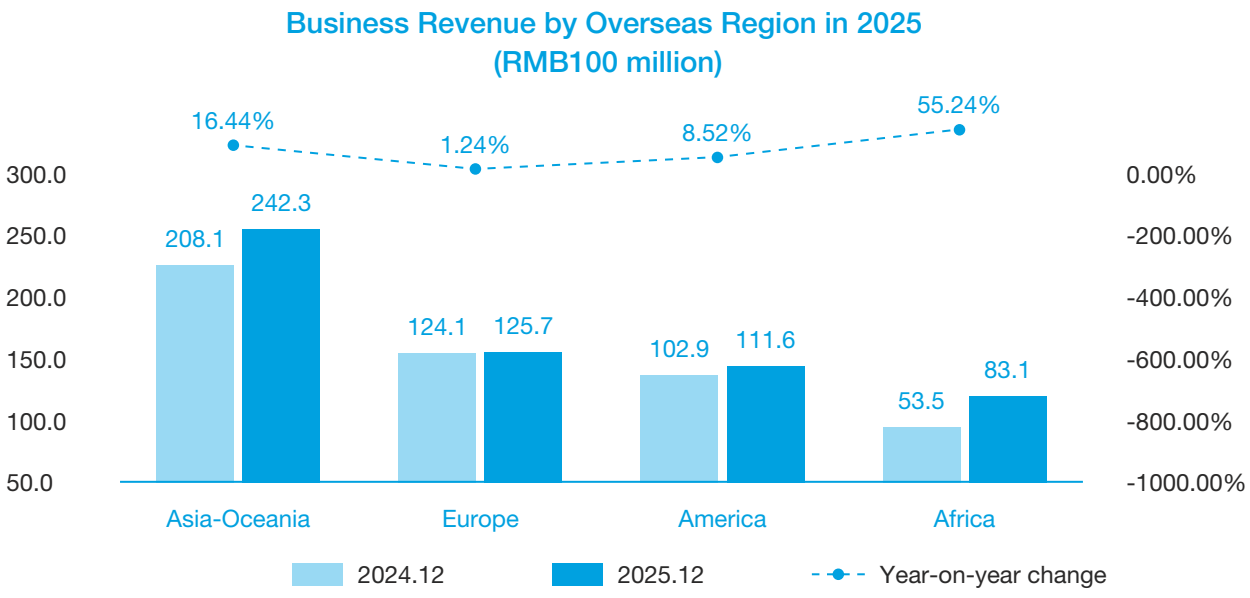
To match the new stage of high-quality and in-depth development of international business, the Company officially established the Global Key Customer Headquarters, comprehensively upgrading the strategic marketing and service system for global core customers. Focusing on global leading mining enterprises, multinational infrastructure contractors and rental companies, it effectively broke down regional marketing barriers. Relying on this strategic coordination platform, the Company was able to precisely deploy global R&D, manufacturing and supply chain resources, providing strategic-level key customers with full life-cycle comprehensive solutions covering early working condition scheme design, full-scenario whole sets of equipment delivery and later on-site operation and maintenance, significantly enhancing the Company's global competitiveness and operational efficiency.

3. *Accelerated Global Product R&D*

The Company comprehensively strengthened global R&D capabilities, promoted the construction of global R&D centers, and accelerated the development of global products. In 2025, the Company launched 60 products for global market promotion.

4. *Rapid Growth in Major Global Markets*

As of the end of 2025, overseas product sales covered more than 150 countries and regions. Revenue from our businesses by overseas region* in 2025 was as follows:



*Note: Revenue from our businesses by overseas region was shown in accordance with PRC Accounting Standards and for information purposes only.

The Asia-Oceania region was RMB24.23 billion, representing an increase of 16.44%; the European region was RMB12.57 billion, representing an increase of 1.24%; the American region was RMB11.16 billion, representing an increase of 8.52%; and the African region was RMB8.31 billion, representing an increase of 55.24%.

5. Steady Improvement in Overseas Market Profitability

Benefiting from expanded international sales scale, improved product structure and continuous advancement of cost-reduction and efficiency-improvement measures, the gross profit margin of the Company's international business increased steadily. During the Reporting Period, the gross profit margin of our international business reached 31.7%, up by 2 percentage points.

6. Stable Market Position of Main Products

According to customs statistics, the Company's excavating machinery and concrete machinery both maintained No.1 in the industry in terms of overseas export volume, demonstrating a solid market position.

(IV) Active Promotion of Digital and Intelligent Transformation

Seizing opportunities in the new era, the Company integrated digital and intelligent construction into manufacturing, products, services, operations and other scenarios, actively promoting digital and intelligent transformation.

1. Intelligent Manufacturing

Lighthouse Factory: As of the end of the Reporting Period, 37 Lighthouse Factories had been completed and put into production by the Company. The Company was the only heavy industry enterprise recognized by the World Economic Forum as a "Lighthouse Factory". Two of Sany Heavy Industry's factories, namely "Beijing Piling Machinery Plant" and "Changsha No.18 Plant", obtained the "Lighthouse Factory" certifications, offering a reference for digital and intelligent development directions for global manufacturing enterprises.

In 2025, aiming to build a new generation of "Lighthouse Factories", the Company deeply integrated independently developed industrial software, establishing a digital management system covering the entire production process. Changsha No.18 Plant introduced industrial large models, and realized intelligent autonomous decision-making in production scheduling, quality inspection, equipment maintenance and other aspects, continuously optimizing manufacturing precision, efficiency and quality.

Hardware Technology Breakthroughs: Through 57 self-developed high-precision technology clusters (digital decision-making solutions for manufacturing processes, 3D printing-assisted casting, ultra-high-strength steel forming, robotic laser hybrid welding, etc.), the Company pioneered a new "Human-Machine Collaboration 4.0" paradigm.

Software Technology Breakthroughs: The Company promoted online and transparent management of key operations in five major areas including planning collaboration, production execution, material management, quality defects and equipment repairs and maintenance. It integrated manufacturing systems such as MES, APS, WMS and EQP, and realized dashboard-based production scheduling management, established automatic processes for product quality error-proofing, materials and quality inspection, and achieved station-level automatic access and exit management.

2. *Intelligent Products*

The Company adhered to a customer-centric approach, and promoted the evolution of construction machinery intelligence from "single-unit breakthrough" to "machine fleet coordination" and "complete intelligent construction". In 2025, the Company's unmanned paving and rolling construction solution for road machinery was applied on a large scale in 23 provinces across China. The solution kept industry records in core indicators such as maximum operation width, largest fleet scale and longest continuous operation duration. The Company led the formulation of 3 relevant industry standards, and further consolidated its leading position in the unmanned construction field.

3. *Intelligent Operation*

The Company continued to promote comprehensive data utilization, realized data value, enhanced refined operational efficiency and further created value for customers.

The Company's industrial Internet platform IOT extensively connected various equipment and systems, integrated, utilized and analyzed massive data, and realized digital twin technology through modelling, driving enterprise quality improvement, cost reduction and efficiency enhancement. The Company realized real-time online access to 18,000 units of equipment, 33,000 units of instruments and 61,000 units of cameras. Through data analysis and algorithm models, the system optimized and reduced costs and energy consumption. In 2025, our energy-saving projects cumulatively saved over RMB72 million in energy costs in connection with the Company's operations.

(V) Leading the Industry's Decarbonization

Decarbonization represented a major opportunity for the development of the construction machinery industry. The Company comprehensively promoted the electrification of main products and the development of relevant core components and parts and technologies, and was committed to creating new energy products of high quality, low energy consumption and superior level of experience, and leading the industry's decarbonization trend.

The Company attached great importance to cultivating and introducing professional electrification talents, with many leading talents joining the Company, covering fields such as battery cells, electronic control, electric drive, electronics and electrical engineering, control algorithms and thermal management.

1. **Main Product Development:** The Company focused on technological approaches, including pure electrical, hybrid and hydrogen, and comprehensively promoted the electrification of engineering vehicles, excavating machinery, loading machinery, hoisting machinery and other products.

2. **Core Components and Parts and Technology Research:** The Company's electric technologies gradually developed towards high integration, high efficiency and low cost, laying a solid foundation for further intelligent transformation of products. Through independent development and external strategic cooperation, the Company laid out in core technologies such as battery cells, e-axle, VCU centralized control platforms, charging/swapping stations and control technologies, and focused on breakthroughs in integrated e-axle and electronic and electrical architecture and other core technologies, further enhancing product core competitiveness.

3. **Rapid Growth of New Energy Products:** In 2025, the Company's new energy product sales reached RMB8.64 billion, representing a year-on-year increase of 115%. Among currently commercially viable new energy construction equipment sectors, the Company achieved a leading position in the industry. For example, the Company ranked first in the industry in terms of market share of sales of electric mixers, electric excavators, electric cranes and electric pump trucks.

(VI) Remarkable R&D and Innovation Achievements

R&D and innovation was the primary driver for the Company's development. The Company believed that investing in R&D was investing in the future. In 2025, the Company invested RMB5.033 billion as R&D expenses, mainly focusing on global R&D layout, digital and intelligent technologies and low-carbon products.

1. **Patent Inventions:** There were 619 patent applications in 2025, including 325 invention patents.

2. **R&D Talents:** Attracting and retaining talents through sound incentive mechanisms and multi-channel cooperation, the Company ensured that R&D led innovation. As of the end of 2025, the Company had 5,720 R&D personnel, of whom 40.28% held master's degrees or above.

3. **Testing and Trial Production:** The Company built 4 field test sites and 8 trial production centers, achieving 90% coverage of test scenarios and significantly shortening test cycles.

4. **System Upgrade:** The Company actively promoted the transformation of the IPD R&D management system, driving a profound transformation in the R&D model from traditional "technology-driven" to "customer demand and commercial value-driven", and reshaping an end-to-end R&D business flow. By forming cross-functional product development teams, the Company effectively broke down departmental barriers between R&D, manufacturing, supply chain and marketing, realizing forward-looking control of target costs and quality. Meanwhile, the Company vigorously strengthened the construction of public basic modules, and improved the universality and reusability of core technology platforms. This significantly shortened the time-to-market of the Company's new energy and high-end digital and intelligent products, markedly improving the returns on R&D resources and one-off success rate of product delivery, equipping the Company with stronger agile response and cost control capabilities when facing complex and high-frequency customized demand in global markets.

5. **Product R&D:** The Company firmly implemented the product strategy of "high-end, large-scale and low-carbon", relying on a strong global collaborative R&D system to continuously consolidate its leading advantages in the field of high-end whole sets of equipment. Major landmark R&D achievements include:

   SAC2500E7PHEV All-terrain Crane: As the world's largest tonnage hybrid all-terrain crane, it successfully broke through core software self-development and independent matching and calibration technical barriers, overcame industry challenges such as axle load restrictions and reliability, setting a global technology benchmark for hybrid crane.

   Electric 412 truck mixer: The new-generation electric mixer, centered on the iSee3 electronic and electrical architecture, independent software control system and the 329 electric cab, precisely addressed construction pain points in complex urban construction conditions. With the core competitive advantages of "large loading capacity, low energy consumption and high reliability", the model quickly gained high market recognition, with steadily rising market share, becoming a core hit product driving the growth of concrete business.

   SY4000H Mining Excavator: As Sany's largest tonnage mining excavator to date, it was successfully delivered to copper mine customers and put into actual operation, and it passed stringent tests in extreme cold environments and harsh mining conditions. The on-site operation performance of the whole machine comprehensively outperformed competing products of the same tonnage, and its dual-power hydraulic cross-control system demonstrated excellent performance, with both comprehensive fuel consumption and operation efficiency leading the industry. This milestone marked SANY's formal entry into the ranks of core mining excavator manufacturers, laying a key technical route and market foundation for the R&D and industrialization of even larger-tonnage mining excavators.

II. FINANCIAL REVIEW

The following discussion and analysis were prepared based on our financial information prepared in accordance with IFRS Accounting Standards.

Revenue

Our revenue increased by 14.4% from RMB78,383 million for the year ended December 31, 2024 to RMB89,700 million for the year ended December 31, 2025, primarily due to the year-on-year growth in both domestic and international sales.

Cost of Sales

Our cost of sales increased by 12.8% from RMB57,480 million for the year ended December 31, 2024 to RMB64,831 million for the year ended December 31, 2025, mainly due to a corresponding increase in costs as a result of the growth in revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 19.0% from RMB20,903 million for the year ended December 31, 2024 to RMB24,868 million for the year ended December 31, 2025. Our gross profit margin increased from 26.7% for the year ended December 31, 2024 to 27.7% for the year ended December 31, 2025, mainly due to an increase in the gross profit margin of excavating machinery and hoisting machinery. Additionally, the year-on-year growth in international gross profit margin contributed to the increase in overall gross profit margin.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 17.4% from RMB5,464 million for the year ended December 31, 2024 to RMB6,415 million for the year ended December 31, 2025, primarily due to an increase in selling expenses, such as employee compensation and benefits, as a result of the growth in revenue.

Administrative Expenses

Our administrative expenses decreased from RMB3,488 million for the year ended December 31, 2024 to RMB3,163 million for the year ended December 31, 2025, primarily due to a decrease in salary and benefits.

Research and Development costs

Our research and development ("R&D") costs decreased from RMB5,381 million for the year ended December 31, 2024 to RMB5,033 million for the year ended December 31, 2025, primarily due to the Company's optimization of its R&D project management mechanisms, which resulted in a decrease in R&D compensation.

Other Income and Gains, Net

Our other income and gains, net decreased from RMB2,322 million for the year ended December 31, 2024 to RMB1,680 million for the year ended December 31, 2025, primarily due to a decrease in the gain on fair value change.

Impairment Losses on Financial Instruments and Contract Assets, Net

Our impairment losses on financial instruments and contract assets, net increased from RMB897 million for the year ended December 31, 2024 to RMB1,180 million for the year ended December 31, 2025, primarily due to a slight increase in the provisions for impairment of accounts receivable.

Loss on Derecognition of Financial Assets at Amortized Cost

Our loss on derecognition of financial assets at amortized cost increased from RMB0.1 million for the year ended December 31, 2024 to RMB29 million for the year ended December 31, 2025, primarily due to the occurrence of accounts receivable forfaiting business during the current period.

Other Expenses, Net

Our other expenses, net decreased from RMB300 million for the year ended December 31, 2024 to RMB298 million for the year ended December 31, 2025, representing a minor change and remaining largely unchanged.

Finance Costs

Our finance costs decreased from RMB845 million for the year ended December 31, 2024 to RMB569 million for the year ended December 31, 2025, primarily due to the factors such as a reduction in the Company's borrowing.

Share of Profits and Losses of Joint Ventures

Our share of profits and losses of joint ventures decreased from RMB45 million for the year ended December 31, 2024 to RMB22 million for the year ended December 31, 2025, primarily due to a decrease in the earnings of joint ventures, which had no material impact on the Company.

Share of Profits and Losses of Associates

Our share of profits and losses of associates increased from RMB13 million for the year ended December 31, 2024 to RMB23 million for the year ended December 31, 2025, primarily due to an increase in the earnings of associates.

Income Tax Expense

Our income tax expense increased from RMB815 million for the year ended December 31, 2024 to RMB1,420 million for the year ended December 31, 2025, primarily due to an increase in the total profit.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 39.3% from RMB6,093 million for the year ended December 31, 2024 to RMB8,488 million for the year ended December 31, 2025.

Financial Position

The table below sets forth the absolute amounts from the Company's consolidated statement of financial position as of December 31, 2025 and December 31, 2024:

	As at December 31, 2025 RMB million	As at December 31, 2024 RMB million
Total non-current assets	49,001	50,640
Total current assets	124,298	101,505
Total assets	173,299	152,145
Total non-current liabilities	12,011	15,474
Total current liabilities	71,856	63,669
Total liabilities	83,867	79,143
Equity attributable to owners of the parent	88,331	71,924
Net assets	89,432	73,002

The total non-current assets of the Company decreased from RMB50,640 million as at December 31, 2024 to RMB49,001 million as at December 31, 2025, with the amount remaining relatively stable.

The total current assets of the Company increased from RMB101,505 million as at December 31, 2024 to RMB124,298 million as at December 31, 2025, primarily due to an increase in time deposits and restricted cash.

The total non-current liabilities of the Company decreased from RMB15,474 million as at December 31, 2024 to RMB12,011 million as at December 31, 2025, with the amount remaining relatively stable.

The total current liabilities of the Company increased from RMB63,669 million as at December 31, 2024 to RMB71,856 million as at December 31, 2025, primarily due to an increase in trade and bills payables.

The net assets of the Company increased from RMB73,002 million as at December 31, 2024 to RMB89,432 million as at December 31, 2025, primarily due to the Hong Kong share financing and the growth in net profit.

Liquidity and Capital Resources

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as at December 31, 2025 and December 31, 2024:

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Cash and bank balances	38,451,241	20,383,176
Placements with banks	187,691	449,311
Subtotal	38,638,932	20,832,487
Less:		
Restricted deposits	(1,694,757)	(689,488)
Time deposits with original maturity of more than three months	(22,039,322)	(8,566,529)
Cash and cash equivalents	14,904,853	11,576,470

The Company's cash and cash equivalents increased from RMB11,576 million as of December 31, 2024, to RMB14,905 million as of December 31, 2025. This increase was primarily due to an increase in cash and cash equivalents resulting from net cash flow from operating activities during the year, as well as the impact of funds raised through the issuance of new shares.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Chinese Mainland and other countries or regions. The table below sets forth the absolute amounts of bank loans and debentures as at December 31, 2025 and December 31, 2024:

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000
Current		
Current portion of long-term bank loans-unsecured	2,735,293	3,738,637
Current portion of long-term bank loans-secured	313,603	–
Bank loans-unsecured	4,506,196	3,442,289
Bank loans-secured	4,622,251	2,511,067
Other borrowing-secured	1,411,360	2,077,806
Short term bonds	–	1,584,950
Subtotal	13,588,703	13,354,749
Non-current		
Bank loans-secured	285,418	274,847
Bank loans-unsecured	7,567,949	11,281,335
Subtotal	7,853,367	11,556,182
Total	21,442,070	24,910,931

As at December 31, 2025, the total current assets of the Group amounted to approximately RMB124,298 million (as at December 31, 2024: RMB101,505 million). As at December 31, 2025, the total current liabilities of the Group amounted to approximately RMB71,856 million (as at December 31, 2024: RMB63,669 million).

As at December 31, 2025, the total assets of the Group amounted to approximately RMB173,299 million (as at December 31, 2024: approximately RMB152,145 million), and the total liabilities amounted to approximately RMB83,868 million (as at December 31, 2024: approximately RMB79,143 million).

As at December 31, 2025, the gearing ratio (the net debt divided by the equity plus net debt) was approximately 48.39% (as at December 31, 2024: 52.02%).

Charge on Assets

As at December 31, 2025, the Group recorded pledged bank deposits of approximately RMB1,695 million (December 31, 2024: approximately RMB689 million) as securities for the issuance of bank acceptance bills, mortgaged borrowings and statutory deposit reserves placed with central bank. As at December 31, 2025, the Group recorded financial assets at fair value through profit or loss of approximately RMB1,716 million (December 31, 2024: RMB2,134 million), which were pledged for repurchase of national debts. As at December 31, 2025, the Group recorded bills receivables of RMB262 million (December 31, 2024: RMB235 million), which were pledged to obtain loans. As at December 31, 2025, the Group recorded receivables under finance lease of RMB1,521 million (December 31, 2024: RMB1,779 million), which were pledged for trade receivables factoring. As at December 31, 2025, the Group recorded loans and advances of RMB0 million (December 31, 2024: RMB566 million), which were pledged to obtain loans.

Capital Expenditure and Commitments

As at December 31, 2025, the contracted capital commitments of the Group which were not provided for in the financial statements were approximately RMB918 million (as at December 31, 2024: approximately RMB1,587 million).

Contingent Liabilities and Guarantees

As at December 31, 2025, the Group provided certain distributors and agents with bank guarantee amounting to approximately RMB847 million (December 31, 2024: approximately RMB589 million) to secure their obtaining and use of banking facilities. As at December 31, 2025, the Group provided guarantee for repurchase liabilities in respect of failure of the lessees under finance leases to settle instalment payments and interest under finance leases. Risk exposure in respect of possible guarantee for repurchase liabilities amounted to approximately RMB11,931 million (as at December 31, 2024: approximately RMB13,311 million).

Significant Investments and Material Acquisitions or Disposals by the Group

There were no significant investments held, and no material acquisitions or disposals of subsidiaries, associates and joint ventures for the year ended December 31, 2025, nor was there any plan authorized by the Board for material investments or capital assets as at December 31, 2025.

Foreign Exchange Risk

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries.

The Company employs hedging strategies for currency settlement, including the use of various derivative instruments (primarily including forwards, options and futures contracts), entering into forward foreign exchange hedging contracts, and managing the scale of foreign currency assets and liabilities to minimize foreign exchange risk and mitigate the impact of exchange rate fluctuations on operating results.

Employees and Remuneration Policy

As at December 31, 2025, the Group had 28,469 full-time employees (December 31, 2024: 25,363). These changes were primarily due to an increase in headcount to support the Group's business development. For the year ended December 31, 2025, total employee compensation expenses (including equity incentive expenses) amounted to RMB10,909 million, compared to RMB10,523 million for the year ended December 31, 2024.

The Company is committed to talent training and development, and provides regular internal training or external training to its staff according to their working stage. The Company has established a fair, transparent and merit-based performance evaluation system and implements a highly competitive compensation and benefits policy. Employees' annual performance bonuses are awarded based on their performance and the Company's overall results. These bonuses directly reflect employees' performance and contributions, embodying the performance-oriented nature of our compensation incentives. The Company offers salary increases and promotion opportunities to high-performing employees every year. The Company also provides various share award schemes to employees who demonstrate outstanding performance.

III. FUTURE DEVELOPMENT

(I) Industry Landscape and Trends

1. Construction Machinery Industry Landscape

In recent years, China's construction machinery industry has continued to develop, with an overall trend of increasing market share concentration. In terms of products, domestic brands represented by Sany Heavy Industry dominate the concrete machinery market, with solid and growing market shares; the excavating machinery market shows a trend of concentration towards leading enterprises and domestic brands, and leading enterprises with advantages in brand, scale, technology, service and channels will gain greater competitive advantages. Sany Heavy Industry has ranked as the top sales in the domestic market for 15 consecutive years; the hoisting machinery market is dominated by three major domestic brands. In overseas markets, the global competitiveness of Chinese enterprises has continued to improve, with their shares in the global construction machinery market gradually rising.

2. Industry Development Trends

Digitalization and decarbonization have become major trends in China's construction machinery industry.

Currently, the Fourth Industrial Revolution and the Third Energy Revolution are having a combined effect, and the world is in a period of significant technological opportunity. The Chinese government has put forward the goals of "peaking carbon emissions by 2030 and achieving carbon neutrality by 2060". Digitalization and decarbonization have become irresistible trends of the industry, and China's construction machinery has entered a long-term technological upward cycle.

The construction machinery market is cyclical, but in recent years, factors such as machinery replacing labor, improved global competitiveness and upgraded emission standards of the construction machinery industry have become important drivers of industry growth, expanding the application scenarios of construction machinery.

3. Industry Development Prospects

The construction machinery industry has broad and long-term market prospects. China has huge demand in infrastructure investment sectors such as rail transit, highways, airports, port waterways, farmland water conservancy, urban renewal and environmental protection, bringing long-term development opportunities for the construction machinery industry. Globalization, digitalization and decarbonization have become long-term drivers of industry development, bringing unprecedented strategic opportunities to the construction machinery industry.

(II) Development Strategies of the Company

With the combined effect of the Fourth Industrial Revolution and the Third Energy Revolution, the world is in a period of significant technological opportunity. The Company shall seize the opportunity and firmly implement the strategies of globalization, digitalization and decarbonization.

1. Globalization Strategy

The Company will unswervingly advance the globalization strategy. Under the guiding principle of "dedicated efforts for market expansion with strict risk control", it will implement the overall strategy of "Group Leadership, Localized Operation, Service First", continuously promote global organizational reform, strengthens overseas marketing channel construction, improve overseas service and parts systems, accelerate overseas product R&D, and establish sustainable global operational capabilities.

2. Digitalization Strategy

Based on a global data middle-platform, the Company will utilize data and intelligent decision-making to build a value flywheel for business processes, intelligent platforms and data quality. Guided by the business philosophy of "long-termism", it will continuously invest in enhancing innovation capabilities and achievements in the three fields of "intelligent products, intelligent manufacturing and intelligent operation", consolidate data assets in the construction machinery industry and application scenarios, and build itself into a future-oriented agent enterprise through data-driven decision-making, platform-based management and intelligent applications.

3. Decarbonization Strategy

The Company is committed to creating low-carbon products with high-quality, low-energy consumption and offering superior user experience. Actively laying out key components and parts and technologies in pure electrical, hybrid and hydrogen fields, it will accelerate the iterative upgrade of new energy main products. The Company will also continue to explore more efficient and environmentally friendly new energy product solutions, thus creating greater value for customers and promoting the green transformation of the industry.

(III) Business Plans

In 2026, the Company will adhere to the principle of high-quality development, accelerate the transformation of globalization, digitalization and decarbonization, continuously promote overseas organizational and R&D management reform, focus on product and technological innovation, comprehensively improve process capabilities and product quality, and further enhance profitability and overall competitiveness.

1. Adhering to High-quality Development

The Company has always adhered to the business principle of "high-quality development". By further optimizing its business structure and strengthening risk control, the Company aims to continuously enhance its profitability. The Company will concentrate its core resources on key clients and major application scenarios, accelerate the commercialization of high-end integrated equipment, and drive profit growth with higher-value-added products. On the operational side, the Company will continue to strengthen its management of accounts receivable and inventory. By strictly controlling customer credit reviews and avoiding high-risk orders, the Company ensures its high-quality, sustainable growth trajectory in a complex and ever-changing market environment.

2. *Promoting Global Transformation*

Under the guiding principle of "dedicated efforts for market expansion with strict risk control", the Company will increase overseas resource allocation, and fully explore overseas markets.

The Company will firmly implement the overall strategy of "Group Leadership, Localized Operation, Service First", strengthen the construction of overseas self-owned channels, adhere to local team operations, and accelerate the construction of overseas service networks.

The Company will continue to promote overseas organizational reform and upgrade its strategic marketing and service system for core customers around the world. We will enhance the synergistic efficiency of global R&D, manufacturing and supply chain resources to effectively strengthen the Company's overall competitiveness in high-end overseas markets.

3. *Advancing Our Digital Transformation*

The digital transformation implementation plan covers three areas, namely "intelligent products, intelligent manufacturing and intelligent operation". In terms of intelligent products, the Company will further improve unmanned and intelligent system solutions for business scenarios, empower product design and development with AI technology, and create ultimate solutions and products for customers relying on fields of electric, hydraulic, numerical control, transmission and other technological accumulation. In terms of intelligent manufacturing, the Company will promote the construction of Lighthouse Factories and manufacturing platform reform, realize material visibility, machine decision-making and full-process online production scheduling, and significantly improve quality, efficiency, cost management and inventory turnover.

4. *Promoting Decarbonization Transformation*

Centering on its "decarbonization" strategy, the Company will continuously strengthen R&D capabilities and product core competitiveness, providing inexhaustible momentum for high-quality development of enterprises, and assisting industrial transformation and upgrading. The Company is committed to comprehensively promoting a green and sustainable development model, focusing on the green and low-carbon transformation of energy, establishing a full-process green production chain that focuses on carbon reduction from the beginning of the process to the end, and contributing to China's goals of "carbon peak emissions and carbon neutrality" and the global clean energy transformation.

5. *Strengthening R&D and Innovation*

The Company will build an innovation model of "technology pre-research" and "platform reserve". Based on customer pain points, product development needs and technological development trends, it will formulate technology planning through "technology pre-research" and research innovative technologies supporting next-generation products. It will build a technology reserve platform, incorporate fully validated technical solutions into the technology platform, and establish replication capabilities for hit products. Meanwhile, it will further strengthen test capacity building and test method research to ensure full validation of technologies.

6. Strengthening Product Quality Management

The Company will firmly implement the concept of comprehensive quality management. Leveraging its newly upgraded digital quality management platform, the Company will systematically reconstruct its quality evaluation system across the entire value chain. On the R&D side, we are deeply integrating preventive tools such as advance quality planning to consolidate the foundation for comprehensive testing and validation across all scenarios; on the supply chain side, we are strengthening specialized evaluation and empowerment to build a high-quality supplier ecosystem characterized by collaboration, mutual benefit, and dynamic optimization; on the manufacturing side, we are fully integrating the end-to-end data loop spanning "design-processing-manufacturing" to comprehensively enhance process control over core operations. We are continuously working to reduce failure rates throughout the entire product lifecycle, providing quality assurance to support the Company's steady growth.

7. Strengthening Human Resources Construction

The Company has always regarded outstanding talent as a core asset driving its high-quality development, and will continue to refine its performance-based evaluation and long-term incentive mechanisms. By aligning competitive compensation with high professional standards, the Company aims to fully unleash organizational potential and foster mutual growth between the Company and its employees. At the same time, the Company will systematically optimize its talent structure and performance evaluation mechanisms in line with the Company's strategic direction of "globalization, digitalization and decarbonization". The Company will intensify its efforts to recruit industry leaders in a targeted manner and steadily advance the overseas practical training of high-potential talent. Relying on a continuously improving tiered training system, the Company will accelerate the cultivation and replication of core business talent within the organization, continuously increasing the proportion of multidisciplinary professionals with expertise in "three transformations", to provide a solid talent foundation for the Company to navigate industry cycles.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

I. CHANGES IN SHARES OF THE COMPANY (AS OF DECEMBER 31, 2025)

During the Reporting Period, as the 2024 performance evaluation metrics met the unlocking conditions specified in the Company's 2022 Share Ownership Scheme, the Company unlocked a total of 10,174,200 shares of the second tranche of awards granted in 2022, but not yet unlocked to 111 grantees. The aforementioned shares became tradable on the market on June 20, 2025. For details, please refer to announcements 2025-038 and 2025-052 on the website of Shanghai Stock Exchange (http://www.sse.com.cn/).

During the Reporting Period, due to the resignation of six grantees and the failure of one grantee to meet the performance targets for 2024, the Company repurchased and canceled a total of 588,000 awards that had been granted but had not yet fulfilled the unlocking conditions. The cancellation of these shares was completed on August 6, 2025. For details, please refer to announcements 2025-036 and 2025-060 on the website of Shanghai Stock Exchange (http://www.sse.com.cn/).

On October 29, 2025, the Company published the SANY Heavy Industry Co., Ltd.'s Announcement on the Listing and Trading of Overseas Listed Foreign Shares (H-shares) (Announcement No.: 2025-079) on the website of Shanghai Stock Exchange (http://www.sse.com.cn/). The 631,598,800 H shares issued by the Company (prior to the exercise of the Over-allotment Option) were listed and traded on the Main Board of the Hong Kong Stock Exchange on October 28, 2025. Subsequently, on November 22, 2025, the Company partial exercised the over-allotment option and issued an additional 89,015,600 H shares at an issue price of HK$21.30 per H share (For details, please refer to the announcement on the website of HKEX dated November 23, 2025).

In conclusion, following the release of shares pursuant to the applicable share ownership scheme into trading, the repurchase and cancellation of shares and the issuance and listing of H shares, the Company's total share capital increased from 8,474,390,037 shares to 9,195,004,437 shares.

II. PARTICULARS OF SHAREHOLDERS

(1) Shareholdings of the shareholders of the Company

		Shareholdings of shareholders holding 5% or above of shares or the top ten shareholders as of the end of the Reporting Period		
Name of shareholder	Nature of shareholder	Number of shares held as of the end of the Reporting Period (shares)	Percentage of shares held as of the end of the Reporting Period	Shares pledged, marked or frozen (if any)
SANY Group Co., Ltd.	Domestic non state-owned legal person	2,480,088,257	26.97%	Pledged 422,627,942 shares[1]
Hong Kong Securities Clearing Company Limited	Overseas legal person	1,053,129,836	11.45%	
Liang Wengen	Domestic natural person	235,840,517	2.56%	
China Securities Finance Corporation Limited	State-owned legal person	233,349,259	2.54%	
Industrial and Commercial Bank of China-SSE 50 Exchange-traded Open-end Index Securities Investment Fund	Others	109,743,282	1.19%	
The National Social Security Fund 103 Composition	Others	105,000,000	1.14%	
Industrial and Commercial Bank of China Limited – Huatai-Pine Bridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	Others	97,949,964	1.07%	

		Shareholdings of shareholders holding 5% or above of shares or the top ten shareholders as of the end of the Reporting Period		
Name of shareholder	Nature of shareholder	Number of shares held as of the end of the Reporting Period (shares)	Percentage of shares held as of the end of the Reporting Period	Shares pledged, marked or frozen (if any)
The National Social Security Fund 114 Composition	Others	88,784,464	0.97%	
China Construction Bank Corporation – E FUND CSI 300 Trading Open Index Sponsored Securities Investment Fund	Others	69,882,337	0.76%	
Central Huijin Asset Management Ltd.	State-owned legal person	64,238,946	0.70%	

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as of December 31, 2025, the number of the Company's H Shares represents approximately 7.84% of the total issued shares of the Company, which is in compliance with the percentage threshold of public float applicable to a PRC issuer with other listed shares under Rule 13.32B of the Hong Kong Listing Rules. As at December 31, 2025, the Company had 9,195,004,437 issued Shares, comprising 8,474,390,037 A Shares (including 42,987,413 treasury shares) and 720,614,400 H Shares.

From the H Share Listing Date to the Latest Practicable Date, the Company has maintained the prescribed public float under the Listing Rules, based on information that is publicly available to the Company and within the knowledge of the Directors.

Note:

(1) The pledged shares were held by SANY Group as security in favor of the holders of the 2020 SANY Group exchangeable bonds issued to institutional investors in an aggregate principal amount of RMB8,000,000,000 for a fixed term of six years with a maturity date on September 14, 2026 at a coupon rate 1.5%, which are exchangeable for A Shares held by the Company by SANY Group.

(2) Substantial shareholders' interests in the shares and underlying shares of the Company

As of December 31, 2025, so far as was known to the Directors or the chief executive of the Company, the following persons (other than the Directors or the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance ("SFO") or required to be recorded in the register required to be kept by the Company pursuant to Section 336 of SFO.

CHANGES IN SHARES AND PARTICULARS OF SHAREHOLDERS

Name of Shareholder	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares	Approximate percentage in relevant class of Shares[1]	Approximate percentage in total share capital[1]
SANY Group[2]	Beneficial owner	A Shares	2,496,685,089 (L)	29.46%	27.15%
	Interest in controlled corporation		25,931,687 (L)	0.31%	0.28%
	Interests held jointly with another person		335,965,315 (L)	3.96%	3.65%
Mr. Tang Xiuguo[3]	Beneficial owner	A Shares	29,277,150 (L)	0.35%	0.32%
	Interests held jointly with another person		2,829,304,941 (L)	33.38%	30.77%
Mr. Mao Zhongwu[3]	Beneficial owner	A Shares	22,058,590 (L)	0.26%	0.24%
	Interests held jointly with another person		2,836,523,501 (L)	33.47%	30.85%
Mr. Yuan Jinhua[3]	Beneficial owner	A Shares	17,008,519 (L)	0.20%	0.18%
	Interests held jointly with another person		2,841,573,572 (L)	33.53%	30.90%
Mr. Yi Xiaogang[3][4]	Beneficial owner	A Shares	2,634,656 (L)	0.03%	0.03%
	Interests held jointly with another person		2,856,259,741 (L)	33.70%	31.06%
Mr. Zhou Fugui[3]	Beneficial owner	A Shares	2,265,000 (L)	0.03%	0.02%
	Interests held jointly with another person		2,856,317,091 (L)	33.70%	31.06%
Beijing Sany Heavy Machinery[3]	Beneficial owner	A Shares	25,931,687 (L)	0.31%	0.28%
	Interests held jointly with another person		2,832,650,404 (L)	33.42%	30.81%
JPMorgan Chase & Co.	Beneficial owner	H Shares	2,575,188 (L)	0.36%	0.03%
			2,519,788 (S)	0.35%	0.03%
	Investment manager		39,249,400 (L)	5.45%	0.43%
	Person having a security interest in shares		77,000 (L)	0.01%	0.00%
	Approved lending agent		32,072,503 (P)	4.45%	0.35%

Name of Shareholder	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares	Approximate percentage in relevant class of Shares[1]	Approximate percentage in total share capital[1]
UBS Group AG	Interest in controlled corporation	H Shares	57,730,824 (L)	8.01%	0.63%
Schroders PLC	Investment manager	H Shares	51,493,000 (L)	7.15%	0.56%
Aranda Investments Pte. Ltd.	Beneficial owner	H Shares	57,544,000 (L)	7.99%	0.63%
CLSA B.V.	Interest in controlled corporation	H Shares	80,174,100 (L)	11.13%	0.87%
			94,739,800 (S)	13.15%	1.03%
CLSA Limited	Underwriter	H Shares	80,174,100 (L)	11.13%	0.87%
			94,739,800 (S)	13.15%	1.03%
Seletar Investments Pte Ltd	Interest in controlled corporation	H Shares	57,544,000 (L)	7.99%	0.63%
Temasek Holdings (Private) Limited	Interest in controlled corporation	H Shares	64,656,800 (L)	8.97%	0.70%

Notes:

(1) The letter "L" denotes the long position in the Shares, the letter "S" denotes short position in the Shares and the letter "P" denotes lending pool. As at December 31, 2025, the Company had 9,195,004,437 issued Shares, comprising 8,474,390,037 A Shares (including 42,987,413 treasury shares) and 720,614,400 H Shares.

(2) Mr. Liang Wengen was interested in approximately 56.74% of the registered capital of SANY Group. Therefore, Mr. Liang Wengen is deemed to be interested in the entire Shares held by SANY Group under the SFO. SANY Group was interested in approximately 70.91% of the registered capital of Beijing Sany Heavy Machinery. Therefore, each of Mr. Liang Wengen and SANY Group is deemed to be interested in the entire Shares held by SANY Group under the SFO.

(3) Each of Mr. Liang Wengen, Mr. Tang Xiuguo, Mr. Xiang Wenbo, Mr. Mao Zhongwu, Mr. Yuan Jinhua, Mr. Yi Xiaogang, Mr. Zhou Fugui and Beijing Sany Heavy Machinery has been acting in concert with SANY Group. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each of such shareholder is also deemed to be interested in the interest of the other shareholders acting in concert.

(4) Mr. Yi Xiaogang is entitled to receive 312,306 Shares pursuant to the 2025 Stock Ownership Scheme, subject to vesting conditions.

Save as disclosed above, as of December 31, 2025, so far as was known to the Directors and the chief executive of the Company, there was no person, other than the Directors or the chief executive of the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept by the Company pursuant to Section 336 of SFO.

(3) Directors' and chief executives' interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations

As of December 31, 2025, the interests or short positions of the Directors or the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, once the Shares are listed, were as follows:

Name of Director	Nature of interests	Class of Shares	Number of Shares/ Underlying Shares	Approximate percentage in relevant class of Shares[1]	Approximate percentage in total share capital[1]
Mr. Liang Wengen[2]	Beneficial owner	A Shares	235,840,517 (L)	2.78%	2.56%
	Interest in controlled corporation		2,522,616,776 (L)	29.77%	27.43%
	Interests held jointly with another person		100,124,798 (L)	1.18%	1.09%
Mr. Xiang Wenbo[3]	Beneficial owner	A Shares	27,193,189 (L)	0.32%	0.30%
	Interests held jointly with another person		2,831,388,902 (L)	33.41%	30.79%
Mr. Yu Hongfu[4]	Beneficial Owner	A Shares	4,543,709 (L)	0.05%	0.05%
Ms. Xi Qing	Beneficial Owner	A Shares	400,000 (L)	0.0044%	0.0047%
Mr. Liu Daojun[4]	Beneficial Owner	A Shares	1,380,476 (L)	0.02%	0.02%
Mr. Yao Chuanda[5]	Interest in controlled corporation	A Shares	20,000 (L)	0.0002%	0.0002%
	Interest of spouse		1,000 (L)	0.00%	0.00%

Notes:

(1) The letter "L" denotes the long position in the Shares. As at December 31, 2025, the Company had 9,195,004,437 issued Shares, comprising 8,474,390,037 A Shares (including 42,987,413 treasury shares) and 720,614,400 H Shares.

(2) Mr. Liang Wengen was interested in approximately 56.74% of the registered capital of SANY Group. Therefore, Mr. Liang Wengen is deemed to be interested in the entire Shares held by SANY Group under the SFO. SANY Group was interested in approximately 70.91% of the registered capital of Beijing Sany Heavy Machinery. Therefore, each of Mr. Liang Wengen and SANY Group is deemed to be interested in the entire Shares held by SANY Group under the SFO.

(3) Each of Mr. Liang Wengen, Mr. Tang Xiuguo, Mr. Xiang Wenbo, Mr. Mao Zhongwu, Mr. Yuan Jinhua, Mr. Yi Xiaogang, Mr. Zhou Fugui and Beijing Sany Heavy Machinery has been acting in concert with SANY Group. Therefore, under the SFO, in addition to their respective direct shareholding or interest in controlled corporations, each of such shareholder is also deemed to be interested in the interest of the other shareholders acting in concert.

(4) Mr. Yu Hongfu and Mr. Liu Daojun are entitled to receive shares pursuant to the Stock Ownership Schemes subject to vesting conditions.

(5) Mr. Yao Chuanda was interested in approximately 96.77% of the registered capital of Wuxi Yilida Machinery Co., Ltd. (無錫億利大機械有限公司). Therefore, Mr. Yao Chuanda is deemed to be interested in the entire Shares held by Wuxi Yilida Machinery Co., Ltd. under the SFO.

Save as disclosed above, as of December 31, 2025, none of the Directors or the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were recorded in the register required to be kept pursuant to section 352 of the SFO or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

III. REPURCHASE, SALE OR REDEMPTION OF SHARES BY THE COMPANY AND ITS SUBSIDIARIES

Repurchase of H Shares of the Company

During the period from the H Share Listing Date to December 31, 2025, the Company had not repurchased any of its H Shares on the Stock Exchange.

Repurchase of A Shares of the Company

During the Reporting Period, the Company repurchased a total of 72,679,200 A shares of the Company ("**A Shares**") on the Shanghai Stock Exchange as follows:

Month	Number of A Shares repurchased	Highest price paid per A Share (RMB)	Lowest price paid per A Share (RMB)	Aggregate consideration (RMB)
April	55,767,600	19.39	17.83	1,055,419,300
June	16,911,600	18.00	17.39	299,949,400
Total	72,679,200	19.39	17.39	1,355,368,700

On April 17, 2025, the Company convened the twenty-sixth meeting of the eighth session of the Board and the twenty-fifth meeting of the eighth session of the Board of Supervisors to consider and pass the resolution on the repurchase and cancellation of certain restricted Shares, approving the repurchase and cancellation of certain restricted Shares. On May 9, 2025, the Company convened the 2024 annual general meeting to consider and pass the resolution on the repurchase and cancellation of certain restricted Shares, approving the repurchase and cancellation of a total of 588,000 restricted Shares granted to seven grantees, which did not fulfill the unlocking conditions. The above-mentioned Shares were cancelled on August 6, 2025.

On April 21, 2025, the Company convened its second extraordinary general meeting of 2025, during which the proposal on the Company's 2025 employee stock ownership plan (draft) and its summary as well as relevant proposals were reviewed and approved. 32,497,800 Shares in the special securities account for repurchase of the Company have been transferred to the 2025 employee stock ownership plan account of the Company on July 16, 2025. The lock-up period of the employee stock ownership plan is one year, and the duration is 72 months. As of the end of the Reporting Period, the 2025 employee stock ownership plan was subject to lock-up and there were a total of 32,497,800 Shares of the Company in the account.

As of the end of the Reporting Period, 42,987,413 A Shares (treasury shares) were held in the Company's special securities account for share repurchase, representing approximately 0.47% of the Company's issued share capital. These treasury shares are intended for use in share award schemes and/or stock ownership schemes.

Save as disclosed in this annual report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

I. EXECUTIVE DIRECTORS

Mr. Xiang Wenbo (向文波先生), aged 63, joined our group in November 1994 and is our executive Director and has been the chairman of the Board since January 2022.

Mr. Xiang has over 30 years of experience in the machinery industry. Mr. Xiang joined the predecessor of our Company in 1991, and co-founded SANY Group in October 2000. Mr. Xiang has served in various positions within our Group since then, including the executive president, the general manager in the marketing department and the general manager of our Company. Mr. Xiang served as the vice chairman of the Board and president of the Company from 2007 to 2022 and chairman of the Board of the Company since 2022. Mr. Xiang currently is the party secretary and director of SANY Group, and has been a non-executive director of Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 00631), since July 2009, and a director of Sany Renewable Energy Co., Ltd. (三一重能股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688349.SH), since September 2020.

Mr. Xiang is a deputy to the 11th National People's Congress of PRC and a member of the 14th National Committee of the Chinese People's Political Consultative Conference. Mr. Xiang serves as an executive committee member of the 13th All-China Federation of Industry and Commerce and vice president of the China Construction Machinery Industry Association. Mr. Xiang is entitled to the government allowance granted by the State Council and has received a number of honours, including the Outstanding Entrepreneur of the Bauhinia Cup in 2002, National Model Worker in the Machinery Industry in 2009, Best CEO in China by Forbes in 2020, and National Model Worker in 2020.

Mr. Xiang received his master's degree of engineering in materials from Dalian University of Technology (大連理工大學) in October 1988.

Mr. Yu Hongfu (俞宏福先生), aged 63, is our executive Director, and has been the vice chairman of the Board and the president of our Company since January 2022.

Mr. Yu has over 30 years of experience in the machinery industry. Mr. Yu joined our Group in March 2006 and successively served as director of our production management department from March 2006 to November 2008, general manager of our small excavator business line, vice president of SANY Heavy Machinery Co., Ltd. (三一重機有限公司) from November 2008 to March 2012, chairman of the board of SANY Heavy Machinery Co., Ltd. (三一重機有限公司) from March 2012 to January 2022 and vice chairman of the board and president of our Company since January 2022. Mr. Yu is currently a director of SANY Group. Mr. Yu has served as the part-time professor of School of Mechanical Engineering of Tongji University (同濟大學) since December 2020.

Mr. Yu received his bachelor's degree in construction machinery from Nanjing Institute of Architectural Engineering (南京建築工程學院, now known as Nanjing Tech University (南京工業大學)) in July 1984 and his master's degree in business administration from China Europe International Business School in September 2010. Mr. Yu was qualified as senior engineer by Jiangsu Provincial Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in October 2018.

II. NON-EXECUTIVE DIRECTORS

Mr. Liang Wengen (梁穩根先生), aged 69, joined our group in November 1994 and is our founder and non-executive Director. He served as the chairman of the Board from October 2000 to January 2022. Mr. Liang Wengen is Mr. Liang Zaizhong's father.

Mr. Liang had over 40 years of experience in the machinery industry. Mr. Liang co-founded Lian Yuan City Welding Materials Factory (漣源市焊接材料廠), the predecessor of our Company, and SANY Group in June 1989 and October 2000, respectively. Mr. Liang has been a director of SANY Group since October 2000, a director of SANY Heavy Machinery Limited (三一重機有限公司) since April 2001 and a director of Hunan SANY Engineering College Co., Ltd. (湖南三一工學院股份有限公司) since August 2016.

Mr. Liang is a deputy to the 8th, 9th, 10th and 13th National People's Congress of PRC, vice chairman and executive member of the 12th All-China Federation of Industry and Commerce and a delegate to the 17th and 18th CPC National Congress. Mr. Liang has been recognized as a CCTV China Economic Person of the Year in 2005.

Mr. Liang received his bachelor's degree of engineering in metal materials and heat treatment from Central South University of Mining and Metallurgy (中南礦冶學院, now known as Central South University) in July 1983. Mr. Liang is qualified as a senior economist in October 1996.

Mr. Liang Zaizhong (梁在中先生) (former name: Liang Zhizhong (梁治中)), aged 42, is our non-executive Director. Mr. Liang Zaizhong is Mr. Liang Wengen's son.

Mr. Liang Zaizhong first joined the Group in June 2006 and served as dispatcher of the manufacturing department of SANY Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司), a subsidiary of our Company, from June 2006 to January 2007. During the period from January 2007 to October 2010, Mr. Liang Zaizhong held various management positions in the financial operations of SANY Group, including the deputy supervisor of the fund settlement center, the deputy general manager of the general department of finance and the director of the general department of finance. Mr. Liang Zaizhong served as a Director of our Company from January 2010 to November 2021. Mr. Liang Zaizhong acted as the general manager of SANY Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司) from October 2010 to December 2011. During the period from December 2011 to March 2016, Mr. Liang Zaizhong held various key positions in SANY Group, including the manufacturing business director, the investment director and the process informatization director. He has acted as a director of SANY Group since December 2011, a director of Hunan SANY Engineering College Co., Ltd. (湖南三一工學院股份有限公司) since August 2016 and an executive Director of Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 00631), since October 2019.

In December 2013, Mr. Liang Zaizhong took the lead to establish SANY Foundation (北京三一公益基金會). Mr. Liang Zaizhong served as the chairman of the board of Hunan Sanxiang Bank Co., Ltd. (湖南三湘銀行股份有限公司) from December 2016 to June 2019. Mr. Liang has been serving as the president of the board of Rootcloud Co., Ltd. (樹根互聯股份有限公司) since June 2016.

Mr. Liang received his bachelor's degree of science in computer and management sciences from the University of Warwick in June 2006 and his master's degree in public administration from the John F. Kennedy School of Government at Harvard University in May 2014.

Mr. Liu Daojun (劉道君), aged 48, is our non-executive Director.

Mr. Liu has no right of permanent residence abroad, and holds a postgraduate degree. He currently serves as an employee representative Director and the audit and supervision director of the Company.

Mr. Liu graduated from Zhengzhou Institute of Aeronautical Industry Management (鄭州航空工業管理學院) in 2001 with a bachelor's degree, and obtained a master's degree in professional accounting for senior professional accountants from the Chinese University of Hong Kong (香港中文大學) and the qualification of chief financial officer from Shanghai National Accounting Institute (上海國家會計學院) in 2012. Upon joining the Company in March 2005, Mr. Liu is mainly responsible for the internal audit and supervision of the Company. With 20 years of experience in finance and internal audit and supervision, he has been long committed to the research and practice of corporate governance, internal audit, internal control and risk management. He has served as the audit and supervision director of the Company since 2014, and served as the chairman of the Board of Supervisors of the Company from August 30, 2019 to December 30, 2025.

III. INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wu Zhongxin (伍中信先生), aged 60, joined our Group in April 2022 and is our independent non-executive Director.

Mr. Wu worked at postdoctoral research station of Zhongnan University of Finance and Economics (中南財經大學), currently known as Zhongnan University of Economics and Law (中南財經政法大學), from November 1998 and was a professor in accounting of Hunan University (湖南大學) from July 2000. He served as an independent director of Hunan TV & Broadcast Intermediary Co., Ltd. (湖南電廣傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000917) from February 2002 to December 2009 and an independent director and convener of its audit committee since August 2024. He was a member of the editorial committee of the "Chinese Certified Public Accountant" published by the Chinese Institute of Certified Public Accountants from January 2007 to January 2009. Mr. Wu was a member of the 12th National Committee for the Chinese People's Political Consultative Conference in 2013 and served as the president of Hunan Finance Society (湖南省財務學會) from October 2010 to October 2014. Mr. Wu worked at Hunan University of Finance and Economics (湖南財政經濟學院) as the dean from February 2005 to September 2018 and currently serves as a professor of School of Accounting.

Mr. Wu is an expert entitled to special allowance from the State Council. He is currently the president of Hunan Finance Society (湖南省財務學會), the executive director of the Chinese Accounting Society (中國會計學會) and the vice president of the Chinese Commercial Accounting Society (中國商業會計學會).

Mr. Wu is a senior member of the Chinese Institute of Certified Public Accountants. He was recognized as "Accounting Master" in December 2018 and the accounting standards consulting expert by the Ministry of Finance of People's Republic of China (中華人民共和國財政部). Mr. Wu received his bachelor's degree in accounting from Anhui University of Finance and Economics (安徽財經大學) in July 1988 and his doctor's degree in accounting from Southwestern University of Finance and Economics (西南財經大學) in July 1998.

Ms. Xi Qing (席卿女士) (former name: Xi Jing (席菁 and 席靜)), aged 43, joined our group in April 2022 and is our independent non-executive Director.

Ms. Xi has served as researcher of information economy editorial department of Xinhua News Agency (新華社), a member of the editorial committee of Xinhua 08 financial channel and the editor-in-chief of daily bond market and bond time column from January 2009 to September 2011. She has also successively served as producer of Xinhua News Agency (新華社) audio and video department, and director of board office of China Xinhua News Network Co., Limited (中國新華新聞電視網有限公司). Ms. Xi has served as head of new media center of Xinhuanet Co., Ltd. (新華網股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603888) from September 2016 to September 2018. Ms. Xi has served as the executive president of Xinhua Xuanwen (Beijing) Mobile Media Technology Co., Ltd. (新華炫聞(北京)移動傳媒科技有限公司) since October 2018. Ms. Xi has been serving as a senior researcher at the China Enterprise Reform and Development Research Association (中國企業改革與發展研究會) since September 2019.

Ms. Xi was appointed as editor-in-chief in December 2018 and was awarded the Xinhua News Agency Annual Individual Outstanding Contribution Award in 2020. She was appointed as a member of the National Extracurricular Education and Training Supervision Expert Committee of the Ministry of Education (教育部全國校外教育培訓監管專家委員會) in January 2023. Ms. Xi was appointed as vice chairman of the first council of the alumni entrepreneurs association of Renmin University of China (中國人民大學) in May 2024 and served as career development mentor at Renmin University of China (中國人民大學) since May 2024.

Ms. Xi received her master's degree in public administration from Renmin University of China (中國人民大學) in January 2009 and her master's degree in business administration from Nanyang Technological University (南洋理工大學) in July 2016.

Mr. Lam Yuk Kun Lawrence (藍玉權先生), aged 68, joined our Group in April 2025 and is our independent non-executive Director.

Mr. Lam worked at Royal Bank of Scotland from 1995 to 2012, with his last position as chairman of the GBM Greater China in Global Banking and Markets and served as chairman of the Hong Kong Leveraged Foreign Exchange Trading (LFET) Arbitration Committee (香港槓桿式外匯交易(LFET)仲裁委員會) from 2014 to 2020, a member of the board of directors of Hong Kong Mortgage Corporation Limited (香港按揭證券股份有限公司) from 2015 to 2018, a member of the risk management committee of Hong Kong Exchanges and Clearing Limited (香港交易及結算有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 00388), from 2015 to 2021 and a member of the board of directors of China Industrial International Trust Co., Ltd. (興業國際信託有限公司) from August 2013 to February 2019 and an independent director of Hunan Sanxiang Bank Co., Ltd. (湖南三湘銀行股份有限公司) from January 2017 to February 2023.

Mr. Lam received his bachelor's degree in literature from University of Toronto, Canada in 1981 and his master's degree in economics from University of Windsor, Canada in 1982.

IV. SENIOR MANAGEMENT

Mr. Yi Xiaogang (易小剛先生), aged 62, is the executive president of the Company.

Mr. Yi Xiaogang currently serves as the executive president of the Company and a director of Sany Group. He was a member of the standing committee of the 8th session of China Association for Science and Technology, vice president of the China Industry-University-Research Institute Collaboration Association, and vice president of the China Construction Machinery Society, vice chairman of the 8th and the 9th sessions of Hunan Association for Science and Technology, a delegate to the 10th Party congress of Hunan Province and a member of the 10th and the 11th session of the CPPCC of Hunan Province. Mr. Yi Xiaogang has led 18 national and provincial-level research projects and held 135 invention patents, including 3 China Patent Gold Awards and 5 China Patent Excellence Awards. He has been awarded 2 Second Prize for the State Technological Invention Research Award, 1 Second Prize for National Science and Technology Progress Award, 6 First Prizes and 4 Second Prizes for Provincial-level Science and Technology and 1 Second Prize in China Standard Innovation Award. He has also received more than 60 awards and honors, including National Outstanding Engineer, Top Ten National Outstanding Science and Technology Workers, National Outstanding Professional and Technical Talent, He Liang He Li Science and Technology Innovation Award, the Excellent CPC Member of Hunan Province, Model Worker of Hunan Province, Hunan Provincial Governor Quality Award, Hunan Guangzhao Science and Technology Award, Outstanding Expert of Hunan Province and the National Candidate of New Century Hundred Million Talents Project (新世紀百千萬人才工程國家級人選). As a technical expert in the field of construction machinery equipment, Mr. Yi Xiaogang has dedicated more than 20 years to the independent research and development of key technologies, core components and overall systems for China's construction machinery industry.

Mr. Huang Jianlong (黃建龍先生), aged 62, is the senior vice president of the Company.

Mr. Huang Jianlong resigned as a director of the Company on April 21, 2025. He currently serves as senior vice president of the Company and a director of Sany Group. He received his bachelor's degree in metal materials from Central South University and his master's degree of business administration (MBA) from Wuhan University. He joined Sany Group in 1992 and was mainly responsible for financial, production, procurement and overseas business. In 2007, he was appointed as general manager of Sany Heavy Industry's Middle East Branch. From 2008 to 2010, he served as general manager of SANY International Development Limited (三一國際發展有限公司). From June 2010 to June 2016, he served as vice president of Sany Heavy Industry. From July 2016 to December 2020, he served as senior vice president and chief financial officer of Sany Group. He has over 20 years of experience in financial management at large publicly listed companies and nearly 30 years of experience in construction machinery industry.

Mr. Xiang Ru'an (向儒安先生), aged 54, is the senior vice president of the Company.

Mr. Xiang Ru'an received his master's degree in business administration from China Europe International Business School (中歐國際工商學院) in 2009. Mr. Xiang joined the Company in 1998 and was mainly responsible for marketing. From 2005 to 2007, he served as assistant to the president of the Company and deputy general manager of the Pumping Marketing Company (泵送營銷公司). In March 2007, he was appointed as the deputy general manager of the Company and general manager of the Guangdong Pumping Marketing Branch (泵送廣東營銷分公司). In March 2010, he was appointed as vice president of the Company, deputy general manager of SANY Heavy Machinery and general manager of the marketing company of SANY Heavy Machinery. In April 2012, he was appointed as the executive vice president of SANY Heavy Machinery. From April 2018 to June 2024, he served as the chairman of the pumping division of the Company. Mr. Xiang Ru'an has over 20 years of experience in the construction machinery industry.

Mr. Liu Hua (劉華先生), aged 49, is the senior vice president and chief financial officer of the Company.

Mr. Liu Hua is a senior accountant, certified public accountant and certified tax adviser. He currently serves as senior vice president and chief financial officer of the Company. He received his bachelor's degree in Management from Anhui University of Finance and Economics in 2000; he received his master's degree in Accounting from Hunan University in 2009; and he received his master's degree in Business Administration from PBC School of Finance, Tsinghua University (清華大學) in January 2022. He joined the Company in 2004 and has successively served various positions, including head of general ledger, director of internal audit, director of accounting, deputy chief financial officer, head of audit, chief financial officer and senior vice president. He has over 20 years of experience in audit and corporate financial management.

Mr. Sun Xinliang (孫新良先生), aged 59, is the vice president of the Company.

Mr. Sun Xinliang received his bachelor's degree from Wuhan Institute of Technology (武漢工學院) in 1992. He joined the Company in 2004 and has successively served as various positions, including deputy director of the pumping division of the Company, director of the heavy machinery business department, general manager of Huatong Company and general manager of the small excavator company, general manager and chairman of the heavy lifting division and chairman of the transmission division. He has over 20 years of experience in the construction machinery industry.

Mr. Zhang Ke (張科先生), aged 48, is the vice president of the Company.

Mr. Zhang Ke received his bachelor's degree in Arts from Xiangtan University (湘潭大學) in 2000 and his master's degree in Business Administration from China Europe International Business School (中歐國際工商學院) in 2013. He served as a reporter and deputy director of the news center at the Hunan Economic Daily; he joined the Company in 2003 and has successively served as secretary of the chairman's office, department manager of the chairman's office, deputy director of the chairman's office, director of the chairman's office, director of the human resources headquarters, director of the strategic growth office, director of the performance and project office and first deputy director of the overseas operations headquarters.

V. JOINT COMPANY SECRETARIES

Ms. Qin Zhiyu (秦致妤女士), aged 42, has been our Board secretary since January 2025.

Ms. Qin joined our Group in 2007, and has successively served as the financing manager in the fund management department at the Company's financial headquarters, chief of risk management department of the fund management department of the Company's financial headquarters and the department manager of the fund management department of the Company's financial headquarters. She has also served as a director and general manager of SANY Auto Finance Co., Ltd. (三一汽車金融有限公司), a subsidiary of our Company, from September 2020 to October 2024.

Ms. Qin received her bachelor's degree in computer science and technology from Central South University (中南大學) in June 2005 and her master's degree in management from Central South University (中南大學) in November 2007.

Ms. Lai Siu Kuen (黎少娟女士) is the joint company secretary of our Company. Ms. Lai is a director of Company Secretarial Services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services. She has over 25 years of experience in the corporate secretarial field. Ms. Lai is a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

The Board hereby presents this corporate governance report (the "**Corporate Governance Report**") in the Company's annual report for the year ended December 31, 2025.

I. CORPORATE GOVERNANCE CULTURE

Guided by the values of "character before action" and the mission of "quality changes the world", the Company adopts the business philosophy of "all for the customers, all comes from innovation", and is committed to realizing its long-term vision of "build first-class enterprises, foster first-class talents, make first-class contribution".

The Company promotes a results-oriented organizational culture that strives for excellence and encourages a pragmatic and efficient work ethic. The Company places a high priority on talent development and continuously improves its employee training system and long-term incentive mechanism. By upholding the principle of "putting hardworking individuals first", the Company effectively safeguards employee rights and interests, deeply integrates talent development with corporate strategy and provides a solid foundation for the Company's long-term, steady growth.

II. CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices. On July 1, 2025, the amendments to the CG Code came into effect and the requirements under the new CG Code will apply to corporate governance reports for financial years commencing on or after July 1, 2025.

The H shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on October 28, 2025. Since the H Share Listing Date, the Corporate Governance Code has been applicable to the Company. The Board is of the view that during the period from the H Share Listing Date to December 31, 2025, the Company has complied with all applicable code provisions as set out in the CG Code. The Board will continue to review and monitor the code of corporate governance practices of the Company with an aim to maintaining a high standard of corporate governance.

III. MODEL CODE FOR SECURITIES TRANSACTIONS

Since the Company's H shares were listed on the Hong Kong Stock Exchange on the H Share Listing Date, the provisions regarding compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules are only applicable to the Company since the H Share Listing Date.

Following the Listing, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors of the Company, and the Group's employees who, because of his/her office or employment, are likely to possess inside information in relation to the Group or the Company's securities. Specific enquiries have been made to all Directors and the Directors have confirmed that they have complied with the Model Code during the period from the H Share Listing Date to December 31, 2025.

No incident of non-compliance of the Model Code by the employees was noted by the Company during the period from the H Share Listing Date to December 31, 2025.

IV. BOARD OF DIRECTORS

The Company is headed by an effective Board which assumes responsibility for its leadership and control and is collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Our Directors make decisions objectively in the best interests of the Company.

The Board currently comprises eight Directors, consisting of two executive Directors, three non-executive Directors, and three independent non-executive Directors. The composition of the Board and the biographical information of each Director are set out in the section headed "Biographical Details of Directors and Senior Management" under this annual report.

Mr. LIU Daojun confirms that he (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on December 30, 2025, and (ii) understands his obligations as a director of a listed issuer under the Hong Kong Listing Rules.

Each of our Directors (apart from Mr. LIU Daojun) confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Hong Kong Listing Rules on April 3 2025, and (ii) understands his/her obligations as a director of a listed issuer under the Hong Kong Listing Rules.

During the year ended December 31, 2025, none of our Directors had interests in any business which competes or is likely to compete, either directly or indirectly, with our business under Rule 8.10(2) of the Hong Kong Listing Rules.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with their role and the Board responsibilities. The Board includes a balanced composition of executive directors and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

(I) BOARD COMPOSITION

The composition of the Board as at the date of this report is as follows:

Executive Directors

Mr. XIANG Wenbo *(Chairman of the Board)*

Mr. YU Hongfu

Non-executive Directors

Mr. LIANG Wengen

Mr. LIANG Zaizhong

Mr. LIU Daojun *(Employee representative Director) (appointed on December 30, 2025)*

Independent Non-executive Directors

Mr. WU Zhongxin

Ms. XI Qing

Mr. LAM Yuk Kun Lawrence

The biographical information of the Directors is set out in the section headed "Biographical Details of Directors and Senior Management" on pages 36 to 40 of this annual report. Save that Mr. Liang Wengen is the father of Mr. Liang Zaizhong, there are no other relationships (including financial, business, family or other material/relevant relationships) among the Board members, and in particular, between the Chairman and the president/Chief Executive Officer.

(II) Board Meetings and Directors' Attendance Records

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the year ended December 31, 2025, the Board held 10 Board meetings and 6 general meetings.

The attendance record of each Director at the Board meetings and general meetings of the Company held during the Reporting Period is set out in the table below:

Name of Director	Attended/Eligible to attend the Board meeting(s)	Attended/Eligible to attend the general meeting(s)
Executive Directors		
Mr. XIANG Wenbo	10/10	0/6
Mr. YU Hongfu	10/10	6/6
Non-executive Directors		
Mr. LIANG Wengen	10/10	0/6
Mr. LIANG Zaizhong	10/10	0/6
Mr. LIU Daojun (Note 1)	0/0	0/0
Independent Non-executive Directors		
Mr. WU Zhongxin	10/10	0/6
Ms. XI Qing	10/10	0/6
Mr. LAM Yuk Kun Lawrence (Note 2)	7/7	0/6

Notes:

1. Mr. LIU Daojun, who was appointed as a non-executive Director of the Company in December 2025, did not attend any Board meetings or general meetings of the Company held during the Reporting Period prior to his appointment.

2. Mr. LAM Yuk Kun Lawrence, who was appointed as an independent non-executive Director of the Company in April 2025, did not attend any Board meetings or general meetings of the Company held during the Reporting Period prior to his appointment.

(III) Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interest), financial information, appointments of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

(IV) CHAIRMAN AND PRESIDENT/CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the CG Code, the roles of Chairman and President/Chief Executive Officer should be separate and performed by different individuals.

During the Reporting Period, the roles of Chairman and President/Chief Executive Officer were separated and held by different individuals to ensure a balance of power and authority. The Chairman of the Board of Directors of the Company is Mr. Xiang Wenbo and the President/Chief Executive Officer of the Company is Mr. Yu Hongfu.

(V) INDEPENDENT NON-EXECUTIVE DIRECTORS

During the period from the H Share Listing Date to December 31, 2025, the Board complied at all times with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing one-third of the Board, including one with appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

(VI) Board Independence Evaluation

The Company has established a Board Independence Evaluation Mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, and allows the Board effectively exercises independent judgment to better safeguard Shareholders' interests.

The objectives of the evaluation are to improve Board effectiveness, maximise strengths, and identify the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

Pursuant to the Board Independence Evaluation Mechanism, the Board will conduct annual review on its independence.

As the Company was only listed on the Stock Exchange on October 28, 2025, the Board will conduct the annual review on the implementation and effectiveness of the Board Independence Evaluation Mechanism in 2026.

(VII) APPOINTMENT AND RE-ELECTION OF DIRECTORS

Our Directors (including independent non-executive Directors) are appointed for a term of three years and are eligible for re-election upon expiry of their term of office. The independent non-executive Directors shall not hold office for more than six consecutive years pursuant to the relevant PRC laws and regulations.

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) termination in accordance with their respective terms; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

(VIII) CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors should keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction should be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate.

All Directors are encouraged to attend relevant training courses at the Company's expenses.

Prior to the Listing and during the Reporting Period, the Company organized training sessions conducted by the qualified professionals/legal advisers for all Directors. The training sessions covered a wide range of relevant topics including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual/legal and regulatory updates/seminar handouts have been provided to the Directors for their reference and studying.

The training records of the Directors up to date of this annual report are summarized as follows:

Directors	Type of Training [Note]
Executive Directors	
Mr. XIANG Wenbo	A, B
Mr. YU Hongfu	A, B
Non-executive Directors	
Mr. LIANG Wengen	A, B
Mr. LIANG Zaizhong	A, B
Mr. LIU Daojun *(appointed on December 30, 2025)*	A, B
Independent Non-executive Directors	
Mr. WU Zhongxin	A, B
Ms. XI Qing	A, B
Mr. LAM Yuk Kun Lawrence	A, B

Note:

Type of Training

A: Attending training sessions, including but not limited to briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

V. BOARD COMMITTEES

The Board has established five committees, namely, the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Strategy Committee, and the Sustainability Committee, for overseeing particular aspects of the Company's affairs. Each Board committee of the Company has been established with specific written terms of reference that clearly set out its authority and duties. The terms of reference of each of the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee, the Strategy Committee, and the Sustainability Committee are published on the Company's website and the Stock Exchange's website and are available to Shareholders upon request.

(I) Audit Committee

The Audit Committee consists of three members, namely Mr. WU Zhongxin, Ms. XI Qing and Mr. LAM Yuk Kun Lawrence. All Audit Committee members are independent non-executive Directors. Mr. WU Zhongxin is the chairperson of the Audit Committee.

The principal duties of the Audit Committee include but are not limited to the following:

(a) review financial accounting reports and financial information in periodic reports, as well as internal control evaluation reports, including monitoring the completeness of the Company's financial statements, annual reports and accounts, half-year reports and quarterly reports, and reviewing significant judgements contained therein in respect of relevant financial reporting. The Committee shall focus on the following matters before submitting such statements and reports to the Board of Directors;

(b) supervise and evaluate the external audit work, including: (1) formulate policies, procedures and relevant internal control systems for the selection and engagement of external auditors in accordance with the authorization of the Board of Directors; (2) propose to initiate relevant work for the selection and engagement of external auditors; (3) propose to the Board of Directors the Company's engagement and dismissal of the accounting firms engaged in the audit work of the Company, approve the remuneration and terms of engagement of the external auditors, and to handle any issues relating to the resignation or removal of the external auditors; (4) review the selection and engagement documents, determine the evaluation factors and specific scoring criteria, and supervise the selection and engagement process; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (5) the Committee shall discuss with the external auditors on the nature and scope of the audit and related reporting obligations before the audit commences; develop and implement policies on the provision of non-audit services by the external auditors; and (6) The Audit Committee shall supervise and evaluate the audit work of the external auditors, urge the external auditors to be honest, trustworthy, diligent and responsible, who shall also strictly abide by business rules and industry self-regulation norms, strictly implement the internal control system, verify and validate the Company's financial and accounting reports, perform special due diligence, and express professional opinions with caution. The Audit Committee shall regularly (at least annually) submit to the Board of Directors an assessment report on the performance of the engaged external auditors and a report on the supervision of the external auditors by the Audit Committee;

(c) make recommendations to the Board of Directors on the appointment or dismissal of financial officer of the Company;

(d) make recommendations to the Board of Directors on changes in accounting policies or accounting estimates or correction of material accounting error for a reason other than change in accounting standards;

(e) supervise and evaluate the internal audit work and perform the following duties: (1) guide and supervise the establishment and implementation of the internal audit system; (2) review the Company's annual internal audit work plan; (3) supervise the implementation of the Company's internal audit plan; (4) guide the effective operation of the internal audit department; (5) report to the Board of Directors on the progress, quality of internal audit work, and major problems or clues identified; (6) coordinate the relationship between the internal audit department and external audit institutions such as external auditors and national audit institutions;

(f) inspect the effectiveness of the financial internal control system and risk management system of the Company;

(g) if the Audit Committee identifies clues of financial fraud, operating anomalies, or pays attention to major negative public opinions and major media questions related to the Company, or receives explicit complaints and reports during the performance of its duties, it may require the listed company to conduct self-inspection, require the internal audit body to conduct investigation, and may engage a third-party intermediary agency to assist in the work when necessary, with the expenses borne by the Company;

(h) exercise the functions and powers of the Board of Supervisors as stipulated in the Company Law; and

(i) other matters prescribed by laws and regulations, securities regulatory rules in the places where the shares of the Company are listed, the Articles of Association, and other matters as authorized by the Board of Directors.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

To further improve the Company's governance structure and better promote its standardized operation, the Company, taking into account its actual conditions and in accordance with relevant laws, regulations and normative documents such as the Company Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, and the Guidelines for Articles of Association of Listed Companies, abolished the Board of Supervisors and made amendments to the Articles of Association in 2025. The functions and powers originally vested in the Board of Supervisors are now exercised by the Audit Committee under the Board.

In addition, the Audit Committee reviewed, discussed and approved the annual results for the year ended December 31, 2024, the interim results for the period ended June 30, 2025, and the quarterly results for the periods ended March 31, 2025 and September 30, 2025 during the Reporting Period.

5 Audit Committee meetings were held during the year ended December 31, 2025, and the attendance records of the Audit Committee meeting are set out below:

Directors	Attendance/ Number of meeting(s)
Mr. WU Zhongxin *(Chairperson)*	5/5
Ms. XI Qing	5/5
Mr. LAM Yuk Kun Lawrence *(appointed in April 2025)*	3/3

(II) Remuneration and Evaluation Committee

The Remuneration and Evaluation Committee consists of three members, namely Mr. WU Zhongxin, Ms. XI Qing and Mr. LAM Yuk Kun Lawrence. All Remuneration and Evaluation Committee members are independent non-executive Directors. Mr. LAM Yuk Kun Lawrence is the chairperson of the Remuneration and Evaluation Committee.

The principal duties of the Remuneration and Evaluation Committee include but are not limited to the following:

(a) reviewing the assessment standards of directors and managers, and conducting the assessment and putting forward suggestions;

(b) reviewing and examining the remuneration policy and plans for the directors and senior management members, and establishing fair and transparent procedures for remuneration policy;

(c) reviewing the independence of independent non-executive Directors;

(d) making recommendations to the Board on the remuneration of non-executive Directors;

(e) reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board of Directors at least once a year; making recommendations on any proposed changes to the Board of Directors to complement the Company's corporate strategy; evaluating the structure of various committees under the Board of Directors; and recommending directors to serve as members of the relevant committees, which shall be subject to the approval of the Board of Directors;

(f) appointment or dismissal of senior management members; and reviewing and making recommendations on the candidates for senior management members;

(g) assessing the working status of directors, and providing opinions and recommendations regarding any changes, re-appointment and succession of directors based on the result of assessment;

(h) making recommendations to the Board of Directors on the appointment or re-appointment of directors and succession planning for directors;

(i) the responsibilities and terms of reference of the remuneration committee as set out in the relevant code provisions of the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules (as amended from time to time);

(j) formulating the remuneration policy and make recommendations to the Board of Directors, and supervising the implementation of such plans, in respect of the overall remuneration policy and structure for the directors and senior management of the Company (including but not limited to the performance evaluation criteria, procedures and key evaluation systems, and major incentive and penalty plans and systems, etc.), and in respect of the establishment of formal and transparent procedures, based on the main scope, responsibilities and importance of the management positions of the directors (including non-independent non-executive directors) and senior management, as well as the remuneration levels of comparable positions in other similar enterprises;

(k) reviewing and approving the remuneration proposals of the management in accordance with the corporate policy and objectives set by the Board of Directors;

(l) examining the performance of duties of the directors and senior management of the Company and appraising their annual performance, and formulating annual bonus plans to be submitted to the Board of Directors for decision and implementation;

(m) supervising the implementation of the remuneration system of the Company;

(n) making recommendations to the Board of Directors on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment and making recommendations to the Board of Directors on the remuneration of the non-executive Directors;

(o) formulating or amending equity incentive plans, employee stock ownership plans, and the granting of rights to incentive recipients and the achievement of conditions for the exercise of such rights by incentive recipients;

(p) arranging stock ownership plans for directors and senior management members in the event of a proposed spin-off of a subsidiary;

(q) consulting the chairman of the Board of Directors in respect of the remuneration proposed for other executive directors, and seeking independent professional advice if necessary;

(r) reviewing and approving the compensation payable to executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms; if not, the compensation shall be fair and reasonable, and not excessive;

(s) reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that such arrangements are consistent with the contractual terms; if not, the relevant compensation shall be reasonable, appropriate, and not excessive;

(t) ensuring that any Director or any of his/her associates (as defined in the Hong Kong Listing Rules) does not participate in the determination of his/her own remuneration; and in relation to a non-executive Director who concurrently serves as a member of the Nomination, Remuneration and Evaluation Committee, his/her remuneration shall be determined by other members of the Remuneration and Evaluation Committee;

(u) reviewing the Directors' service contracts, expressing the view on Directors' service contracts required to be approved by shareholders, advising shareholders whether the relevant terms are fair and reasonable, commenting on whether such service contracts are in the interests of the Company and its shareholders as a whole, and providing recommendations to shareholders (other than shareholders who are Directors with a material interest in such contract and their associates) on how to vote;

(v) reviewing and/or approving matters relating to share schemes under Chapter 17 of the Hong Kong Listing Rules;

(w) considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

(x) other matters as authorized by the Board of Directors; and

(y) other matters prescribed by laws, administrative regulations, securities regulatory rules of the places where the shares of the Company are listed, and the Articles of Association.

The written terms of reference of the Remuneration and Evaluation Committee are available on the websites of the Stock Exchange and the Company.

As the Company was only listed on the Stock Exchange on October 28, 2025, 3 Remuneration and Evaluation Committee meetings were held during the year ended December 31, 2025, and the attendance records are set out below:

Directors	Attendance/ Number of meeting(s)
Mr. LAM Yuk Kun Lawrence *(Chairperson) (appointed in April 2025)*	1/1
Ms. XI Qing	3/3
Mr. WU Zhongxin	3/3

During the Reporting Period, the remuneration of the senior management (excluding executive Directors), whose biographical details are included in the section headed "Biographical Details of Directors and Senior Management" of this annual report, falls within the following bands:

Remuneration (RMB)	Number of Individuals
2 million to 4 million	1
4.01 million to 6 million	2
6.01 million to 8 million	4

The remuneration of each Director and the chief executive is set out in note 45.(v) to the consolidated financial statements.

For the year ended December 31, 2025, no emolument was paid by our Group to any Directors or any of the five highest paid individuals as inducement to join or upon joining our Group as compensation for loss of office. For the year ended December 31, 2025, none of the Directors has waived or agreed to waive any emoluments.

The Company's remuneration policy is to ensure that the remuneration offered to the Directors and senior management, is based on skill, knowledge, responsibilities and involvement in the Company's affairs. The remuneration and compensation packages of the Directors and senior management are also determined with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and the performance of the Group. The remuneration for the Directors comprises fees, salaries, allowances, benefits in kind, performance-related bonuses, equity-settled share-based compensation expense and pension scheme contributions. Executive Directors shall receive options and awards to be granted under the Company's share option scheme and share award scheme. Non-executive Directors and independent non-executive Directors shall not receive options and awards to be granted under the Company's share option scheme and share award scheme. Individual Directors and senior management have not been involved in deciding their own remuneration.

(III) Nomination Committee

The Nomination Committee consists of three members, namely Mr. XIANG Wenbo (executive Director), Ms. XI Qing (independent non-executive Director) and Mr. LAM Yuk Kun Lawrence (independent non-executive Director). Ms. XI Qing is the chairperson of the Nomination Committee.

The principal duties of the Nomination Committee include but are not limited to the following:

(a) to review the structure, size and composition (including skills, knowledge and experience) of the Board of Directors at least annually, assist the Board of Directors in maintaining a skill matrix of the Board of Directors, and make recommendations on any proposed changes to the Board of Directors to complement the Company's strategy;

(b) to identify individuals with suitable qualifications to serve as directors, and select and nominate such individuals to serve as directors or making recommendations to the Board in this regard;

(c) to make recommendations to the Board of Directors on the appointment or reappointment of directors and succession plan for directors, in particular the chairman of the Board of Directors and the chief executive officer; and

(d) to support the Company's regular evaluation of the Board's performance.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's relevant criteria as set out as set out in the Board Diversity Policy that are necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

As the Company was only listed on the Stock Exchange on October 28, 2025, 2 Nomination Committee meetings were held during the year ended December 31, 2025, and the attendance records are set out below:

Directors	Attendance/ Number of meeting(s)
Ms. XI Qing *(Chairperson)*	2/2
Mr. LAM Yuk Kun Lawrence *(appointed in April 2025)*	0/0
Mr. XIANG Wenbo	2/2

(IV) Strategy Committee

The Strategy Committee consists of three members, namely Mr. XIANG Wenbo (executive Director), Mr. YU Hongfu (executive Director) and Mr. WU Zhongxin (independent non-executive Director). Mr. XIANG Wenbo is the chairperson of the Strategy Committee.

The principal duties of the Strategy Committee include but are not limited to the following:

(a) to research and make recommendations on the Company's long-term development strategy;

(b) to research and make recommendations on major investment and financing plans that must be approved by the Board of Directors as stipulated in the Articles of Association;

(c) to research and make recommendations on major capital operations and asset management projects that must be approved by the Board of Directors as stipulated in the Articles of Association;

(d) to research and make recommendations on the Company's ESG strategy and objectives;

(e) to review the progress of the implementation of the ESG strategy and objectives, listen to the work reports of the President's Office of the Company, and provide opinions;

(f) to review the Company's annual social responsibility report (ESG report) and provide opinions;

(g) to research and make recommendations on other major issues affecting the Company's development;

(h) to inspect the implementation of the above matters; and

(i) other matters authorized by the Board of Directors.

As the Company was only listed on the Stock Exchange on October 28, 2025, 1 Strategy Committee meeting was held during the year ended December 31, 2025, and the attendance records are set out below:

Directors	Attendance/ Number of meeting(s)
Mr. XIANG Wenbo *(Chairperson)*	1/1
Mr. YU Hongfu	1/1
Mr. WU Zhongxin	1/1

(V) Sustainability Committee

The Sustainability Committee consists of three members, namely Mr. XIANG Wenbo (executive Director), Mr. YU Hongfu (executive Director) and Ms. XI Qing (independent non-executive Director). Mr. XIANG Wenbo is the chairperson of the Sustainability Committee.

The principal duties of the Sustainability Committee include but are not limited to the following:

(a) to coordinate and promote the development of the Company's environmental protection, social responsibility and corporate governance (hereinafter referred to as "**ESG**") systems, to study and formulate the Company's ESG vision, goals, strategies and structure, and to ensure their compliance with the Company's strategic plan and applicable laws, rules and regulations;

(b) to focus on such risks and opportunities that have material influence on business operation of the Company in relation to ESG and offer advice on how such risks and opportunities will affect business operation of the Company;

(c) to study the ESG-relative plan and major matters of the Company, advance and lead the implementation of the ESG work and provide corresponding advice;

(d) to provide ESG training to senior management of the Company, regularly oversee and examine the implementation of the ESG work, and provide advice on how to improve ESG performance;

(e) to review relevant the ESG disclosures and documents of the Company, including but not limited to annual ESG report, and report to the Board of Directors;

(f) to conduct research and make recommendations on other major matters affecting the sustainable development of the Company; and

(g) other matters authorized by the Board of Directors and other matters involved in related laws and regulations.

As the Company was only listed on the Stock Exchange on October 28, 2025, 1 Sustainability Committee meeting was held during the year ended December 31, 2025, and the attendance records are set out below:

Directors	Attendance/ Number of meeting(s)
Mr. XIANG Wenbo *(Chairperson)*	1/1
Mr. YU Hongfu	1/1
Ms. XI Qing	1/1

(VI) Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. We aim to maintain at least 10% female representation in the Board and the current composition of the Board, consisting of one female Director and seven male Directors with a balanced mix of knowledge and skills, satisfies this target gender ratio. We will implement policies to ensure gender diversity when recruiting staff to develop a pipeline of female senior management and potential successors to the Board. We will strive to enhance our female representation and achieve appropriate balance of gender diversity with reference to the stakeholders' expectation and international and local recommended best practices. Furthermore, we will implement comprehensive programs aimed at identifying and training our female staff who display leadership and potential, with the goal of promoting them to the senior management or the Board. The Board is of the view that our current Board composition satisfies the Board Diversity Policy.

An analysis of the Board's current composition based on the measurable targets is set out below:

Gender
Male: 7 Directors
Female: 1 Director

Designation
Executive Directors: 2 Directors
Non-executive Directors: 3 Directors
Independent non-executive Directors: 3 Directors

Business Experience
Accounting and finance: 3 Directors
Experience relevant to the Company's business: 4 Directors

The nomination committee of the Board (the "**Nomination Committee**") is responsible for reviewing the diversity of the Board. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

Gender Diversity

The Company values gender diversity across all levels of the Group. The Company has taken, and will continue to take, steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the senior management levels.

The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management of the Company as at the date of this annual report:

	Female	Male
Board	12.5% (1)	87.5% (7)
Senior Management	14.3% (1)	85.7% (6)
Other employees	13.4% (3,803)	86.6% (24,656)
Overall workforce (Note)	13.4% (3,804)	86.6% (24,665)

Note:

The Company's independent non-executive Directors and certain of its non-executive Directors are not employees of the Company.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report.

The Board has set up its goal to have at least one female member at the Board, and considers that the above current gender diversity is satisfactory.

The Company will continue to work to enhance gender diversity of the Board. The Board will use its best endeavors to appoint female Directors to the Board, and the Nomination Committee will use its best endeavors to identify and recommend suitable female candidates to the Board for its consideration of appointment of Directors. The Company will also continue to ensure that there is gender diversity when recruiting staff from mid to senior level, such that it will have a pipeline of female management and potential successors to our Board in due time to ensure gender diversity of the Board. The Group will continue to emphasise training of female talents and provide long-term development opportunities for the female staff.

(VII) Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the Nomination Committee.

The Company has adopted a Director Nomination Policy, as contained in the terms of reference of the Nomination Committee, which sets out the selection criteria and nomination process and the Board succession planning considerations in relation to nomination and appointment of Directors of the Company and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The nomination process of appointment of new Director set out in the Director Nomination Policy is as follows:

(i) the human resources department and the Nomination Committee shall actively communicate with the relevant departments of the Company to assess the Company's demand for new directors and senior management, and produce materials in writing;

(ii) the Nomination Committee may extensively seek candidates for directors and senior management within the Company, its holding (shareholding) enterprises as well as the job market;

(iii) the Nomination Committee shall collect and learn the information of the occupation, education background, job title, detailed working experience and all the part-time jobs of the initially proposed candidates, and produce materials in writing;

(iv) to seek for the nominee's written consent to the nomination, otherwise, he/she shall not be considered as a candidate for directors and senior management;

(v) to convene Nomination Committee meetings to review the qualifications of the initially proposed candidates according to the job requirements of directors and senior management;

(vi) to submit proposals and the relevant materials to the Board in respect of candidates of directors and senior management within a reasonable period of time prior to the election of new directors and senior management; and

(vii) to carry out other follow-up work according to the decision and feedback of the Board.

The Nomination Committee shall submit its decisions, recommendations and/or proposals to the Board for consideration and decision. Among which, the nomination of director candidates must be submitted to the general meeting of shareholders for review and approval after being reviewed by the Board and before implementation.

The criteria for assessing the suitability and the potential contribution to the Board of a proposed candidate as set out in the Board Diversity Policy, including but not limited to the following, are gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge and length of service.

During the period from the H Share Listing Date to December 31, 2025, there was no change in the composition of the Board.

The Nomination Committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

VI. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions, including project management, sales and leasing, financial reporting, human resources and information technology.

The Company's risk management and internal control systems have been developed with the following principles, features and processes:

All departments conduct internal control assessments regularly to identify risks that potentially impact on the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

The management, in coordination with department heads, assesses the likelihood of risk occurrence, provides treatment plans, monitors the risk management progress, and reports to the Audit Committee and the Board on all findings and the effectiveness of the systems.

Through systematic risk management procedures, a risk register tailored to the Company's operating conditions is identified and established. The likelihood and impact of risks are assessed, and risks are prioritized based on their potential severity to the Group's operations. Through both qualitative and quantitative analyses, the root causes of risks are identified, and effective response strategies are formulated from multiple perspectives. A written report is prepared and submitted to management and the Board for internal review. Where necessary, external advisors are engaged to provide opinions, support remediation efforts, and perform other related activities as needed.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended December 31, 2025.

The internal audit department is responsible for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit department examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee once per year.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, conducted review of the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended December 31, 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

Whistleblowing Policy

The Company has in place the Whistleblowing Policy for employees of the Company and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matters related to the Company.

Anti-Corruption Policy

The Company has also in place the Anti-Corruption Policy to safeguard against corruption and bribery within the Company. The Company has an internal reporting channel that is open and available for employees of the Company to report any suspected corruption and bribery. Employees can also make anonymous reports according to the procedures as set out in the Whistleblowing Policy.

Disclosure of Inside Information Policy

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

VII. DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements with the support of the accounting and finance team.

The Directors have prepared the financial statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board. Appropriate accounting policies have also been used and applied consistently except for the adoption of revised standards, amendments to standards and interpretation.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements of the Company are prepared on a going concern basis, the Directors are of the view that these financial statements give a true and fair view of the financial position, performance and cash flow of the Group for the year ended December 31, 2025, and the disclosure of other financial information and report therein complies with the Listing Rules and legal requirements.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report of this annual report.

VIII. AUDITORS' REMUNERATION

The remuneration paid and payable to the external auditors of the Company in respect of audit services and non-audit services (mainly included transfer pricing and other financial consultation services) for the year ended December 31, 2025 is set out below:

Service Category	Fees Paid/Payable (RMB'000)
Audit services	
– IPO Audit	9,387
– Annual report Audit	7,432
Non-audit services	3,851
Total	**20,670**

The Company's auditor has remained unchanged over the past three years.

IX. JOINT COMPANY SECRETARIES

The Company has appointed Ms. Qin Zhiyu, a full-time employee of the Company, and Ms. Lai Siu Kuen, a director of company secretarial services of Tricor Services Limited, a global professional services provider specializing in integrated business, corporate and investor services, as the Company's joint company secretaries.

All Directors have access to the advice and services of the joint company secretaries on corporate governance and board practices and matters. Ms. Qin, who is also the secretary to the Board, has been designated as the primary contact person at the Company which would work and communicate with Ms. Lai on the Company's corporate governance and secretarial and administrative matters.

During the year ended December 31, 2025, Ms. Qin and Ms. Lai have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules. The biographies of Ms. Qin and Ms. Lai are set out in the "Biographical Details of Directors and Senior Management" section of this annual report.

X. SHAREHOLDERS' RIGHTS

(I) Convening of extraordinary general meeting and putting forward proposals

Shareholders who individually or jointly hold 10% or more of the Company's shares have the right to request the Board of Directors to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the Company's stock listing place, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting.

If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within ten days of receiving the request, shareholders who individually or jointly hold 10% or more of the Company's shares have the right to propose to the Audit Committee to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders.

If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the shareholders' meeting, and shareholders holding 10% or more of the Company's shares separately or jointly for 90 consecutive days or more may convene and preside over the meeting on their own.

(II) Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	SANY Industrial Park, Xingsha Economic Development Zone Changsha, Hunan Province
Attention:	Company Secretary
Telephone:	0731-84031555
Email:	sanyir@sany.com.cn

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

XI. COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavors to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

To safeguard Shareholder interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

(I) Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy. The policy aims at promoting effective communication with Shareholders and other stakeholders, encouraging Shareholders to engage actively with the Company and enabling Shareholders to exercise their rights as Shareholders effectively.

As the Company was only listed on the Stock Exchange on October 28, 2025, the Board will conduct the annual review on the implementation and effectiveness of the Shareholders Communication Policy in 2026.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Corporate Communication

"Corporate Communication" as defined under the Listing Rules refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to the following documents of the Company: (a) the Directors' report, annual accounts together with a copy of the auditor's report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form. The Corporate Communication of the Company will be published on the Stock Exchange's website (www.hkex.com.hk) in a timely manner as required by the Listing Rules. Corporate Communication will be provided to Shareholders and non-registered holders of the Company's securities in both English and Chinese versions or where permitted, in a single language, in a timely manner as required by the Listing Rules. Shareholders and non-registered holders of the Company's securities shall have the right to choose the language (either English or Chinese) or means of receipt of the Corporate Communication (in printed form or through electronic means).

(b) Announcements and Other Documents pursuant to the Listing Rules

The Company shall publish announcements (on inside information, corporate actions and transactions etc.) and other documents (e.g. the Articles of Association) on the Stock Exchange's website in a timely manner in accordance with the Listing Rules.

(c) Corporate Website

Any information or documents of the Company posted on the Stock Exchange's website will also be published on the Company's website (www.sany.com.cn). Other corporate information about the Company's corporate governance will also be available on the Company's website.

(d) Shareholders' Meetings

The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The Company shall provide Shareholders with relevant information on the resolutions(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at the meetings for and on their behalf if they are unable to attend the meetings. Where appropriate or required, the Chairman of the Board and other Board members, the chairmen and deputy chairman of board committees or their delegates, and the external auditors should attend general meetings of the Company to answer Shareholders' questions (if any). The chairman of the independent board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent Shareholders' approval.

(e) Shareholders' Enquiries

Enquiries about Shareholdings

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong share registrar, Tricor Investor Services Limited, via its online holding enquiry service at https://srhk.vistra.com, or send email to is-enquiries@vistra.com or call its hotline at (852) 2980 1333, or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

Enquiries about Corporate Governance or Other Matters to be put to the Board and the Company

The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send any enquiries to the Board by email: xiaoh62@sany.com.cn or by post to 5/F, Building 6, No. 8, Beiqing Road, Changping District, Beijing, PRC.

(f) Webcast

Webcasts of the Company's interim and annual results briefings are available.

(g) Other Investor Relations Communication Platforms

Investor/analysts briefings, roadshows (both domestic and international), media interviews, marketing activities for investors and specialist industry forums etc. will be launched on a regular basis.

(II) Dividend Policy

Subject to PRC laws and regulations, including the PRC Company Law (《中華人民共和國公司法》) and the No. 3 Guideline for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第 3 號 — 上市公司現金分紅(2025 年修訂)》) and pursuant to our dividend policy under the Articles of Association, we are required to pay cash dividends of no less than 5% of the distributable profits realized for that year and cumulative cash dividends of any three fiscal years that account for not less than 30% of our average net profits for those three fiscal years which are available for distribution, calculated in accordance with PRC GAAP, provided that the sustainable operation and long-term development of the Company will not be impacted and there is no plan for significant capital expenditure. Future profit distributions may be carried out in the form of cash dividends or stock dividends or a combination of both. We do not have a fixed dividend distribution ratio. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders' meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, shareholders' interests and any other conditions that our Board may deem relevant.

(III) Amendments to Constitutional Documents

The current Articles of Association of the Company were approved by a special resolution at the Extraordinary General Meeting of the Company held on December 30, 2025, and came into effect on December 30, 2025.

The latest version of the Articles of Association is available on the respective websites of the Stock Exchange and the Company.

Save as disclosed above, during the Reporting Period, there has not been any change in the Company's Articles of Association.

I. PRINCIPAL BUSINESS

The principal activity of the Company is dedicated to the R&D, manufacturing, sales and servicing of an extensive portfolio of construction machinery, including excavating machinery, concrete machinery, hoisting machinery, piling machinery and road machinery.

II. BUSINESS REVIEW

The business review of the Group is set out in the section headed "Management Discussion and Analysis" in this annual report.

III. COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with the applicable rules and regulations. The Group has allocated abundant resources to ensure ongoing compliance with laws and regulations and to maintain healthy relationships with regulators through effective communications. As far as the Company is aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group during the Reporting Period.

IV. MEMBERS OF THE BOARD

The Directors during the year ended December 31, 2025 and up to the date of this report are as follows:

Executive Directors
Mr. XIANG Wenbo *(Chairman of the Board)*
Mr. YU Hongfu

Non-executive Directors
Mr. LIANG Wengen
Mr. LIANG Zaizhong
Mr. LIU Daojun *(Employee representative Director)*

Independent non-executive Directors
Mr. WU Zhongxin
Ms. XI Qing
Mr. LAM Yuk Kun Lawrence

V. PRINCIPAL RISKS

1. Policy Risks

The construction machinery industry is closely related to infrastructure construction and investment in the construction industry. Changes in macroeconomic policies and fixed-asset investment growth will affect downstream customer's demand of the Company, thereby impacting its product sales.

2. Market Risks

The construction machinery industry is highly sensitive to the macroeconomic environment and fixed asset investment cycle. In the event that global economic growth slows down in the future, or domestic investment demand in downstream sectors such as infrastructure and real estate falls short of expectations, the overall industry outlook will be under pressure. Meanwhile, intensifying competition in the domestic market, coupled with a complex geopolitical landscape and changes in the international trade environment, may expose the Company to the risk of declining product gross margins and hindered overseas market expansion.

3. Exchange Rate Risks

The Company conducts a certain amount of business in currencies such as U.S. dollars, Euro and Japanese Yen. Fluctuations in the exchange rates of relevant currencies will have a certain impact on the Company's financial position.

4. Risks of Fluctuations in Raw Material Prices

The costs of the Company's raw materials and components and parts may be affected by various factors, such as market supply and demand, changes in suppliers, availability of alternative materials, changes in suppliers' production conditions and natural disasters.

VI. FINAL DIVIDEND

Pursuant to a resolution passed at the Board meeting on March 30, 2026, a final dividend for the year ended December 31, 2025 of RMB0.18 per share was proposed, totaling RMB1,647 million. The final dividend is calculated based on the total share capital of the Company as of December 31, 2025 after deducting the number of repurchased shares in the special account for repurchase, and adjusted accordingly based on the total share capital at the date of record when profit distribution is made. The specific amount is subject to actual distribution. Such proposal is subject to shareholders' approval at the forthcoming annual general meeting of the Company. The proposed final dividend is expected to be paid to the shareholders of the Company on or about June 22, 2026. Information regarding the date of the annual general meeting, the record date and book close date to determine the entitlement to the final dividend and attendance of the annual general meeting will be announced in due course. To the knowledge of the Board, no shareholder waived or agreed to waive any dividends for the year ended December 31, 2025.

VII. PRE-EMPTIVE RIGHTS

The Articles of Associations and laws of China do not contain any pre-emptive provision requiring the Company to issue new shares to existing shareholders on a pro-rata basis according to their existing shareholdings.

VIII. DIRECTORS AND SENIOR MANAGEMENT

From the H Share Listing Date to the Latest Practicable Date, the general information and biographies of the Directors and members of the senior management are set out in "Biographical Details of Directors and Senior Management" of this Annual Report.

IX. PARTICULARS OF DIRECTORS' SERVICE CONTRACTS AND APPOINTMENT LETTERS

We have entered into a service contract or appointment letter with each of the Directors. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

X. DIRECTORS' INTERESTS IN MAJOR TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

As of December 31, 2025, save as disclosed in this Annual Report, there was no transaction, arrangement or contract that was significant to the Group's business to which the Company or any of its subsidiaries was a party, and in which any person who served as a Director at any time during the Reporting Period, or any of their connected entities, had a material direct or indirect interest.

XI. SIGNIFICANT CONTRACTS WITH CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, SANY Group, Mr. Liang Wengen (梁穩根), Mr. Tang Xiuguo (唐修國), Mr. Xiang Wenbo (向文波), Mr. Mao Zhongwu (毛中吾), Mr. Yuan Jinhua (袁金華), Mr. Yi Xiaogang (易小剛), Mr. Zhou Fugui (周福貴) and Beijing Sany Heavy Machinery Co., Ltd. (北京市三一重機有限公司), by virtue of the acting-inconcert arrangement among them, collectively held approximately 31.09% of our total share capital (taking into account 42,987,413 treasury shares) and are our Controlling Shareholders.

Save as disclosed in this Annual Report, no contract of significance or contract of significance for the provision of services has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders during the Reporting Period.

XII. MANAGEMENT CONTRACT

As of December 31, 2025, save as disclosed in this Annual Report, no contracts were subsisted (other than the service contracts with any Directors or any of the full-time employees of the Company), and pursuant to which, the management and administration of the whole or any substantial part of the business of the Company were undertaken by any individual or entities.

XIII. PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance in respect of liabilities associated with potential legal proceedings which may be brought against the Directors (including, in respect of persons who were Director of the Company during the Reporting Period and during their term of office as Director of the Company) and the senior management arising from their positions.

XIV. RESERVES

As of December 31, 2025, the Company had retained profits of RMB1,939.8 million, which were available for distribution to Shareholders.

Details of movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity and notes 40 and 55 to the financial statements, respectively.

XV. BORROWINGS

Details of borrowings (inclusive of interest-bearing bank and other borrowings) of the Group as at December 31, 2025 are set out in note 36 to the financial statements.

XVI. SHARE CAPITAL

Details of the changes in the share capital of the Company during the year ended December 31, 2025 are set out in note 39 to the financial statements.

XVII. DONATIONS

During the year ended December 31, 2025, the Group's donation expenses amounted to RMB33,459,000 (2024: RMB29,291,000).

XVIII. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment of the Company during the Reporting Period are set out in note 13 to the financial statements prepared under IFRSs.

XIX. MAJOR SUPPLIERS AND CUSTOMERS

During the year ended December 31, 2025, the aggregate sales attributable to the Group's five largest customers comprised approximately 4.79% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 1.08% of the Group's total sales. So far as is known to the Directors, except for Sany Heavy Equipment International Holdings Company Limited, at no time during the year ended December 31, 2025 did the Directors, their associates or substantial Shareholders own more than 5% of the Company's issued share capital nor had any interest in the share capital of any of the five largest customers of the Group.

During the year ended December 31, 2025, the aggregate purchases attributable to the Group's five largest suppliers were approximately 18.2% of the Group's total purchases and the purchases attributable to the Group's largest supplier were approximately 6.31% of the Group's total purchases. So far as is known to the Directors, except for Sany Heavy Equipment International Holdings Company Limited and SANY Group, at no time during the year ended December 31, 2025 did the Directors, their associates or substantial Shareholders own more than 5% of the Company's issued share capital nor had any interest in the share capital of any of the five largest suppliers of the Group.

XX. REDUCTION AND EXEMPTION OF DIVIDEND TAX

For Holders of A Shares

In accordance with the Notice of the Ministry of Finance, the State Taxation Administration and the CSRC on Implementing Differentiated Individual Income Tax Policy for Stock Dividends of Listed Companies (Cai Shui [2015] No. 101) (《財政部、國家税務總局、中國證監會關於上市公司股息紅利差別化個人所得税政策有關問題的通知》(財税[2015]101號)), for shares of listed companies acquired by individuals from public offerings or transfer of shares in the market, where the holding period exceeds one year, the dividends shall be temporarily exempted from individual income tax; where the holding period is more than one month and less than one year (inclusive), the dividends shall be subject to individual income tax at the rate of 10% and where the holding period is less than one month (inclusive), the dividends shall be subject to individual income tax at the rate of 20%. For dividends distributed by listed companies, where the period of individual shareholding is within one year (inclusive), the listed companies shall not withhold the individual income tax temporarily. The tax payable, upon the transfer of shares by the individual, shall be calculated by China Securities Depository and Clearing Corporation Limited in accordance with the duration of its holding period. The custodian of shares, including securities companies, will then withhold the amount from individual accounts and transfer the tax to China Securities Depository and Clearing Corporation Limited. China Securities Depository and Clearing Corporation Limited shall transfer the tax to the listed companies within 5 working days of the next month, and the listed companies shall declare the tax to the competent tax authorities upon receiving the tax amount within the statutory reporting period of that month.

Resident enterprise shareholders of A shares shall report and pay the enterprise income tax on dividends by themselves.

For the shareholders who are Qualified Foreign Institutional Investor (QFII), the listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Notice of the State Taxation Administration Concerning the Relevant Questions on the Withholding and Payment of Enterprise Income Tax Relating to the Payment of Dividends, Bonus and Interest by PRC Resident Enterprises to QFII (Guo Shui Han [2009] No. 47) (《國家税務總局關於中國居民企業向QFII支付股息、紅利、利息代扣代繳企業所得税有關問題的通知》(國税函[2009]47號)). QFII shareholders who are entitled to preferential tax treatment under tax treaties (arrangements) shall apply to the competent taxation authority for tax rebates according to the relevant rules and regulations after they receive the dividends, and tax rebates will be executed under tax treaties upon verification carried out by competent tax authorities.

For non-PRC resident enterprise shareholders of A shares other than the above-mentioned QFII, listed companies shall withhold and pay enterprise income tax at a rate of 10% pursuant to the requirements of the Announcement of the State Taxation Administration on Matters Concerning Withholding and Payment of Income Tax of Non-PRC Resident Enterprises from Source (Announcement [2017] No. 37 of the State Taxation Administration) (《國家税務總局關於非居民企業所得税源泉扣繳有關問題的公告》(國家税務總局公告2017年第37號)) and the Response of the State Taxation Administration Concerning Questions on Enterprise Income Tax over Dividend of B-Shares and Other Shares Received by Non-PRC Resident Enterprises (Guo Shui Han [2009] No. 394) (《國家税務總局關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》(國税函[2009]394號)). Non-PRC resident enterprise shareholders who are entitled to preferential tax treatment shall apply for such benefits in accordance with the relevant provisions of the tax treaties.

Pursuant to the requirements of the Notice of the Ministry of Finance, the State Taxation Administration and the CSRC on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (Cai Shui [2016] No. 127) (《財政部、國家税務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)), listed companies shall withhold an income tax at the rate of 10% on dividends from the A shares of the company invested by Hong Kong investors (including enterprises and individuals) through the Shenzhen Stock Exchange, and shall report and pay the withholding tax to the competent tax authorities. Before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented. For investors who are tax residents of other countries whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend tax rate lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authority of the listed company for benefits under such tax treaty. Upon approval by the competent tax authority, any excess tax paid over the amount payable under the treaty rate shall be refunded.

For Holders of H Shares

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》(國税函[2011]348號)), overseas resident individual holders of H Shares may enjoy relevant tax incentives on dividends in accordance with the tax treaties signed between the PRC and their jurisdiction, as well as the tax arrangement between the Chinese Mainland and Hong Kong. For the purpose of simplifying tax administration, dividends paid to overseas resident individual holders of H Shares are generally subject to individual income tax at the withholding tax rate of 10%. Overseas resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to individual income tax at the withholding rate of 20%.

Pursuant to the requirements of the Notice of the State Taxation Administration on Matters Concerning Withholding Enterprise Income Tax When PRC Resident Enterprises Distribute Dividends to Foreign non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《國家税務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》(國税函[2008]897號)), dividends distributed to foreign non-resident enterprise shareholders of H shares for 2008 and subsequent years shall be subject to the enterprise income tax withheld at a uniform rate of 10%. Upon receipt of such dividends, an overseas non-PRC resident enterprise shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties (arrangements) in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties (arrangements). Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties (arrangements) will be refunded.

* *For identification purposes only*

According to the requirements of the Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect published by the Ministry of Finance, the State Taxation Administration and the CSRC (Cai Shui [2014] No. 81) (《財政部、國家税務總局、中國證監會關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)) and the Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect published by the Ministry of Finance, the State Taxation Administration and the CSRC (Cai Shui [2016] No. 127) (《財政部、國家税務總局、中國證監會關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)), listed companies shall withhold an individual income tax at the rate of 20% on dividends derived from H shares acquired by Mainland individual investors through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect. For dividends of the shares listed on the Hong Kong Stock Exchange received by Mainland securities investment funds from investment through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, individual income tax shall be calculated in accordance with the above requirements. For dividends of the shares listed on the Hong Kong Stock Exchange received by Mainland enterprise investors from investment through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, H-share companies shall not withhold income tax on dividends, and Mainland enterprise investors shall report and pay the tax amount by themselves. In particular, the dividends received by resident enterprises in Mainland which hold H shares for at least 12 consecutive months shall be exempted from enterprise income tax according to law.

Save as disclosed above, the Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

XXI. STOCK OWNERSHIP SCHEMES

Summary of the Stock Ownership Schemes

During the Reporting Period, the Company's subsisting Stock Ownership Schemes included the 2021 Stock Ownership Scheme, the 2022 Stock Ownership Scheme, the 2023 Stock Ownership Scheme, the 2024 Stock Ownership Scheme and the 2025 Stock Ownership Scheme (collectively, the "**Stock Ownership Schemes**" and each a "**Stock Ownership Scheme**"). Given that the Stock Ownership Schemes do not involve issue of new Shares by our Company, the terms of the Stock Ownership Schemes are not subject to the provisions of Chapter 17 of the Listing Rules regarding share schemes involving issue of new shares.

Purposes

The Stock Ownership Schemes aim to enhance the corporate governance structure of our Company, establish and improve incentive structure and incentivize Directors, Supervisors, senior management and employees of our Group and align the interests of our Shareholders, our Company and management.

Participants

The participants of the Stock Ownership Schemes include Directors, senior management, middle-level management, key personnel and core business and technical personnel of our Company as set out in the schemes.

Source of Shares and participants' interest in the scheme

Our Company will repurchase the A Shares from the open market at the purchase price as set out under each scheme and such A Shares will be transferred to the Stock Ownership Schemes. The Stock Ownership Schemes were funded by our Company using the bonus fund set aside. Each participant of the Stock Ownership Schemes will be entitled to a corresponding portion of A Shares underlying the Stock Ownership Schemes.

Number of A Shares held under the Stock Ownership Schemes

As of the Latest Practicable Date, the number of A Shares held under each of the Stock Ownership Schemes as well as their percentage of the Company's issued Shares (including treasury shares) are as follows:

Stock Ownership Scheme	Number of A Shares held and as a percentage of the Company's issued Shares [1] (including treasury shares) as of the Latest Practicable Date
2021 Stock Ownership Scheme	0 (0%)
2022 Stock Ownership Scheme	3,881,438 (0.04%)
2023 Stock Ownership Scheme	12,220,144 (0.13%)
2024 Stock Ownership Scheme	18,899,669 (0.21%)
2025 Stock Ownership Scheme	32,497,800 (0.36%)

(1) As of the Latest Practicable Date, the Company had 9,195,004,437 issued Shares, comprising 8,474,390,037 A Shares (including 42,987,413 treasury shares) and 720,614,400 H Shares.

Maximum entitlement for participants

The total number of Shares corresponding to the equity interest granted to any participant of the Stock Ownership Schemes shall not in aggregate exceed 1% of the total share capital of the Company.

Lock-up and vesting arrangement

The lock-up period for A Shares held under the Stock Ownership Schemes shall be 12 months commencing from the date of the announcement in relation to the completion of transfer of the repurchased underlying Shares from the Company's special securities account.

Upon expiration of the lock-up period, the corresponding portion of the A Shares (together with dividends) held by the participants under the Stock Ownership Schemes shall vest in five tranches of 20% each or two tranches of 50% each (as applicable). Vested A Shares shall be disposed of by the respective scheme management committees of the Stock Ownership Schemes, which oversee their day-to-day management, with proceeds from such disposal distributed among the participants proportionately.

Consideration for entitlement

The Stock Ownership Schemes were funded by our Company under the bonus fund set aside and accordingly no consideration for the entitlement granted or vested under the Stock Ownership Schemes shall be paid by a participant.

Changes in the number of A Shares held under the Stock Ownership Schemes during the Reporting Period and validity period of the Schemes are set out below:

Name of stock ownership scheme[1]	Name and category of the participant	Number of Outstanding A Shares under the scheme held as at January 1, 2025	Granted during the year	Vested during the year	Cancelled during the year	Number of Outstanding A Shares held under the scheme as at December 31, 2025	Weighted average closing price of relevant Shares immediately before the vesting date (RMB/share)	Date of grant	Validity period of the Scheme
2021 Stock Ownership Scheme[2]	Director – Mr. Yu Hongfu	33,026	–	16,513	–	16,513	15.35	2021.06.30	2021.06.30 – 2027.06.29
	Director-Mr. Liu Daojun	12,874	–	6,437	–	6,437	15.35	2021.06.30	2021.06.30 – 2027.06.29
	Non-director employees	2,909,708	–	1,454,854	–	1,454,854	15.35	2021.06.30	2021.06.30 – 2027.06.29
	Five aggregately highest paid individuals during the Reporting Period (total)	7,792	–	3,896	–	3,896	15.35	2021.06.30	2021.06.30 – 2027.06.29
2022 Stock Ownership Scheme[3]	Director – Mr. Yu Hongfu	155,649	–	51,883	–	103,766	15.42	2022.07.28	2022.07.28 – 2028.07.27
	Director-Mr. Liu Daojun	58,351	–	19,450	–	38,901	15.42	2022.07.28	2022.07.28 – 2028.07.27
	Non-director employees	11,407,692	–	3,802,564	–	7,605,128	15.42	2022.07.28	2022.07.28 – 2028.07.27
	Five aggregately highest paid individuals during the Reporting Period (total)	22,622	–	7,541	–	15,081	15.42	2022.07.28	2022.07.28 – 2028.07.27
2023 Stock Ownership Scheme[3]	Director – Mr. Yu Hongfu	219,467	–	54,867	–	164,600	15.48	2023.08.02	2023.08.02 -2029.08.01
	Director-Mr. Liu Daojun	114,073	–	28,518	–	85,555	15.48	2023.08.02	2023.08.02 -2029.08.01
	Non-director employees	26,748,150	–	8,748,513	–	17,999,637	15.48	2023.08.02	2023.08.02 -2029.08.01
	Five aggregately highest paid individuals during the Reporting Period (total)	109,610	–	27,402	–	82,208	15.48	2023.08.02	2023.08.02 -2029.08.01
2024 Stock Ownership Scheme[3]	Director – Mr. Yu Hongfu	328,508	–	65,702	–	262,806	19.55	2024.07.31	2024.07.31 – 2030.07.30
	Director-Mr. Liu Daojun	178,174	–	35,635	–	142,539	19.55	2024.07.31	2024.07.31 – 2030.07.30
	Non-director employees	40,463,045	–	10,971,075	–	29,491,970	19.55	2024.07.31	2024.07.31 – 2030.07.30
	Five aggregately highest paid individuals during the Reporting Period (total)	150,705	–	30,141	–	120,564	19.55	2024.07.31	2024.07.31 – 2030.07.30
2025 Stock Ownership Scheme[3]	Director – Mr. Yu Hongfu	–	366,688	–	–	366,688	–	2025.07.16	2025.07.16 – 2031.07.15
	Director-Mr. Liu Daojun	–	142,946	–	–	142,946	–	2025.07.16	2025.07.16 – 2031.07.15
	Non-director employees	–	31,754,481	–	–	31,754,481	–	2025.07.16	2025.07.16 – 2031.07.15
	Five aggregately highest paid individuals during the Reporting Period (total)	–	233,685	–	–	233,685	–	2025.07.16	2025.07.16 – 2031.07.15

Notes:

(1) No consideration shall be paid by a participant of the Stock Ownership Schemes for the grant or vesting of benefits under such schemes.

(2) The lock-up period for A Shares held under the Stock Ownership Schemes shall be 12 months commencing from the date of the announcement in relation to the completion of transfer of the repurchased underlying Shares from the Company's special securities account. Upon expiration of the above lock-up period, the corresponding portion of the A Shares (together with dividends) held by the participants under the Stock Ownership Schemes shall vest in five tranches of 20% each, and the vested A Shares shall be disposed of by the scheme management committee, with proceeds from such disposal distributed among the participants proportionately.

(3) The lock-up period for A Shares held under the Stock Ownership Schemes shall be 12 months commencing from the date of the announcement in relation to the completion of transfer of the repurchased underlying Shares from the Company's special securities account. Upon expiration of the above lock-up period, the corresponding portion of the A Shares (together with dividends) held by the participants under the Stock Ownership Schemes shall vest in five tranches of 20% each or two tranches of 50% each, and the vested A Shares shall be disposed of by the scheme management committee, with proceeds from such disposal distributed among the participants proportionately.

Term of the Stock Ownership Schemes

Each Stock Ownership Scheme is valid for a period of six years commencing from the date of publication of announcement of our Company in respect of transfer of the relevant A Shares from the repurchase securities account of our Company to the Stock Ownership Schemes.

XXII. CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

CONNECTED TRANSACTIONS

We have entered into agreements and arrangements for continuing connected transactions with following connected persons under the Hong Kong Listing Rules in the ordinary and usual course of our business and in compliance with the requirements under Chapter 14A of the Hong Kong Listing Rules. Details of the continuing connected transactions were disclosed in the Company's Prospectus.

On December 30, 2025, the Company acquired the entirety of the equity interest in SANY Hongxiang Battery Co., Ltd. (三一紅象電池有限公司) held by SANY Group and/or its associates. Upon completion of the acquisition, SANY Hongxiang Battery Co., Ltd. became a wholly-owned subsidiary of our Group and ceased to be a connected person of the Company under Chapter 14A of the Listing Rules and transactions. Accordingly, since December 30, 2025, transactions with SANY Hongxiang Battery Co., Ltd. ceased to be continuing connected transactions.

Summary of our Connected Persons

Connected person	Connected relationship
Mr. Liang Wengen and his associates, including SANY Group and its associates and excluding SANY International Group, SANY RE Group and Liang Zaizhong Connected Persons (each as defined below, collectively referred to as the "**Liang Wengen Connected Persons**")	Mr. Liang Wengen is the founder, a non-executive Director and one of our Controlling Shareholders
Mr. Liang Zaizhong and his associates ("**Liang Zaizhong Connected Persons**")	Mr. Liang Zaizhong is a non-executive Director and the son of Mr. Liang Wengen
SANY Renewable Energy Co., Ltd. (三一重能股份有限公司) ("**SANY Renewable Energy**", together with its subsidiaries, "**SANY RE Group**")	A company listed on the Shanghai Stock Exchange (stock code: 688349) and owned by Mr. Liang Wengen as to approximately 45.73%
SANY Heavy Equipment International Holdings Company Limited ("**SANY International**", together with its subsidiaries, "**SANY International Group**")	A company listed on the Hong Kong Stock Exchange (stock code: 00631) and owned by Mr. Liang Wengen as to approximately 79.81%
Loudi Zhongxing Hydraulic Components Co., Ltd. (婁底市中興液壓件有限公司), Loudi Zhongyuan New Materials Co., Ltd. (婁底市中源新材料有限公司), Hunan SANY Road Machinery Co., Ltd. (湖南三一泵路機械有限公司) and SANY Hongxiang Battery Co., Ltd. (三一紅象電池有限公司) (collectively, the "**Connected Subsidiaries**")	Each of the Connected Subsidiaries is a non-wholly owned subsidiary of our Company and is owned as to more than 10% by SANY Group and/or its associates, and therefore constitutes a connected subsidiary of our Company under Rule 14A.16 of the Listing Rules
Hunan Zhongwang Construction Machinery Equipment Co., Ltd. (湖南中旺工程機械設備有限公司) and Xiangtan Zhongwang Construction Machinery Equipment Co., Ltd. (湘潭中旺工程機械設備有限公司) ("**Zhongwang Construction Machineries**")	Each of Hunan Zhongwang Construction Machinery Equipment Co., Ltd. and Xiangtan Zhongwang Construction Machinery Equipment Co., Ltd. is owned as to over 50% by Mr. Zhong Wenming (鍾文明), the brother-in-law of Mr. Zhou Fugui (周福貴), one of our Controlling Shareholders, and therefore constitutes a deemed connected person of our Company under Rule 14A.21 of the Listing Rules

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

(1) Procurement of Products from Liang Wengen Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Wengen (for and on behalf of Liang Wengen Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group has been procuring certain products from Liang Wengen Connected Persons from time to time, which allows our Group to leverage their established facilities and sales network, thereby enhancing economies of scale and increasing cost efficiency. In addition, our Group procures finished products from Liang Wengen Connected Persons to facilitate sales through our global sales network, further promoting our global presence across a wide range of customer categories. Through the long-standing business relationship, Liang Wengen Connected Persons have gained a comprehensive understanding of our business needs, quality standards and operational requirements, and we consider that they are capable of effectively satisfying our demand for the relevant products.
Consideration:	The pricing shall be determined based on arm's length negotiations between the parties with reference to the type and specification of product required, the relevant labor costs, raw material costs, production costs and the prevailing market price of similar product, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions
Annual cap for the year ended December 31, 2025:	RMB3,976 million
Actual consideration for the year ended December 31, 2025:	RMB3,128 million

(2) Procurement of Products and Electricity from SANY International Group

Overview:	Framework agreement dated October 20, 2025 entered into between SANY International (for itself and on behalf of SANY International Group) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	SANY International Group is a leading company engaged in mining equipment, logistics equipment, oil and gas equipment, and emerging industries. We have been procuring finished products from SANY International Group to satisfy customer demand and to facilitate sales through our global sales network, further promoting our global presence across a wide range of customer categories. We have also been procuring raw materials, parts, components and electricity from SANY International Group for use in our business. We believe that SANY International Group is capable of fulfilling our demand efficiently and reliably with a stable and high-quality supply of products.
Consideration:	The pricing shall be determined based on arm's length negotiations between the parties with reference to the type and specification of product/service required, the relevant labor costs, raw material costs, production costs, the real-time energy price and the prevailing market price of similar product, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions
Annual cap for the year ended December 31, 2025:	RMB4,628 million
Actual consideration for the year ended December 31, 2025:	RMB3,395 million

(3) Provision of Products and Materials and Logistics Services to Connected Subsidiaries

Overview:	Framework agreement dated October 16, 2025 entered into between the Connected Subsidiaries and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	We have been selling machinery products through the relevant Connected Subsidiaries to our customers, enabling us to promote our brand recognition through centralized sales channels and achieve synergy effects. We have also been procuring raw materials for our subsidiaries, including the relevant Connected Subsidiaries, to enjoy enhanced economies of scale. Further, Connected Subsidiaries source logistics services from our Group to support their business operations. Such cooperation provides mutual benefits to our Group and our Connected Subsidiaries, which in turn may improve synergies and enhance business growth.
Consideration:	The pricing for the provision of the relevant products and materials shall be generally in line with or better than the prices charged to Independent Third Parties for similar materials or products, with reference to the type and specification of products/materials required, the relevant labor costs and costs of products/materials, and the prevailing market price of similar materials/products. The prices for services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions. The prices for the logistics services shall be determined between Connected Subsidiaries and us after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB4,107 million
Actual consideration for the year ended December 31, 2025:	RMB3,860 million

(4) Guarantee and Equipment Sales under the Finance Lease and Mortgage Loan

SANY International Group

Overview:	Framework agreement dated October 20, 2025 entered into between SANY International (for itself and on behalf of SANY International Group) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	The business of the relevant connected persons involves sale and manufacture of machineries and equipment. We have extensive industry experience in the finance lease, including direct lease and sale and lease back arrangements, and mortgage loan business and have maintained a long-term business relationship with the respective connected persons. Entering into these transactions would promote our finance lease and mortgage loan business and expand our customer base. SANY International Group may in respect of purchase of parts and equipment by its end customers, (i) receive payments for the purchase of parts and equipment financed through the finance lease and/or mortgage loan provided by our Group to the end customers; and (ii) provide guarantee to our Group to guarantee the end customers' performance under the relevant finance lease and/or mortgage loan agreements.
Consideration:	The terms of the guarantee shall be agreed between the parties after arm's length negotiations on normal commercial terms. In respect of the purchase of parts and equipment, the prices shall be in line with the prices offered to the end customers, determined with reference to the manufacturing costs involved, and shall in any event be no less favorable to our Group than terms available from Independent Third Parties
Annual cap for the year ended December 31, 2025:	(i) Purchase of parts and equipment under the finance lease and mortgage loan: RMB2,466 million (ii) Guarantee from SANY International Group: RMB2,259 million
Actual consideration for the year ended December 31, 2025:	(i) Purchase of parts and equipment under the finance lease and mortgage loan: RMB1,497 million (ii) Guarantee from SANY International Group: RMB1,305 million

Liang Wengen Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Wengen (for and on behalf of Liang Wengen Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	The business of the relevant connected persons involves sale and manufacture of machineries and equipment. We have extensive industry experience in the finance lease, including direct lease and sale and lease back arrangements, and mortgage loan business and have maintained a long-term business relationship with the respective connected persons. Entering into these transactions would promote our finance lease and mortgage loan business and expand our customer base. Liang Wengen Connected Persons may in respect of purchase of vehicles and equipment by their end customers (i) receive payments for the purchase of vehicles and equipment financed through the finance lease and/or mortgage loan provided by our Group to the end customers; and (ii) provide guarantee to our Group to guarantee the end customers' performance under the relevant finance lease and/or mortgage loan agreements.
Consideration:	The terms of the guarantee shall be agreed between the parties after arm's length negotiations on normal commercial terms. In respect of the purchase of vehicles and equipment, the prices shall be in line with the prices offered to the end customers, determined with reference to the manufacturing costs involved, and shall in any event be no less favorable to our Group than terms available from Independent Third Parties
Annual cap for the year ended December 31, 2025:	(i) Purchase of vehicles and equipment under the finance lease and mortgage loan: RMB3,679 million (ii) Guarantee from Liang Wengen Connected Persons: RMB3,333 million
Actual consideration for the year ended December 31, 2025:	(i) Purchase of vehicles and equipment under the finance lease and mortgage loan: RMB3,595 million (ii) Guarantee from Liang Wengen Connected Persons: RMB3,185 million

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

(5) Guarantee and Equipment Sales under the Finance Lease and Mortgage Loan

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Zaizhong (for and on behalf of Liang Zaizhong Connected Persons), Mr. Zhong Wenming (for and on behalf of Zhongwang Construction Machineries), the Connected Subsidiaries and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	The business of the relevant connected persons involves sales and manufacturing of machineries and equipment. We have extensive industry experience in the finance lease and mortgage loan business and have maintained a long-term business relationship with the respective connected persons. Entering into these transactions would expand our customer base and provide more growth opportunity to us. Liang Zaizhong Connected Persons may in respect of purchase of machineries and equipment by their end customers (i) receive payments for the purchase of machineries and equipment financed through the finance lease and mortgage loan provided by our Group to the end customers; and (ii) provide guarantees to our Group to guarantee the end customers' performance under the relevant finance lease and/or mortgage loan agreements.
Consideration:	The terms of the guarantee shall be agreed between the parties after arm's length negotiations on normal commercial terms. In respect of the purchase of machineries and equipment, the prices shall be in line with the prices offered to the end customers, determined with reference to the manufacturing costs involved, and shall in any event be no less favorable to our Group than terms available from Independent Third Parties

Annual cap for the year ended December 31, 2025:	(i) Purchase of machineries and equipment from Liang Zaizhong Connected Persons: RMB195 million (ii) Purchase of machineries and equipment from Zhongwang Construction Machineries: RMB431 million (iii) Purchase of machineries and equipment from Connected Subsidiaries: RMB699 million (iv) Guarantee from Liang Zaizhong Connected Persons: RMB155 million (v) Guarantee from Zhongwang Construction Machineries: RMB363 million (vi) Guarantee from Connected Subsidiaries: RMB626 million
Actual consideration for the year ended December 31, 2025:	(i) Purchase of machineries and equipment from Liang Zaizhong Connected Persons: RMB29 million (ii) Purchase of machineries and equipment from Zhongwang Construction Machineries: RMB167 million (iii) Purchase of machineries and equipment from Connected Subsidiaries: RMB159 million (iv) Guarantee from Liang Zaizhong Connected Persons: RMB29 million (v) Guarantee from Zhongwang Construction Machineries: RMB137 million (vi) Guarantee from Connected Subsidiaries: RMB130 million

(6) Provision of Guarantees in Favor of the Connected Subsidiaries

Overview:	Framework agreement dated October 16, 2025 entered into between the Connected Subsidiaries and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group has a well-established market reputation. Providing guarantees to our Connected Subsidiaries improves their capital efficiency and operational flexibility, facilitates their sustainable growth and development, which in turn may contribute to the overall financial performance of our Group. We believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.
Consideration:	The terms of the guarantee shall be agreed between the parties after arm's length negotiations on normal commercial terms
Annual cap for the year ended December 31, 2025:	RMB2,660 million
Actual consideration for the year ended December 31, 2025:	RMB2,081 million

(7) Provision of Products and Operational Services to Liang Wengen Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Wengen (for and on behalf of Liang Wengen Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group is a global leading construction machinery company. Leveraging our global presence and strong capabilities, we have historically been supplying the relevant products and services to Liang Wengen Connected Persons, and have established a mutually beneficial relationship through which we are able to provide the required products and services at high quality and competitive price.
Consideration:	The prices for the products shall be generally in line with the prices as we offer to other Independent Third Parties in the ordinary and usual course of business. The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB1,313 million
Actual consideration for the year ended December 31, 2025:	RMB1,273 million

(8) Procurement of Supporting Services from Liang Wengen Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Wengen (for and on behalf of Liang Wengen Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Procurement of supporting services from Liang Wengen Connected Persons enhances utilization and economies of scale of their existing operational support resources and reduces the administrative costs of our Group as the Group no longer needs to liaise with a wide range of service providers.
Consideration:	The prices for the supporting services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB303 million
Actual consideration for the year ended December 31, 2025:	RMB232 million

(9) Procurement of Materials and Cloud Services from Liang Zaizhong Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Zaizhong (for and on behalf of Liang Zaizhong Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Liang Zaizhong Connected Persons operate a procurement platform enabling bulk purchase advances and lower procurement costs, as well as an industrial Internet cloud platform which we subscribe to in order to enhance our after-sales service efficiency
Consideration:	The prices for the materials shall be generally in line with the prices as we procure from other Independent Third Parties, determined based on arm's length negotiations with reference to the type and specification of materials and the prevailing market price of similar materials. The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type, specification and volume of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB744 million
Actual consideration for the year ended December 31, 2025:	RMB690 million

(10) Provision of Products to Liang Zaizhong Connected Persons

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Liang Zaizhong (for and on behalf of Liang Zaizhong Connected Persons) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group possesses the relevant components production lines that can meet the procurement needs of Liang Zaizhong Connected Persons for use in their own business, and we are able to provide the required products such as parts, components and accessories at high quality and competitive price.
Consideration:	The prices for the products shall be generally in line with the prices as we offer to other Independent Third Parties in the ordinary and usual course of business, and determined based on arm's length negotiations between the parties with reference to the type and specification of product, the relevant labor costs and costs of materials, and the prevailing market price of similar product.
Annual cap for the year ended December 31, 2025:	RMB101 million
Actual consideration for the year ended December 31, 2025:	RMB79 million

(11) Provision of Supporting Services to SANY International Group

Overview:	Framework agreement dated October 20, 2025 entered into between SANY International (for itself and on behalf of SANY International Group) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group has been providing supporting services to SANY International Group for its daily operations, and is familiar with its operational needs and administrative requirements. It is more cost-effective for SANY International Group to procure such services from us.
Consideration:	The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB118 million
Actual consideration for the year ended December 31, 2025:	RMB114 million

(12) Provision of Products and Operational Services to SANY International Group

Overview:	Framework agreement dated October 20, 2025 entered into between SANY International (for itself and on behalf of SANY International Group) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	SANY International Group has been sourcing relevant components and materials from us for use in its productions, and has demand for logistics and other services to support its business operations. Such cooperation provides mutual benefits to our Group and SANY International Group, which in turn may improve synergies and enhance business growth.
Consideration:	The prices for the products shall be determined after arm's length negotiations, with reference to the cost of relevant products and the prices we offer to other Independent Third Parties in the ordinary and usual course of business. The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB2,814 million
Actual consideration for the year ended December 31, 2025:	RMB1,999 million

(13) Procurement of Materials and After-Sales Services from Connected Subsidiaries

Overview:	Framework agreement dated October 16, 2025 entered into between the Connected Subsidiaries and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group has been procuring certain parts and components from Connected Subsidiaries in order to achieve increased resource integration, lower costs and more stable supply. Connected Subsidiaries, being members of our Group, are familiar with our business needs, quality standards and operational requirements. Further, as Connected Subsidiaries provide after-sales quality assurance services to our customers for sales of the products supplied by our Group, Connected Subsidiaries will in turn charge the costs in relation to the after-sales services from our Group from time to time. Through the long-standing and stable business relationship, Connected Subsidiaries and other members of our Group achieve enhanced synergies.
Consideration:	The pricing for the procurement of materials and products shall be generally in line with or better than the prices charged to Independent Third Parties for similar materials and products, with reference to the type and specification of materials and products required, the relevant labor costs and the prevailing market price. The prices for services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB2,687 million
Actual consideration for the year ended December 31, 2025:	RMB2,518 million

(14) Provision of Products and Operational Services to SANY RE Group

Overview:	Framework agreement dated October 17, 2025 entered into between SANY Renewable Energy (for itself and on behalf of SANY RE Group) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	SANY RE Group has been sourcing machinery products and operational supporting services from us from time to time. Such cooperation provides mutual benefits to our Group and SANY RE Group, which in turn may improve synergies and enhance business growth.
Consideration:	The prices for the products shall be generally in line with the prices as we offer to other Independent Third Parties in the ordinary and usual course of business. The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs and operational costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB362 million
Actual consideration for the year ended December 31, 2025:	RMB267 million

(15) Provision of Products and Services to Zhongwang Construction Machineries

Overview:	Framework agreement dated October 16, 2025 entered into between Mr. Zhong Wenming (for and on behalf of Zhongwang Construction Machineries) and the Company (for and on behalf of the Group), for a term commencing from the H Share Listing Date to December 31, 2027
Objective:	Our Group has been selling products through a large number of distributors, including Zhongwang Construction Machineries. Zhongwang Construction Machineries have established industry experience with a proven track record and possess local business relationships, enabling us to efficiently reach local customers. Our Group has also been providing logistics services with a view to improving synergies and enhance business growth.
Consideration:	The prices for the products shall be generally in line with the prices we offer to other Independent Third Party distributors in the ordinary and usual course of business. The prices for the relevant services shall be determined after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.
Annual cap for the year ended December 31, 2025:	RMB799 million
Actual consideration for the year ended December 31, 2025:	RMB541 million

Review of the Continuing Connected Transactions

In accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised), "Auditor's Letter on Continuing Connected Transactions under the Listing Rules of SEHK" issued by the HKICPA, Ernst & Young, the auditor of the Company, has sent a letter to the Board based on its review of the above-mentioned continuing connected transactions, expressing the following opinions in respect of the disclosed continuing connected transactions:

(i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iv) with respect to each of the above disclosed continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the relevant annual cap as set by the Company.

Pursuant to Rule 14A.72 of the Listing Rules of SEHK, the Company confirms that the details of the related party transactions under applicable accounting standards are set out in note 49 to the consolidated financial statements in this annual report. In respect of the above disclosed continuing connected transactions during the period from the H Share Listing Date up to December 31, 2025, the Company has followed the relevant pricing policies and guidelines when determining the price and terms and complied with the requirements under Chapter 14A of the Hong Kong Listing Rules. Save as disclosed above, no other related party transactions set out in the note 49 to the consolidated financial statements in this annual report constitute connected transactions or continuing connected transactions that are required to be disclosed under Chapter 14A of the Hong Kong Listing Rules. Our independent non-executive Directors have also reviewed the above-mentioned continuing connected transactions and have confirmed that:

(i) such continuing connected transactions were entered into in the ordinary course of business of the Group;

(ii) such continuing connected transactions were on normal commercial terms or better; and

(iii) such continuing connected transactions were conducted under the agreements of corresponding transactions and in accordance with their terms that are fair and reasonable and in the interests of the Shareholders as a whole.

XXIII. USE OF PROCEEDS FROM FUNDRAISINGS

USE OF PROCEEDS

During the Reporting Period, the Company did not utilize and had no outstanding unutilized proceeds raised from A-share offerings or private placements.

The utilization of net proceeds from the Global Offering of H Shares during the period from the H Share Listing Date to December 31, 2025 is as follows:

The Company completed the Global Offering and Listing of H Shares on the Main Board of the Hong Kong Stock Exchange on October 28, 2025, and the over-allotment option in connection with the Global Offering was partially exercised on November 22, 2025. The Company issued a total of 720,614,400 H Shares at an issue price of HK$21.30 per H Share in connection with the Global Offering, raising gross proceeds of HK$15,349.09 million, with net proceeds of approximately HK$15,191.61 million after deducting the underwriting commission, incentive fees, other professional parties' fees and other listing expenses incurred in connection with the Global Offering and Listing (the "**H Share IPO Net Proceeds**").

As disclosed in the Prospectus, the H Share IPO Net Proceeds from were allocated as follows: (i) approximately 45% for further developing our global sales and service network; (ii) approximately 25% for enhancing our R&D capabilities; (iii) approximately 20% for expanding overseas manufacturing capabilities and optimizing production efficiency; and (iv) approximately 10% for working capital and general corporate purposes. As at the Latest Practicable Date, there had been no changes to such intended use of proceeds as disclosed in the Prospectus, and we did not anticipate any material change to our plan on such intended use.

Since the H Share Listing Date and up to December 31, 2025, the Company has not yet utilized the H Share IPO Net Proceeds and will gradually utilize the H Share IPO Net Proceeds in accordance with the intended uses as disclosed in the section headed "Future Plans and Uses of Proceeds" in the Prospectus.

The table below sets out the future plan for the intended uses of H Share IPO Net Proceeds and their expected timeline of utilization based on the Company's current estimation:

Item		Intended use of the H Share IPO Net Proceeds	Amount of H Share IPO Net Proceeds utilized during the Reporting Period	Remaining balance of the H Share IPO Net Proceeds as of December 31, 2025	Expected timeline for utilization of unutilized H Share IPO Net Proceeds
(i)	Further developing our global sales and service network	Approximately 45% (HK$6,836.23 million)	HK$0 million	HK$6,836.23 million	Before December 31, 2029
(ii)	Enhancing our R&D capabilities	Approximately 25% (HK$3,797.90 million)	HK$0 million	HK$3,797.90 million	Before December 31, 2028
(iii)	Expanding overseas manufacturing capabilities and optimizing production efficiency	Approximately 20% (HK$3,038.32 million)	HK$0 million	HK$3,038.32 million	Before December 31, 2029
(iv)	Working capital and general corporate purposes	Approximately 10% (HK$1,519.16 million)	HK$0 million	HK$1,519.16 million	Before December 31, 2029
Total		HK$15,191.61 million	HK$0 million	HK$15,191.61 million	

Note: The expected timeline for the utilization of unutilized proceeds represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments.

XXIV. CONVERTIBLE BONDS, OPTIONS, WARRANTS, AND OTHER CONVERTIBLE EQUITY-LINKED AGREEMENTS

The Company had not entered into any equity-linked agreements that will or may result in the Company issuing Shares during the Reporting Period.

XXV. RIGHTS OF DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this Annual Report, neither the Company nor any of its subsidiaries was a party to any arrangement that would enable Directors to benefit from acquiring shares or debentures of the Company or any other corporation during the Reporting Period.

XXVI. AUDIT COMMITTEE

The audit committee, together with auditors, has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

XXVII. AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by Ernst Young. Since the H Share Listing Date, the auditor of the Company has not changed.

XXVIII. ENVIRONMENT, SOCIAL AND GOVERNANCE

Please refer to the 2025 SANY Heavy Industry Co., Ltd. Sustainability Report separately released on the same day as this annual report.

XXIX. SUBSEQUENT EVENTS

The material events after the Reporting Period are set out in Note 54 to the consolidated financial statements in this annual report.

INDEPENDENT AUDITOR'S REPORT

Ernst & Young
27/F, One Taikoo Place
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Quarry Bay, Hong Kong

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To the shareholders of SANY Heavy Industry Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of SANY Heavy Industry Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 109 to 308, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition on sale of construction machinery	
The Group's revenue is principally derived from the sale of construction machinery. The Group recognises revenue at a point in time when control of the goods transfers based on a comprehensive assessment of the following factors: the existence of a present right to receive payment for the goods, the transfer of the significant risks and rewards of the goods' ownership, the transfer of legal title of the goods, the physical transfer of the goods, and customer acceptance of the goods. The Group recognised revenue from sale of concrete machinery, excavating machinery, hoisting machinery, piling machinery and road machinery of RMB72,420.9 million, representing 80.74% of total revenue. As revenue is one of the Group's key performance indicators, the inherent risk of material misstatement is relatively high. Therefore, revenue recognition on sale of construction machinery has been identified as a key audit matter. For further details, please refer to notes 2.4 and 5 to the financial statements.	Our audit procedures in relation to revenue recognition on sale of construction machinery included the following: (1) obtained an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of construction machinery; (2) Examined sales contracts with major customers and related pricing policies to identify performance obligations and terms and conditions relating to goods acceptance and assessing the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; (3) Tested revenue transactions, on a sample basis, by examining the relevant underlying supporting documents, such as sales contracts, customer acceptance notes, export customs declarations and related records, to assess whether the related revenue was recognised in accordance with the Group's accounting policies;

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition on sale of construction machinery	
	(4) For revenue transactions recognised shortly before and after the financial year end date, on a sample basis, we reconciled customer acceptance notes and other supporting documents to assess whether revenue was recognised in the appropriate financial period; (5) Performed confirmation procedures, on a sample basis, on the accounts receivable balance as of December 31, 2025; and (6) Evaluated the adequacy of the Group's disclosures regarding the revenue recognition.

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Expected credit losses on trade receivables, receivables under finance lease and loans and advances	
As at December 31, 2025, the Group's gross trade receivables, gross receivables under finance lease and gross loans and advances totalled RMB37,272.4 million, RMB16,330.6 million and RMB1,763.7 million, respectively, against which allowances of RMB4,931.4 million, RMB810.7 million and RMB75.2 million for expected credit losses (ECLs), respectively, were recorded. Due to the complexity in assessing the ECLs for trade receivables, receivables under finance lease and loans and advances, especially given that the related ECLs models involve significant management judgement in determining inputs such as forward-looking adjustments, historical loss rates and other key assumptions, expected credit losses on trade receivables, receivables under finance lease and loans and advances has been identified as a key audit matter. For further details, please refer to notes 2.4, 3, 22, 23 and 24 to the financial statements.	Our audit procedures to assess the ECL allowance for trade receivables, receivables under finance lease and loans and advances included the following: (1) obtained an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to provision of expected credit loss allowance; (2) Reviewed the basis of segmentation of the trade receivables, receivables under finance lease and loans and advances based on the shared credit risk characteristics. For the credit loss allowance on trade receivables, receivables under finance lease and loans and advances assessed individually, on a sample basis, selected items to test supporting information or documents on which the management assess the loss allowance based; (3) Evaluated the appropriateness of management's key assumptions of loss allowance, including testing the accuracy of the ageing analysis and historical loss rates of accounts receivable and receivables under finance lease, forward-looking adjustments and the reasonableness of management's estimates for significant overdue receivables; (4) Assessed the methodology and reasonableness of key parameters in the expected credit loss model for loans and advances, including probability of default, loss given default, exposure at default, the identification of significant increases in credit risk and forward-looking information; and (5) Recalculated the loss allowance to assess if this is consistent with the Group policies.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements, which also include the Interim Comparative Information, that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ching Man (practising certificate number: P07287).

Ernst & Young
Certified Public Accountants
Hong Kong
March 30, 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	89,699,505	78,383,379
Cost of sales		(64,831,182)	(57,480,390)
Gross profit		24,868,323	20,902,989
Other income and gains, net	5	1,680,116	2,322,172
Selling and marketing expenses		(6,414,677)	(5,464,214)
Administrative expenses		(3,163,456)	(3,487,700)
Research and development costs		(5,032,789)	(5,380,621)
Impairment losses on financial instruments and contract assets, net		(1,179,913)	(897,319)
Loss on derecognition of financial assets at amortised cost		(29,170)	(363)
Other expenses, net		(297,584)	(300,422)
Finance costs	7	(568,877)	(845,080)
Share of profits and losses of:			
Joint ventures		22,473	45,159
Associates		22,725	13,169
PROFIT BEFORE TAX	6	9,907,171	6,907,770
Income tax expense	10	(1,419,521)	(815,232)
PROFIT FOR THE YEAR		8,487,650	6,092,538

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2025

	2025 RMB'000	2024 RMB'000 (restated)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of a defined benefit plan, net of tax	3,244	(1,110)
Share of other comprehensive income/(loss) under equity method, net of tax	46,450	(39,999)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	65,412	(1,824)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	115,106	(42,933)
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive (loss)/income under equity method	(14,333)	36,288
Changes in fair value of bills receivable at fair value through other comprehensive income, net of tax	5,381	(4,102)
Exchange differences on translation of foreign operations	178,579	(183,403)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	169,627	(151,217)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	284,733	(194,150)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,772,383	5,898,388

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000 (restated)
Profit attributable to:			
Owners of the parent		8,408,057	5,955,567
Non-controlling interests		79,593	136,971
		8,487,650	6,092,538
Total comprehensive income attributable to:			
Owners of the parent		8,689,215	5,780,015
Non-controlling interests		83,168	118,373
		8,772,383	5,898,388
EARNING PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic (RMB)		0.9834	0.7038
Diluted (RMB)		0.9834	0.7035

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000 (restated)
NON-CURRENT ASSETS			
Property, plant and equipment	13	22,309,534	23,686,341
Investment properties	14	204,080	218,063
Right-of-use assets	15	3,292,297	3,271,596
Goodwill	16	40,771	48,010
Other intangible assets	17	2,249,878	2,310,253
Investments in joint ventures	18	304,256	302,024
Investments in associates	19	2,184,843	2,122,494
Financial assets at fair value through other comprehensive income ("FVOCI")	20	694,271	608,455
Financial assets at fair value through profit or loss ("FVPL")	21	271,164	285,051
Loans and advances	22	627,139	1,285,536
Trade receivables	23	3,850,099	2,913,625
Receivables under finance lease	24	8,882,290	9,897,782
Contract assets	25	62,328	52,511
Deferred tax assets	26	3,982,262	3,576,592
Other non-current assets	27	46,175	61,424
Total non-current assets		49,001,387	50,639,757
CURRENT ASSETS			
Inventories	28	22,526,664	19,947,981
Trade and bills receivables	23	28,974,284	28,343,222
Contract assets	25	75,550	99,206
Prepayments, other receivables and other assets	29	10,124,788	11,839,513
Financial assets at fair value through other comprehensive income	20	461,187	456,501
Financial assets at fair value through profit or loss	21	15,736,293	11,062,402
Derivative financial instruments	30	61,070	375,720
Loans and advances	22	1,061,328	2,016,412
Receivables under finance lease	24	6,637,655	6,531,876
Restricted deposits	31	1,694,757	689,488
Time deposits	31	22,039,322	8,566,529
Cash and cash equivalents	31	14,904,853	11,576,470
Total current assets		124,297,751	101,505,320

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000 (restated)
CURRENT LIABILITIES			
Trade and bills payables	32	36,064,231	28,654,359
Other payables and accruals	33	13,847,502	14,570,091
Contract liabilities	34	2,958,450	2,520,831
Derivative financial instruments	30	225,280	106,762
Placements from banks	35	3,647,206	3,507,970
Interest-bearing bank and other borrowings	36	13,588,703	13,354,749
Lease liabilities	15	273,718	215,933
Income tax payable		1,251,296	738,534
Total current liabilities		71,856,386	63,669,229
NET CURRENT ASSETS		52,441,365	37,836,091
TOTAL ASSETS LESS CURRENT LIABILITIES		101,442,752	88,475,848
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	36	7,853,367	11,556,182
Lease liabilities	15	771,241	541,634
Deferred income	37	2,396,339	2,347,376
Deferred tax liabilities	26	778,341	792,251
Other non-current liabilities	38	212,067	236,806
Total non-current liabilities		12,011,355	15,474,249
Net assets		89,431,397	73,001,599

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000 (restated)
EQUITY			
Equity attributable to owners of the parent			
Share capital	39	9,195,004	8,474,978
Treasury shares	39	(796,109)	(142,628)
Reserves	40	79,932,349	63,591,516
		88,331,244	71,923,866
Non-controlling interests		1,100,153	1,077,733
Total equity		89,431,397	73,001,599

Mr. Xiang Wenbo

Director

Mr. Yu Hongfu

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2025

	Attributable to owners of the parent												
	Share capital RMB'000 (note 39)	Treasury shares RMB'000 (note 39)	Capital reserve RMB'000 (note 40)	Fair value reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000 (note 40)	Safety production fund RMB'000 (note 40)	Statutory surplus reserve RMB'000 (note 40)	General risk reserve RMB'000 (note 40)	Other reserve RMB'000 (note 40)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At December 31, 2023	8,485,740	(215,654)	5,250,041	230,061	(2,072,768)	–	3,963,424	59,244	259,382	52,069,547	68,029,017	1,133,016	69,162,033
Business combinations under common control	–	–	4	–	–	–	–	–	–	(9,557)	(9,553)	9,553	–
At January 1, 2024	8,485,740	(215,654)	5,250,045	230,061	(2,072,768)	–	3,963,424	59,244	259,382	52,059,990	68,019,464	1,142,569	69,162,033
Profit for the year	–	–	–	–	–	–	–	–	–	5,955,567	5,955,567	136,971	6,092,538
Other comprehensive loss for the year	–	–	–	(5,445)	(165,297)	–	–	–	(4,810)	–	(175,552)	(18,598)	(194,150)
Total comprehensive income for the year	–	–	–	(5,445)	(165,297)	–	–	–	(4,810)	5,955,567	5,780,015	118,373	5,898,388
Repurchase of ordinary shares	–	(657,184)	–	–	–	–	–	–	–	–	(657,184)	–	(657,184)
Cancellation of treasury shares	(10,762)	103,963	(93,201)	–	–	–	–	–	–	–	–	–	–
Repurchase obligation of ordinary shares under share incentive scheme	–	2,199	–	–	–	–	–	–	–	–	2,199	–	2,199
Grant of treasury shares under share incentive scheme	–	624,048	(70,155)	–	–	–	–	–	–	–	553,893	–	553,893
Cash dividends	–	–	–	–	–	–	–	–	–	(1,859,656)	(1,859,656)	–	(1,859,656)
Dividends declared by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(204,720)	(204,720)
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	2,100	2,100
Non-controlling interests arising from business combinations	–	–	59	–	–	–	–	–	–	–	59	(59)	–
Disposal of non-controlling interests	–	–	(2,036)	–	–	–	–	–	–	–	(2,036)	19,131	17,095
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	–	–	–	(233,656)	–	–	–	–	–	233,656	–	–	–
Recognition of share-based payment expenses	–	–	69,807	–	–	–	–	–	–	–	69,807	339	70,146
Cancellation of share incentive scheme	–	–	17,305	–	–	–	–	–	–	–	17,305	–	17,305
Transfer from retained profits	–	–	–	–	–	–	444,890	–	–	(444,890)	–	–	–
Safety production fund provided	–	–	–	–	–	57,571	–	–	–	–	57,571	–	57,571
Safety production fund used	–	–	–	–	–	(57,571)	–	–	–	–	(57,571)	–	(57,571)
At December 31, 2024	8,474,978	(142,628)	5,171,824*	(9,040)*	(2,238,065)*	–*	4,408,314*	59,244*	254,572*	55,944,667*	71,923,866	1,077,733	73,001,599

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2025

	Attributable to owners of the parent												
	Share capital RMB'000 (note 39)	Treasury shares RMB'000 (note 39)	Capital reserve RMB'000 (note 40)	Fair value reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000 (note 40)	Safety production fund RMB'000 (note 40)	Statutory surplus reserve RMB'000 (note 40)	General risk reserve RMB'000 (note 40)	Other reserve RMB'000 (note 40)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At December 31, 2024	8,474,978	(142,628)	5,171,761	(9,040)	(2,238,065)	–	4,408,314	59,244	254,572	55,974,108	71,953,244	1,048,355	73,001,599
Business combinations under common control	–	–	63	–	–	–	–	–	–	(29,441)	(29,378)	29,378	–
At January 1, 2025	8,474,978	(142,628)	5,171,824	(9,040)	(2,238,065)	–	4,408,314	59,244	254,572	55,944,667	71,923,866	1,077,733	73,001,599
Profit for the year	–	–	–	–	–	–	–	–	–	8,408,057	8,408,057	79,593	8,487,650
Other comprehensive income for the year	–	–	–	70,444	175,353	–	–	–	35,361	–	281,158	3,575	284,733
Total comprehensive income for the year	–	–	–	70,444	175,353	–	–	–	35,361	8,408,057	8,689,215	83,168	8,772,383
Issue of shares	720,614	–	13,134,190	–	–	–	–	–	–	–	13,854,804	–	13,854,804
Repurchase of ordinary shares	–	(1,355,369)	–	–	–	–	–	–	–	–	(1,355,369)	–	(1,355,369)
Cancellation of treasury shares	(588)	100,096	(5,092)	–	–	–	–	–	–	–	94,416	–	94,416
Repurchase obligation of ordinary shares under share incentive scheme	–	(54)	–	–	–	–	–	–	–	–	(54)	–	(54)
Grant of treasury shares under share incentive scheme	–	601,846	(78,956)	–	–	–	–	–	–	–	522,890	–	522,890
Cash dividends	–	–	–	–	–	–	–	–	–	(5,643,586)	(5,643,586)	–	(5,643,586)
Dividends declared by subsidiaries to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(28,734)	(28,734)
Capital injection from non-controlling interests	–	–	1,632	–	–	–	–	–	–	–	1,632	2,043	3,675
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-controlling interests arising from business combinations	–	–	(63)	–	–	–	–	–	–	–	(63)	4	(59)
Transaction with non-controlling interests	–	–	522	–	–	–	–	–	–	–	522	(34,511)	(33,989)

	Attributable to owners of the parent												
	Share capital RMB'000 (note 39)	Treasury shares RMB'000 (note 39)	Capital reserve RMB'000 (note 40)	Fair value reserve RMB'000 (note 40)	Exchange fluctuation reserve RMB'000 (note 40)	Safety production fund RMB'000 (note 40)	Statutory surplus reserve RMB'000 (note 40)	General risk reserve RMB'000 (note 40)	Other reserve RMB'000 (note 40)	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of other comprehensive income to retained profits	-	-	-	-	-	-	-	-	(30,717)	30,717	-	-	-
Recognition of share-based payment expenses	-	-	73,158	-	-	-	-	-	-	-	73,158	450	73,608
Excess tax benefits from share-based payments	-	-	52,976	-	-	-	-	-	-	-	52,976	-	52,976
Cancellation of share incentive scheme	-	-	116,837	-	-	-	-	-	-	-	116,837	-	116,837
Transfer from retained profits	-	-	-	-	-	-	368,411	-	-	(368,411)	-	-	-
Safety production fund provided	-	-	-	-	-	58,039	-	-	-	-	58,039	-	58,039
Safety production fund used	-	-	-	-	-	(58,039)	-	-	-	-	(58,039)	-	(58,039)
At December 31, 2025	9,195,004	(796,109)	18,467,028*	61,404*	(2,062,712)*	-*	4,776,725*	59,244*	259,216*	58,371,444*	88,331,244	1,100,153	89,431,397

* These reserve accounts comprise the consolidated reserves of RMB79,932,349,000 (2024: RMB63,591,516,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		9,907,171	6,907,770
Adjustments for:			
Interest expenses		913,703	1,285,421
Share of profits and losses of joint ventures and associates		(45,198)	(58,328)
Interest income and financial service income		(1,617,862)	(1,619,807)
(Gains)/losses on disposal of items of property, plant and equipment		(30,454)	155,484
Losses/(Gains) on disposal of other intangible assets and leasehold land included in right-of-use assets		168,111	(93,452)
Fair value (gains)/losses, net:			
Financial assets at fair value through profit or loss		(79,009)	56,631
Derivative financial instruments		437,410	(166,189)
Gains on disposal of subsidiaries		–	(96,997)
Net realised and unrealised gains on financial assets at fair value through profit or loss ("FVPL") and amortised cost		(402,976)	(464,730)
Dividend income from financial assets at FVOCI		(8,152)	(23,316)
Depreciation of property, plant and equipment	13	2,747,226	2,822,995
Amortisation of other intangible assets	17	382,099	359,559
Depreciation of right-of-use assets	15	407,424	397,585
Depreciation of investment properties	14	17,421	11,990
Impairment of property, plant and equipment	13	–	1,254
Impairment of other intangible assets	17	2,078	1,449
Impairment of investment properties	14	24,469	40,727
Impairment of goodwill	16	10,754	–
Equity-settled share-based payment expense	41	73,608	70,146

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025 RMB'000	2024 RMB'000
	12,907,823	9,588,192
Increase in inventories	(2,578,683)	(259,744)
Increase in trade and bills receivables	(1,565,804)	(2,003,952)
Decrease/(increase) in receivables under finance lease	909,713	(397,531)
Decrease/(increase) in contract assets	13,839	(25,293)
Increase in prepayments, other receivables and other assets	(376,882)	(364,282)
Increase in trade and bills payables	8,981,786	6,664,903
Increase/(decrease) in other payables and accruals	356,018	(410,013)
Increase in contract liabilities	437,619	346,960
Decrease in loans and advances	1,608,400	3,473,810
Increase in other non-current liabilities	(7,701)	(45,475)
Increase/(decrease) in deferred income	48,963	(40,097)
Decrease in restricted deposits	172,750	75,700
Increase/(decrease) in placements from banks	139,236	(1,931,200)
Cash generated from operations	21,047,077	14,671,978
Interest received	918,535	1,141,005
Interest paid for financial services	(171,797)	(271,896)
Income taxes paid	(1,818,554)	(726,809)
Net cash flows from operating activities	19,975,261	14,814,278

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(2,519,075)	(2,632,866)
Additions to right-of-use assets	(59,933)	(61,315)
Additions to other intangible assets	(142,843)	(244,106)
Proceeds from disposal of items of property, plant and equipment	452,680	114,240
Proceeds from disposal of leasehold land included in right-of-use assets and other intangible assets	36,104	134,526
Additions to investment properties	(49,468)	–
Disposal of investment properties	36,837	4,597
Purchase of interests in associates	(6,287)	(23,000)
Disposal of investments in associates	25,483	11,690
Disposal of subsidiaries	–	(7,562)
Proceeds from disposal of financial assets at FVOCI	1,400	380,465
Dividends from financial assets at FVOCI	8,200	23,585
Payment for acquisition of debt investments at amortised cost	–	(469,011)
Proceeds from disposal of debt investments at amortised cost	2,359,224	–
Interest received from debt investments at amortised cost	255,793	271,090
Payment for acquisition of financial assets at FVPL	(6,996,075)	(4,912,613)
Proceeds from disposal of financial assets at FVPL	2,435,469	4,670,213
Investment income from financial assets at FVPL	467,993	487,428
Payment for acquisition of derivative financial instruments	(4,517,230)	(2,484,079)
Proceeds from disposal of derivative financial instruments	4,281,679	2,208,495
Dividends from associates	5,286	26,722
Interest received from restricted deposits and time deposits	748,587	554,538
(Placement)/withdrawal of time deposits	(13,559,172)	850,185
Increase in restricted deposits	(1,173,951)	(61,070)
Net cash flows used in investing activities	(17,909,299)	(1,157,848)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

	2025 RMB'000	2024 RMB'000 (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	14,538,783	573,298
New bank loans and other borrowings	23,845,987	28,229,878
Repayment of bank loans and other borrowings	(28,587,818)	(34,938,832)
Payment for repurchase of own shares	(1,413,296)	(759,761)
Interest paid	(493,192)	(1,035,075)
Dividends paid to equity shareholders	(5,643,586)	(1,859,656)
Dividends paid to subsidiaries before respective acquisitions under common control	–	(38,674)
Dividends paid by subsidiaries to non-controlling interests	(227,962)	(66,170)
Listing expenses paid	(41,818)	–
Lease payments	(399,306)	(384,158)
Acquisition of non-controlling interests	(1,795)	–
Net cash flows from/(used in) financing activities	1,575,997	(10,279,150)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,641,959	3,377,280
Cash and cash equivalents at beginning of year	11,576,470	8,141,859
Effect of foreign exchange rate changes, net	(313,576)	57,331
CASH AND CASH EQUIVALENTS AT END OF YEAR	14,904,853	11,576,470
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	14,717,162	11,127,159
Placements with banks	187,691	449,311
Cash and cash equivalents as stated in the statement of financial position and the statement of cash flows	14,904,853	11,576,470

1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at 5F, Building 6, No. 8 Beiqing Road, Changping District, Beijing, China.

During the year, the Company's subsidiaries were involved in the following principal activities: the production, sale and maintenance of concrete machinery, excavating machinery, hoisting machinery, road machinery and piling machinery, and financial services.

As at December 31, 2025, the Company had direct and indirect interests in its subsidiaries. The particulars of the principal subsidiaries are set out below:

Name	Place of registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		'000	%	%	
SANY Heavy Machinery (Chongqing) Co., Ltd. 三一重機(重慶)有限公司	PRC/Chinese Mainland	RMB100,000	100	–	Manufacturing and sales of excavating machinery
Beijing SANY Intelligent Technology Co., Ltd. 北京三一智造科技有限公司	PRC/Chinese Mainland	RMB20,000	–	100	Manufacturing and sales of pile drivers
SANY Heavy Machinery Co., Ltd. 三一重機有限公司	PRC/Chinese Mainland	RMB3,450,470	87	13	Manufacturing and sales of excavating machinery
Shanghai SANY Heavy Machinery Co., Ltd. 上海三一重機股份有限公司	PRC/Chinese Mainland	RMB800,000	–	100	Manufacturing and sales of medium excavators

1. CORPORATE INFORMATION (Continued)

As at December 31, 2025, the Company had direct and indirect interests in its subsidiaries. The particulars of the principal subsidiaries are set out below: (Continued)

Name	Place of registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		’000	%	%	
SANY Automobile Manufacturing Co., Ltd. 三一汽車製造有限公司	PRC/Chinese Mainland	RMB1,008,300	100	–	Manufacturing and sales of truck-mounted concrete pumps and truck mixers
Zhejiang SANY Equipment Co., Ltd. 浙江三一装備有限公司	PRC/Chinese Mainland	RMB431,800	–	100	Manufacturing and sales of crawler cranes
SANY Automobile Hoisting Machinery Co., Ltd. 三一汽車起重機械有限公司	PRC/Chinese Mainland	RMB163,400	–	100	Manufacturing and sales of truck cranes

1. CORPORATE INFORMATION (Continued)

As at December 31, 2025, the Company had direct and indirect interests in its subsidiaries. The particulars of the principal subsidiaries are set out below: (Continued)

Name	Place of registration and place of operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
		’000	%	%	
SANY Auto Finance Co., Ltd. (“Sany Auto Finance”) 三一汽車金融有限公司	PRC/Chinese Mainland	RMB2,683,551.4	96	–	Financial services
SANY Financial Leasing Co., Ltd. (“SANY Financial Leasing”) 三一融資租賃有限公司	PRC/Chinese Mainland	RMB1,006,837.3	95	–	Finance lease service
SANY International Development Limited	Hong Kong	USD306,920	100	–	Sales of construction machinery
Putzmeister Holding GmbH.	Germany	EUR40,000	–	99	Manufacturing and sales of concrete machinery
SANY Heavy Industry India Private Limited	India	INR1,417,210	11	89	Manufacturing and sales of construction machinery in India

Except for Shanghai SANY Heavy Machinery Co., Ltd., which is a joint stock limited company, the other subsidiaries listed above are limited liability companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB"), and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended December 31, 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

2.1 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries, branches, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions. These amendments to illustrative examples do not have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

[1] Effective for annual periods beginning on or after January 1, 2026

[2] Effective for annual/reporting periods beginning on or after January 1, 2027

[3] No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is as follows:

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (Continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is as follows: (Continued)

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (Continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is as follows: (Continued)

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (Continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is as follows: (Continued)

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group measures the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Business combination under common control

A business combination involving entities under common control refers to a combination where all entities involved are ultimately controlled by the same party both before and after the transaction, and such control is not transitory.

The acquirer shall recognise the acquired assets and liabilities including any goodwill previously recognised by the ultimate controlling party in its acquisition of the acquiree at their carrying amounts in the ultimate controlling party's consolidated financial statements as of the combination date. The difference between the carrying amount of the net assets acquired and the carrying amount of the consideration paid shall be adjusted against share premium. If share premium is insufficient, the balance shall be offset against retained profits.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Fair value measurement

The Group measures its derivative financial instruments, certain debt and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Related parties (Continued)

A party is considered to be related to the Group if: (Continued)

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.43% to 6.67%
Machinery equipment	6.47% to 25.00%
Transportation equipment	9.70% to 12.50%
Leasing out equipment under operating leases	16.17% to 25.00%
Office and other equipment	6.47% to 50.00%
Leasehold improvements and renovation costs	5.00% to 33.33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation. Investment properties include land use rights leased out, land use rights held for transfer upon capital appreciation, and buildings leased out.

An investment property is measured initially at cost. If the economic benefits relating to an investment property will probably flow in and the cost can be reliably measured, subsequent costs incurred for the property are included in the cost of the investment property. Otherwise, subsequent costs are recognised in profit or loss as incurred.

The Group uses the cost model for the subsequent measurement of investment properties, and adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings and land use rights.

It is reclassified at its carrying amount at the date of the transfer when an owner-occupied property or inventory is transferred to an investment property, or an investment property is transferred to owner-occupied properties.

When an investment property is transferred to owner-occupied properties, it is reclassified as a fixed asset or an intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as an investment property at the date of the transfer. If it is transferred to an investment property measured by the cost model, its book value at the date of the transfer shall be used as the value of the investment property; if it is transferred to an investment property measured by the fair value model, its fair value at the date of the transfer shall be used as the value of the investment property.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from the sale, transfer, retirement or damage of an investment property net of its carrying amount and related taxes is recognised in profit or loss for the current period.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis. Trademarks are deemed to be intangible assets with indefinite useful lives.

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are as follows:

Categories	Estimated useful lives
Putzmeister franchise	10 years
Proprietary technology	5 years
Software	5 years
Others*	5 to 50 years

* The others of intangible assets mainly included multiple technology platforms developed by the Group and the estimated useful life is determined based on its historical experience.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Buildings	1 to 10 years
Machinery equipment	1 to 10 years
Transportation equipment	1 to 4 years
Office equipment	1 to 4 years
Leasehold land	50 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in the statement of profit or loss so as to provide a constant periodic rate of return over the lease terms.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Subsequent measurement (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS *32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Investments and other financial assets (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade and bills receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, derivative financial instruments, placements from banks, lease liabilities, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Inventories

The Group's inventories include raw materials, semi-finished goods and finished goods.

Inventories are initially carried at planned cost. The difference between the planned cost and the actual cost of raw materials is accounted for through the cost difference account. The cost difference belonging to inventories transferred out is carried forward periodically to adjust the planned cost to the actual cost. The cost of inventories consumed and transferred out is determined on the weighted average basis. Turnover materials include low value consumables and packing materials, which are written off immediately.

The Group adopts a perpetual inventory system.

At the end of the reporting period, inventories are stated at the lower of cost and net realisable value. The inventories are written down below cost to net realisable value and the write-down is recognised in profit or loss if the cost is higher than the net realisable value. When the circumstances that previously caused the inventories to be written down below cost no longer exist, in which case the net realisable value of inventories becomes higher than the carrying amount, the amount of the write-down is reversed. The reversal is limited to the amount of the original write-down, and is recognised in profit or loss.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Except for spare parts and other inventories with low unit prices, the reserve for inventory price reduction shall be calculated according to a single inventory item. Spare parts and other inventories with low unit prices shall be assessed for asset impairment according to their actual conditions.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, which are repayable on demand and form an integral part of the Group's cash management.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Special reserve – safety production fund

Provisions for the Group's obligations for safety operations are based on the Group's revenue arising from the sale of construction machinery and equipment per year in accordance with related PRC rules and regulations. The Group records a corresponding cost when such expenditure for safety operations is incurred. The remaining provisions for the Group's obligations for safety operations are recorded as a special reserve – safety production fund. The remaining provisions are not recorded in profit or loss while the Group decreases its retained profits when it recognises the special reserve – safety production fund.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of construction machinery and equipment during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when the Group has fulfilled its performance obligations in the contracts, that is, when the customer obtains control of relevant goods or services. Control of relevant goods or services refers to the ability to direct the use of the goods or the provision of the services, and obtain substantially all of the remaining benefits from the goods or services.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Sale of products

A contract for the sale of products between the Group and the customer usually only includes the performance obligation to transfer the products, with no continued management and effective control of the products associated with ownership. The Group generally recognises the revenue when the relevant products are delivered to the customer and confirmed as accepted by the customer, on the basis of taking full consideration of the following factors: the present right to collect payment for the products, the transfer of the key risks and returns in the product ownership, the transfer of the legal ownership of the products, the transfer of the physical asset of the products, and the acceptance of the products by the customer.

Variable consideration

The Group determines the best estimate of variable consideration by using the expected value method or the most likely amount method. However, the transaction price including variable consideration is limited to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Significant financing components

When the contract contains a significant financing component, the Group determines the transaction price based on an amount that reflects the price that a customer would have paid for the goods or services in cash at the time of obtaining control of the goods or services, and amortises the difference between the transaction price and the consideration promised in the contract under the effective interest method within the contract period using the discount rate that discounts the nominal amount of the contract consideration to the current selling price of the goods or services. The Group does not consider the effects of a significant financing component in the contract if it is expected that the period between when the customer obtains control of the goods or services and when the customer pays for such goods or services will be one year or less.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

Warranties

The Group provides warranties in connection with the sale of construction machinery and equipment in accordance with the contract and the relevant laws and regulations, etc., which are assurance-type warranties that provide the customer with the assurance that the good complies with agreed-upon specifications. In assessing whether quality assurance is provided as a separate service other than providing guarantee to the customers that the goods sold meet the established quality standards, the Group considers factors such as whether the quality assurance is a statutory requirement, the term of quality assurance and nature of the Group's commitment to perform its obligations.

Revenue from other sources

Rental income

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Financial services

Interest income or interest expense for financial services is measured at the effective interest rate. The effective interest rate is the rate at which a financial instrument's expected future cash inflows or outflows are discounted to the net book value of the financial instrument or financial liability over its expected lifetime or less. The measurement of interest income takes into account the contractual terms of the financial instrument and includes all fees attributable to the effective interest rate component and all transaction costs, but does not include future loan losses. If the Group's estimates of future revenues or expenses change, the carrying value of financial assets or liabilities may also be adjusted accordingly. Since the adjusted book value is calculated at the original effective interest rate, the change is also included in interest income or interest expense.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Contract assets

If the Group performs by transferring goods to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade and bills receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Share-based payments

A share-based payment is classified as either an equity-settled share-based payment or a cash-settled share-based payment. An equity-settled share-based payment is a transaction in which the Group receives services and uses shares or other equity instruments as consideration for settlement.

An equity-settled share-based payment in exchange for services received from employees is measured at the fair value of the equity instruments granted to the employees. If such an equity-settled share-based payment vests immediately, the related costs or expenses at an amount equal to the fair value on the grant date are recognised, with a corresponding increase in capital reserves; if such an equity-settled share-based payment does not vest until the completion of services for a vesting period, or until the achievement of a specified performance condition, the Group recognises the services received for the current period as related costs and expenses at the end of each reporting period during the vesting period, with a corresponding increase in capital reserves at an amount equal to the fair value of the equity instruments at the grant date. Please refer to note 41 for the fair value of equity instruments.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled share-based award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Employee benefits

Employee benefits refer to all forms of consideration or compensation other than share-based payments given by the Group in exchange for services rendered by employees or for termination of employment. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits given by the Group to an employee's spouse, children and dependents, family members of deceased employees and other beneficiaries are also considered employee benefits.

Short-term employee benefits

The Company recognises, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Employee benefits (Continued)

Post-employment benefits (defined contribution plan)

The employees of the Group participate in a pension scheme and unemployment insurance managed by the local government. The corresponding expenses shall be included in the cost of related assets or profit or loss.

Post-employment benefits (defined benefit plan)

The Group operates a defined benefit pension plan which requires contributions to be made to a separately administered fund. The benefits are unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected accumulative benefit unit method.

Remeasurements arising from the defined benefit pension plan, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment and the date that the Group recognises restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under administrative expenses and financial expenses in profit or loss: service costs comprising current service costs, past service costs, and gains and losses on settlements; net interest comprising interest income on plan assets, interest costs on the defined benefit obligation and interest on the effect of the asset ceiling.

Termination benefits

The Group provides termination benefits to employees and recognises an employee benefits liability for termination benefits, with a corresponding charge to profit or loss, at the earlier of when the Group can no longer withdraw the offer of those benefits resulting from an employment termination plan or a curtailment proposal and when the Group recognises costs involving the payment of termination benefits.

Other long-term employee benefits

Other long-term employee benefits provided to employees shall be recognised in accordance with the relevant provisions of post-employment benefits and used to measure net liabilities or net assets of other long-term employee benefits, but the changes are recognised in profit or loss for the period or related asset costs.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

The Company’s cash dividends are recognised as liabilities upon approval by the shareholders’ general meeting. Final dividends are disclosed in note 11 to the financial statements.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies

The financial statements is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

2.4 MATERIAL ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Shares repurchase

The payment and transaction costs incurred on the repurchase of the Group's own equity instruments are accounted for as a deduction from equity. Other than share-based payments, the issuance (including refinancing), repurchase, sale or cancellation of the Group's own equity instruments shall be treated as changes in equity.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Operating leases – the Group as lessor

The Group has entered into lease agreements on its investment property portfolio. Based on an evaluation of the terms and conditions of the agreements, the Group has determined these leases to be operating leases, and it retains substantially all the significant risks and rewards of ownership of these properties.

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods used to evaluate and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the judgements on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, including assessing the modification of the time value of money, determining whether there is any significant difference from the benchmark cash flow and evaluating whether the fair value of the prepayment features is insignificant for financial assets with prepayment features, etc.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on financial instruments and contract assets

The Group uses the expected credit loss model to assess the impairment of financial instruments. The Group is required to perform significant judgement and estimation and take into account all reasonable and supportable information, including forward-looking information. When making such judgements and estimates, the Group infers the expected changes in the debtor's credit risk based on historical repayment data combined with economic policies, macroeconomic indicators, industry risks and other factors. The different estimates may impact the impairment assessment, and the provision for impairment may also not be representative of the actual impairment loss in the future. The information about the ECLs on the Group's financial instruments and contract assets is disclosed in notes 22, 23, 24, 25 and 29 to the financial statements.

Impairment of non-current assets other than financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-current assets other than financial assets at the end of each reporting period. Intangible assets with indefinite useful lives are tested for impairment annually and at other times when such an indication exists. Other non-current assets other than financial assets are tested for impairment when there are indications that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of an asset or asset group exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from it. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the assets. When the calculations of the present value of the future cash flows expected to be derived from an asset or asset group are undertaken, management must estimate the expected future cash flows from the asset or asset group and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Development expenditures

Development expenditures are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash flows from the assets, discount rates to be applied and the expected period of benefits.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in note 26 to the financial statements.

Provisions

Based on the terms of the contracts, existing knowledge and historical experience, the Group estimates and makes provision for product quality assurance, expected contract losses, liquidated damages of late delivery, etc. Where a contingent event has formed a current obligation and the performance of such a current obligation is likely to result in an outflow of economic benefits from the Group, the Group recognises the contingent event as an anticipated liability in accordance with the best estimate of the expenditure required to fulfil the relevant current obligation. The recognition and measurement of the estimated liabilities depend largely on the judgement of the management. In making the judgement, the Group shall assess the risk, uncertainty and time value of the currency associated with such contingencies.

The Group provides after-sales quality maintenance commitment for selling, repairing and renovating the goods to the customers, and recognises the estimated liabilities for the commitment. The Company's recent maintenance experience data has been taken into account in the estimated liabilities, and the risks and uncertainties related to the maintenance matters have been comprehensively considered. Any increase or decrease in this provision may affect profit or loss in the future.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provisions (Continued)

The Company provides mortgage and financing guarantees to financing institutions for customers with financing needs, and makes estimated liabilities based on the losses that may occur in the guarantee obligations. The estimated liabilities have taken into account data such as the proportion of the guarantee obligation actually performed and the proportion of actual losses incurred after performing the guarantee obligation, as well as factors such as risks, uncertainties and time value of money related to the guarantee obligation. Any increase or decrease in this provision may affect profit or loss in the future.

Inventory provision determined on net realisable value

According to the inventory accounting policy, the Group measures the inventories at the lower of cost and net realisable value, and makes inventory provision for the obsolete inventories, slow-moving inventories and the inventories of which the cost is higher than their net realisable value. At the end of each reporting period, the Group reviews whether individual inventory items are obsolete or stagnant and whether their net realisable value is lower than their cost. The impairment of inventories is based on the assessment of the inventories' merchantability and their net realisable value. Identification of inventory impairment requires management to make judgements and estimates based on solid evidence and factors such as the purpose of holding the inventories and the impact of events after the end of each reporting period. The difference between the actual result and the original estimate will affect the carrying amount of inventories and the accrual or reversal of inventory provision during the period in which the estimate is changed.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 52 to the financial statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. Further details are included in notes 20 and 21 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Share-based payments

The Company implemented restricted shares and employee stock ownership plan to exchange the services provided by employees. The equity instruments granted under the plan are measured at fair value on the grant date. If the instruments granted only vest after the respective employees complete a specific period of service or achieve a performance condition, an expense during the vesting period is amortised using the straight-line method based on the best estimate of the exercisable number of the instruments and capital reserves are increased by a corresponding amount.

At the end of each reporting period during the vesting period, the Company determines whether the performance forecast satisfies the prescriptive conditions of the incentive plan according to the recent development. The best estimate of the exercisable number of instruments is revised if recent evidence indicates that the estimated future performance of the Company does not meet the prescriptive conditions of the incentive plan.

Management's judgement is necessary in forecasting the performance to determine whether the vesting conditions are satisfied.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has six reportable operating segments as follows:

(a) Concrete machinery segment: Research, development, production and sale of concrete pump trucks, concrete delivery pumps, batching plants, truck mixers, concrete truck-mounted pumps and so on;

(b) Excavating machinery segment: Research, development, production and sale of excavating machinery products such as large excavators, medium excavators, small excavators and so on;

(c) Hoisting machinery segment: Research, development, production and sale of hoisting machinery products such as truck cranes, all-terrain cranes, crawler cranes, tower cranes and so on;

(d) Piling machinery segment: Research, development, production and sale of piling machinery products such as rotary drilling rigs, hydraulic grabs, continuous wall grabs and so on;

(e) Road machinery segment: Research, development, production and sale of pavement machinery products such as rollers, motor graders, pavers, milling machines, asphalt batching plants and so on; and

(f) Financial services segment: Construction machinery product loans, finance lease, and interbank lending and borrowing among financial institutions.

4. OPERATING SEGMENT INFORMATION (Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment gross profit.

The assets and liabilities of the operating segments will not be disclosed as they are not regularly reported to the Group's key operating decision-makers, and the assets and liabilities are governed by the Group.

Year ended December 31, 2025	Concrete machinery RMB'000	Excavating machinery RMB'000	Hoisting machinery RMB'000	Piling machinery RMB'000	Road machinery RMB'000	Financial services RMB'000	Others RMB'000	Total RMB'000
Segment revenue (note 5)								
Sales to external customers	15,737,918	34,543,625	15,562,967	2,819,528	3,756,829	468,482	16,810,156	89,699,505
Segment results	3,171,806	11,828,763	4,507,420	927,186	1,077,240	297,593	3,058,315	24,868,323
Reconciliation:								
Selling and marketing expenses								(6,414,677)
Administrative expenses and research and development costs								(8,196,245)
Finance costs								(568,877)
Other gains or expenses								218,647
Profit before tax								9,907,171

4. OPERATING SEGMENT INFORMATION (Continued)

Year ended December 31, 2024	Concrete machinery RMB'000	Excavating machinery RMB'000	Hoisting machinery RMB'000	Piling machinery RMB'000	Road machinery RMB'000	Financial services RMB'000	Others RMB'000	Total RMB'000
Segment revenue (note 5)								
Sales to external customers	14,368,034	30,373,600	13,115,027	2,076,069	3,001,227	609,988	14,839,434	78,383,379
Segment results	2,947,573	9,666,046	3,570,786	679,935	825,325	346,557	2,866,767	20,902,989
Reconciliation:								
Selling and marketing expenses								(5,464,214)
Administrative expenses and research and development costs								(8,868,321)
Finance costs								(845,080)
Other gains or expenses								1,182,396
Profit before tax								6,907,770

4. OPERATING SEGMENT INFORMATION (Continued)

Geographical information

	2025 RMB'000	2024 RMB'000
Chinese Mainland	33,430,685	29,521,685
Outside Chinese Mainland	56,268,820	48,861,694
Total revenue	89,699,505	78,383,379

Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for the years ended December 31, 2025 and 2024.

5. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	88,288,793	76,724,493
Revenue from other sources		
Financial services	468,482	609,988
Gross rental income	942,230	1,048,898
Total	89,699,505	78,383,379

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of products or services		
Concrete machinery	15,737,918	14,368,034
Excavating machinery	34,543,625	30,373,600
Hoisting machinery	15,562,967	13,115,027
Piling machinery	2,819,528	2,076,069
Road machinery	3,756,829	3,001,227
Others	15,867,926	13,790,536
Total	88,288,793	76,724,493
Geographical markets		
Chinese Mainland	32,471,628	28,458,486
Outside Chinese Mainland	55,817,165	48,266,007
Total	88,288,793	76,724,493
Timing of revenue recognition		
Services transferred over time	158,499	169,498
Goods transferred at a point in time	88,130,294	76,554,995
Total	88,288,793	76,724,493

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period.

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	2,520,831	1,750,126

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

Revenue from contracts with customers (Continued)

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of products

The performance obligation is satisfied upon delivery of products, and three main payment methods are available to customers:

- Full payment: Customers normally pay the majority of the purchase price before the product delivery, with the remaining amount held as a warranty deposit.
- Credit/instalment payment: payment terms are 3 to 24 months. Shipments are generally dispatched once the customer has provided a down payment equal to a fixed percentage of the product price.
- Financing payment: Shipments are generally dispatched once the customer has provided a down payment equal to a fixed percentage of the product price. Customers have the option to finance their purchase through loan agreements or finance lease arrangements with financial institutions.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due based on the progress of service completion.

All the amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised as revenue within one year.

5. REVENUE, OTHER INCOME AND GAINS, NET (Continued)

An analysis of other income and gains, net is as follows:

	2025 RMB'000	2024 RMB'000
Other income and gains, net		
Interest income	1,149,380	1,009,363
Government grants*		
– Related to assets	204,625	197,226
– Related to income	480,055	673,511
Gains/(losses) on disposal of items of property, plant and equipment, net	30,454	(155,484)
(Losses)/Gains on disposal of leasehold land included in right-of-use assets and other intangible assets, net	(168,111)	93,452
Foreign exchange differences, net	(212,044)	(305,967)
Gains on disposal of subsidiaries	–	96,997
Net realised gains on financial assets at FVPL and amortised cost	402,976	464,730
Dividend income from financial assets at FVOCI	8,152	23,316
Fair value (losses)/gains on financial assets at FVPL and derivative financial instruments, net	(358,401)	109,558
Others	143,030	115,470
Total other income and gains, net	1,680,116	2,322,172

* Government grants received for which the related expenditure has not yet been undertaken are included in deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		53,855,932	47,704,606
Cost of services provided		164,461	256,435
Depreciation of property, plant and equipment	13	2,747,226	2,822,995
Depreciation of right-of-use assets	15	407,424	397,585
Amortisation of other intangible assets*	17	382,099	359,559
Depreciation of investment properties	14	17,421	11,990
Research and development costs			
Current year expenditure		5,168,911	5,488,155
Less: Development expenditure		(136,122)	(107,534)
Net current year expenditure		5,032,789	5,380,621
Lease payments not included in the measurement of lease liabilities	15(c)	72,628	89,617
Auditor's remuneration		7,432	7,100
Listing expenses		8,608	–
Employee benefit expenses (excluding directors' and supervisors' remuneration (note 8)):			
Wages, salaries and other allowances		10,262,728	9,895,259
Share-based payments		70,333	62,516
Pension scheme contributions and social welfare**		548,182	531,407
Total		10,881,243	10,489,182

6. PROFIT BEFORE TAX (Continued)

The Group's profit before tax is arrived at after charging/(crediting): (Continued)

	Notes	2025 RMB'000	2024 RMB'000
Foreign exchange differences, net	5	212,044	305,967
Impairment costs:			
Inventories		101,342	157,541
Property, plant and equipment	13	–	1,254
Investment properties	14	24,469	40,727
Other intangible assets	17	2,078	1,449
Goodwill	16	10,754	–
Total		138,643	200,971
Impairment of financial instruments and contract assets, net:			
Impairment of trade receivables, net	23	784,777	781,645
(Reversal)/impairment of contract assets, net	25	(211)	385
Impairment of receivables under finance lease, net	24	279,049	41,665
Reversal of impairment of loans and advances	22	(71,893)	(82,752)
Impairment of financial assets included in prepayments, other receivables and other assets	29	180,259	203,557
Impairment/(reversal) of guarantee contracts included in non-current liabilities		7,932	(47,181)
Total		1,179,913	897,319

6. PROFIT BEFORE TAX (Continued)

The Group's profit before tax is arrived at after charging/(crediting): (Continued)

	Notes	2025 RMB'000	2024 RMB'000
Fair value (gains)/losses, net:			
Financial assets at FVPL		(79,009)	56,631
Derivative financial instruments		437,410	(166,189)
Losses on derecognition of financial assets at amortised cost		29,170	363
Net realised gains on financial assets at FVPL and amortised cost	5	(402,976)	(464,730)
Dividend income from equity investments at FVOCI	5	(8,152)	(23,316)
Interest income	5	(1,149,380)	(1,009,363)
(Gains)/losses on disposal of items of property, plant and equipment	5	(30,454)	155,484
Losses/(Gains) on disposal of other intangible assets and leasehold land included in right-of-use assets	5	168,111	(93,452)
Gains on disposal of investments in subsidiaries	5	–	(96,997)
Donation expenses		33,459	29,291

* The amortisation of other intangible assets for the year is included in "Administrative expenses" and "Research and development costs" in profit or loss.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Interest on bank loans and other borrowings	525,417	815,613
Interest on lease liabilities	44,738	32,499
Subtotal	570,155	848,112
Less: Interest capitalised	(1,278)	(3,032)
Total	568,877	845,080

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	527	340
Other emoluments:		
– Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	23,650	25,941
– Share-based payment expenses	3,275	7,630
Subtotal	26,925	33,571
Total	27,452	33,911

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Zhou Hua (note (i))	36	120
Mr. Wu Zhongxin	176	120
Ms. Xi Qing	176	100
Mr. Lan Yuquan (note (ii))	139	–
Total	527	340

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

(i) Mr. Zhou Hua resigned as an independent non-executive director of the Company on April 21, 2025.

(ii) Mr. Lan Yuquan was appointed as an independent non-executive director of the Company on April 21, 2025.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

(b) Executive directors, non-executive directors and supervisors

2025	Fees	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Xiang Wenbo	–	978	415	1,393
Mr. Yu Hongfu	–	7,079	1,021	8,100
Mr. Yi Xiaogang	–	6,769	798	7,567
Mr. Huang Jianlong	–	5,729	392	6,121
Subtotal	–	20,555	2,626	23,181
Non-executive directors:				
Mr. Liang Wengen	–	273	–	273
Mr. Tang Xiuguo	–	–	346	346
Mr. Liang Zaizhong	–	–	–	–
Subtotal	–	273	346	619
Supervisors:				
Mr. Liu Daojun	–	2,493	303	2,796
Mr. Li Daocheng	–	299	–	299
Mr. Yao Chuanda	–	30	–	30
Subtotal	–	2,822	303	3,125
Total	–	23,650	3,275	26,925

8. DIRECTORS' AND SUPERVISORS' REMUNERATION (Continued)

(b) Executive directors, non-executive directors and supervisors (Continued)

2024	Fees	Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	Share-based payment expenses	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Xiang Wenbo	–	929	1,661	2,590
Mr. Yu Hongfu	–	7,077	2,095	9,172
Mr. Yi Xiaogang	–	7,775	1,533	9,308
Mr. Huang Jianlong	–	5,966	249	6,215
Subtotal	–	21,747	5,538	27,285
Non-executive directors:				
Mr. Liang Wengen	–	1,084	–	1,084
Mr. Tang Xiuguo	–	–	1,384	1,384
Subtotal	–	1,084	1,384	2,468
Supervisors:				
Mr. Liu Daojun	–	2,792	708	3,500
Mr. Li Daocheng	–	288	–	288
Mr. Yao Chuanda	–	30	–	30
Subtotal	–	3,110	708	3,818
Total	–	25,941	7,630	33,571

Mr. Tang Xiuguo resigned as a non-executive director of the Company on April 21, 2025.

Mr. Liang Zaizhong was appointed as a non-executive director of the Company on April 21, 2025.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group included nil (2024: Nil) directors of the Company during the year. Details of the remuneration of the remaining five (2024: five) highest paid employees who are not directors of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, wages, bonuses and benefits in kind (including contributions to pension plans)	73,921	66,829
Share-based payment expenses	979	3,132
Total	74,900	69,961

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	2025	2024
HK$30,000,001 to HK$30,500,000	1	–
HK$20,500,001 to HK$21,000,000	–	1
HK$18,500,001 to HK$19,000,000	–	1
HK$14,000,001 to HK$14,500,000	1	–
HK$13,500,001 to HK$14,000,000	1	–
HK$12,500,001 to HK$13,000,000	1	1
HK$12,000,001 to HK$12,500,000	1	1
HK$11,000,001 to HK$11,500,000	–	1
Total	5	5

10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and/or operate.

Hong Kong

The subsidiary incorporated in Hong Kong is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (中華人民共和國企業所得税法) and the respective regulations (the "EIT Law"), the subsidiaries which operate in Chinese Mainland are subject to EIT at a rate of 25% on the taxable income, except for those which are subject to tax concessions as set out below:

– Entities that are qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%.

Overseas areas

The Company's other overseas subsidiaries are subject to income tax at rates ranging from 9% to 35%.

10. INCOME TAX (Continued)

The income tax expense of the Group for the years ended December 31, 2025 and 2024 are analysed as follows:

	2025 RMB'000	2024 RMB'000
Current income tax	1,815,548	1,377,511
Deferred income tax	(396,027)	(562,279)
Total	1,419,521	815,232

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the countries in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit before tax	9,907,171	6,907,770
Tax at the statutory tax rate of 25%	2,476,793	1,726,943
Effect of different tax rates	(886,666)	(715,062)
Adjustments in respect of current tax of previous periods	90,414	(15,465)
Profits and losses attributable to joint ventures and associates	(12,990)	(19,606)
Income not subject to tax	(31,066)	(104,283)
Expenses not deductible for tax	40,247	44,809
Tax losses utilised from previous period	(104,583)	(1,102)
Tax losses and temporary differences not recognised	272,813	371,735
Super-deduction of research and development expenses	(425,441)	(472,737)
Tax charge at the Group's effective tax rate	1,419,521	815,232

10. INCOME TAX (Continued)

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current income tax when incurred. Pillar Two legislation has been enacted or substantially enacted and in effect as at December 31, 2025 in certain jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year and prior year 2024. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbor for most of the jurisdictions in which the Group operates. As such, the group does not expect to have any material Pillar Two exposure. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

11. DIVIDENDS

	2025 RMB'000	2024 RMB'000
Interim dividends in respect of the current year, declared or paid during the year (tax inclusive)	2,613,946	–
Final dividends in respect of the previous year, declared or paid during the year (tax inclusive)	3,029,640	1,859,656
Total	5,643,586	1,859,656

The interim dividend of RMB3.10 per 10 shares (tax inclusive) in respect of the six month ended June 30, 2025 were approved by the extraordinary general meeting of the Company in September 2025. The final dividends of RMB3.60 and RMB2.20 per 10 shares (tax inclusive) in respect of the years ended December 31, 2024 and 2023 were approved by the annual general meeting of the Company.

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the year ended December 31, 2025 in respect of a dilution as the impact of the share scheme had an anti-dilutive effect on the basic earnings per share amounts presented.

The calculation of the diluted earnings per share amounts for the year ended December 31, 2024 is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2025	2024 (restated)
Earnings:		
Profit for the year attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation (RMB'000)	8,408,057	5,955,567
Number of shares:		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation (in thousand shares)	8,549,925	8,459,104
Effect of dilution – weighted average number of ordinary shares:		
Share scheme (in thousand shares)	–	3,730
Total	8,549,925	8,462,834

The weighted average number of shares was after taking into account the effect of treasury shares held.

13. PROPERTY, PLANT AND EQUIPMENT

December 31, 2025	Buildings RMB'000	Machinery equipment RMB'000	Transportation equipment RMB'000	Leasing out equipment under operating leases RMB'000	Office and other equipment RMB'000	Leasehold improvements and renovation costs RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2025, net of accumulated depreciation and impairment	10,702,645	10,101,112	229,988	629,282	706,321	177,037	1,139,956	23,686,341
Additions	212,889	533,516	64,079	153,163	149,586	38,769	539,399	1,691,401
Disposals	(31,303)	(199,537)	(16,637)	(133,304)	(11,999)	–	–	(392,780)
Depreciation provided during the year	(807,261)	(1,377,498)	(34,325)	(162,260)	(322,306)	(43,576)	–	(2,747,226)
Internal transfer	269,757	353,639	6,255	–	35,301	–	(664,952)	–
Exchange realignment	36,739	(1,198)	194	25,803	2,770	(116)	7,606	71,798
At December 31, 2025, net of accumulated depreciation and impairment	10,383,466	9,410,034	249,554	512,684	559,673	172,114	1,022,009	22,309,534
At December 31, 2025								
Cost	17,854,984	20,011,238	478,482	802,435	2,875,508	300,565	1,067,889	43,391,101
Accumulated depreciation	(7,451,726)	(10,577,767)	(228,694)	(289,751)	(2,315,727)	(128,451)	–	(20,992,116)
Impairment	(19,792)	(23,437)	(234)	–	(108)	–	(45,880)	(89,451)
Net carrying amount	10,383,466	9,410,034	249,554	512,684	559,673	172,114	1,022,009	22,309,534

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

December 31, 2024	Buildings RMB'000	Machinery equipment RMB'000	Transportation equipment RMB'000	Leasing out equipment under operating leases RMB'000	Office and other equipment RMB'000	Leasehold improvements and renovation costs RMB'000	Construction in progress RMB'000	Total RMB'000
At January 1, 2024, net of accumulated depreciation and impairment	11,185,793	10,484,051	219,821	654,931	908,648	183,981	1,366,933	25,004,158
Additions	162,795	457,837	60,595	347,681	176,258	44,215	949,010	2,198,391
Disposals	(131,966)	(45,868)	(10,611)	(186,325)	(4,004)	–	–	(378,774)
Disposal of subsidiaries	–	(103,995)	(367)	–	(878)	–	–	(105,240)
Depreciation provided during the year	(792,789)	(1,329,743)	(41,617)	(180,260)	(427,427)	(51,159)	–	(2,822,995)
Impairment	–	–	–	(1,254)	–	–	–	(1,254)
Transfers	322,049	647,747	4,777	–	59,574	–	(1,174,927)	(140,780)
Exchange realignment	(43,237)	(8,917)	(2,610)	(5,491)	(5,850)	–	(1,060)	(67,165)
At December 31, 2024, net of accumulated depreciation and impairment	10,702,645	10,101,112	229,988	629,282	706,321	177,037	1,139,956	23,686,341
At December 31, 2024								
Cost	17,344,702	19,616,113	455,148	880,620	2,756,155	261,796	1,185,836	42,500,370
Accumulated depreciation	(6,622,309)	(9,489,225)	(224,209)	(250,084)	(2,049,726)	(84,759)	–	(18,720,312)
Impairment	(19,748)	(25,776)	(951)	(1,254)	(108)	–	(45,880)	(93,717)
Net carrying amount	10,702,645	10,101,112	229,988	629,282	706,321	177,037	1,139,956	23,686,341

Certificates of ownership in respect of certain buildings of the Group with total net carrying amounts of approximately RMB371,047,000 and RMB301,955,000, respectively, at December 31, 2025 and 2024, have not yet been issued by the relevant authorities.

As at December 31, 2024, based on the recoverable amount of RMB4,658,000, respectively, under the fair value less cost of disposal calculation, the impairment loss amounting to RMB1,254,000 was recognised on the relevant equipment.

14. INVESTMENT PROPERTIES

December 31, 2025	Buildings RMB'000	Leasehold land RMB'000	Total RMB'000
At January 1, 2025, net of accumulated depreciation and impairment	173,805	44,258	218,063
Additions	51,704	–	51,704
Disposals	(24,091)	–	(24,091)
Depreciation provided during the year	(16,610)	(811)	(17,421)
Impairment	(24,469)	–	(24,469)
Transfers	–	(789)	(789)
Exchange realignment	(807)	1,890	1,083
At December 31, 2025, net of accumulated depreciation and impairment	159,532	44,548	204,080
At December 31, 2025			
Cost	411,750	62,084	473,834
Accumulated depreciation	(190,554)	(17,536)	(208,090)
Impairment	(61,664)	–	(61,664)
Net carrying amount	159,532	44,548	204,080

14. INVESTMENT PROPERTIES (Continued)

December 31, 2024	Buildings RMB'000	Leasehold land RMB'000	Total RMB'000
At January 1, 2024, net of accumulated depreciation and impairment	90,440	48,976	139,416
Disposals	(4,597)	–	(4,597)
Depreciation provided during the year	(10,958)	(1,032)	(11,990)
Impairment	(40,727)	–	(40,727)
Transfers	140,780	(1,353)	139,427
Exchange realignment	(1,133)	(2,333)	(3,466)
At December 31, 2024, net of accumulated depreciation and impairment	173,805	44,258	218,063
At December 31, 2024			
Cost	405,423	61,327	466,750
Accumulated depreciation	(182,466)	(17,069)	(199,535)
Impairment	(49,152)	–	(49,152)
Net carrying amount	173,805	44,258	218,063

14. INVESTMENT PROPERTIES (Continued)

As at December 31, 2025 and 2024, the fair values of investment properties, which were categorised within Level 3 of the fair value hierarchy, were not materially different from their original costs.

As at December 31, 2025 and 2024, based on the recoverable amount of RMB55,534,000 and RMB59,862,000, under the fair value less cost of disposal calculation using the market approach, impairment loss amounting to RMB24,469,000 and RMB40,727,000 was recognised on the relevant investment property.

Certificates of ownership in respect of certain buildings included in investment properties of the Group with total net carrying amounts of approximately RMB7,208,000 and RMB7,779,000, respectively, at December 31, 2025 and 2024, have not yet been issued by the relevant authorities.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of leasehold land, properties, plant and equipment used in its operations. Leases of leasehold land generally have lease terms of 50 years, while leases of property, plant and equipment generally have lease terms between 1 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of the right-of-use assets and the movements during the year are as follows:

December 31, 2025	Buildings RMB'000	Machinery equipment RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Leasehold land RMB'000	Total RMB'000
As at January 1, 2025	621,349	12,842	12,878	76,834	2,547,693	3,271,596
Additions	620,045	–	8,249	23,241	4,854	656,389
Transfer from investment properties	–	–	–	–	789	789
Disposals	(19,983)	–	–	(10,385)	(197,893)	(228,261)
Depreciation provided during the year	(297,307)	(9,403)	(12,185)	(28,139)	(60,390)	(407,424)
Exchange realignment	(1,958)	507	(1,460)	3,437	(1,318)	(792)
As at December 31, 2025	922,146	3,946	7,482	64,988	2,293,735	3,292,297

15. LEASES (Continued)

The Group as a lessee (Continued)

(a) Right-of-use assets (Continued)

December 31, 2024	Buildings RMB'000	Machinery equipment RMB'000	Transportation equipment RMB'000	Office equipment RMB'000	Leasehold land RMB'000	Total RMB'000
As at January 1, 2024	694,974	10,689	8,153	66,025	2,573,377	3,353,218
Additions	224,540	9,870	26,049	43,658	66,756	370,873
Transfer from investment properties	–	–	–	–	1,353	1,353
Disposals	(16,681)	(1,924)	(7,561)	(6,045)	(29,208)	(61,419)
Depreciation provided during the year	(282,269)	(11,537)	(13,755)	(25,488)	(64,536)	(397,585)
Exchange realignment	785	5,744	(8)	(1,316)	(49)	5,156
As at December 31, 2024	621,349	12,842	12,878	76,834	2,547,693	3,271,596

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	757,567	803,679
New leases	644,609	304,117
Accretion of interest recognised during the year (note 7)	44,738	32,499
Payments	(399,306)	(384,158)
Exchange realignment	(2,649)	1,430
Carrying amount at end of year	1,044,959	757,567
Analysed into:		
Current portion	273,718	215,933
Non-current portion	771,241	541,634

15. LEASES (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	44,738	32,499
Depreciation of right-of-use assets	407,424	397,585
Expense relating to short-term leases	72,628	89,550
Expense relating to leases of low-value assets	–	67
Total amount recognised in profit or loss	524,790	519,701

(d) The total cash outflow for leases is disclosed in note 42(c) to the financial statements.

The Group as a lessor

The Group leases its buildings and equipment under operating lease arrangements. Details of rental income recognised are included in note 5.

At December 31, 2025, the undiscounted lease payments receivable by the Group in future periods under operating and finance leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	7,388,512	7,111,868
After one year	10,062,634	11,216,913
Total	17,451,146	18,328,781

16. GOODWILL

	2025 RMB'000	2024 RMB'000
Carrying amount at beginning of year	48,010	49,661
Impairment of goodwill	(10,754)	–
Exchange realignment	3,515	(1,651)
Carrying amount at end of year	40,771	48,010

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

– EMEA

– Xianyang Tairuida Trading Co., Ltd.

– Shenyang Sanyyuan Construction Machinery Co., Ltd

– North China Baosiwei (Tianjin) Construction Machinery Co., Ltd

	2025 RMB'000	2024 RMB'000
EMEA	40,771	37,256
Xianyang Tairuida Trading Co., Ltd. 咸陽泰瑞達商貿有限公司	–	5,551
Shenyang Sanyyuan Construction Machinery Co., Ltd 瀋陽三益源工程機械有限公司	–	2,866
North China Baosiwei (Tianjin) Construction Machinery Co., Ltd. 華北寶思威(天津)工程機械有限公司	–	2,337
Total	40,771	48,010

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Except for EMEA, the other three cash-generating units have undergone management-led business restructuring, with no expectation of incremental future operations or profitability. As a result, the Group has fully provided for goodwill impairment losses for these cash-generating units.

The recoverable amount of the EMEA has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a 5-year period approved by senior management.

Assumptions were used in the value in use calculation of the EMEA at December 31, 2025. The following are the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

	2025	2024
Compound growth rate of revenue over the forecast period	3%-6%	5%-13%
Pre-tax discount rate	12.2%	12.7%
Terminal growth rate	1%	1%

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

Compound growth rate of revenue – The basis is determined with reference to the average revenue achieved in the years before the budget year, increased for management's expectation of the future market.

Pre-tax discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

Terminal growth rate – The basis is determined with reference to the long-term Consumer Price Index of China and the nature of the business.

The values assigned to the key assumptions on compound growth rate of revenue, discount rate and terminal growth rate are consistent with external information sources.

17. OTHER INTANGIBLE ASSETS

December 31, 2025	Development expenditures RMB'000	Putzmeister franchise RMB'000	Software RMB'000	Proprietary technology RMB'000	Trademarks RMB'000	Others RMB'000	Total RMB'000
At January 1, 2025:							
Cost	242,669	145,532	1,236,081	2,530,523	1,034,016	96,555	5,285,376
Accumulated amortisation	–	(145,532)	(714,277)	(1,964,617)	(13,466)	(49,409)	(2,887,301)
Impairment	–	–	(2,277)	(85,545)	–	–	(87,822)
Net carrying amount	242,669	–	519,527	480,361	1,020,550	47,146	2,310,253
At January 1, 2025, net of accumulated amortisation and impairment	242,669	–	519,527	480,361	1,020,550	47,146	2,310,253
Additions	136,122	–	57,924	1,028	81	2,767	197,922
Disposals	–	–	(5,276)	(37)	–	(20)	(5,333)
Amortisation provided during the year	–	–	(185,881)	(184,773)	(669)	(10,776)	(382,099)
Impairment during the year	–	–	–	(2,078)	–	–	(2,078)
Transfer	(84,852)	–	46,208	38,644	–	–	–
Exchange realignment	14,501	–	5,295	12,283	96,244	2,890	131,213
At December 31, 2025, net of accumulated amortisation and impairment	308,440	–	437,797	345,428	1,116,206	42,007	2,249,878
At December 31, 2025:							
Cost	308,440	159,258	1,335,857	2,682,417	1,131,576	105,606	5,723,154
Accumulated amortisation	–	(159,258)	(895,568)	(2,241,469)	(15,370)	(63,599)	(3,375,264)
Impairment	–	–	(2,492)	(95,520)	–	–	(98,012)
Net carrying amount	308,440	–	437,797	345,428	1,116,206	42,007	2,249,878

17. OTHER INTANGIBLE ASSETS (Continued)

December 31, 2024	Development expenditures RMB'000	Putzmeister franchise RMB'000	Software RMB'000	Proprietary technology RMB'000	Trademarks RMB'000	Others RMB'000	Total RMB'000
At January 1, 2024:							
Cost	288,567	151,981	1,112,350	2,764,990	1,079,464	100,444	5,497,796
Accumulated amortisation	–	(151,981)	(611,855)	(2,046,438)	(13,575)	(40,695)	(2,864,544)
Impairment	–	–	(2,378)	(83,505)	–	–	(85,883)
Net carrying amount	288,567	–	498,117	635,047	1,065,889	59,749	2,547,369
At January 1, 2024, net of accumulated amortisation and impairment	288,567	–	498,117	635,047	1,065,889	59,749	2,547,369
Additions	107,534	–	86,178	20,253	345	36	214,346
Disposals	–	–	(7,767)	(2,236)	–	–	(10,003)
Disposal of subsidiaries	–	–	(300)	(20,449)	–	–	(20,749)
Amortisation provided during the year	–	–	(178,270)	(170,290)	(456)	(10,543)	(359,559)
Impairment during the year	–	–	–	(1,449)	–	–	(1,449)
Transfer	(148,484)	–	121,896	26,588	–	–	–
Exchange realignment	(4,948)	–	(327)	(7,103)	(45,228)	(2,096)	(59,702)
At December 31, 2024, net of accumulated amortisation and impairment	242,669	–	519,527	480,361	1,020,550	47,146	2,310,253
At December 31, 2024:							
Cost	242,669	145,532	1,236,081	2,530,523	1,034,016	96,555	5,285,376
Accumulated amortisation	–	(145,532)	(714,277)	(1,964,617)	(13,466)	(49,409)	(2,887,301)
Impairment	–	–	(2,277)	(85,545)	–	–	(87,822)
Net carrying amount	242,669	–	519,527	480,361	1,020,550	47,146	2,310,253

Certain intangible assets have been pledged, details of which are disclosed in note 44 to the financial statements.

18. INVESTMENTS IN JOINT VENTURES

	2025 RMB'000	2024 RMB'000
Share of net assets	304,256	302,024

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the joint ventures' profit for the year	22,473	45,159
Share of the joint ventures' total comprehensive income	22,473	45,159
Aggregate carrying amount of the Group's investments in the joint ventures	304,256	302,024

19. INVESTMENTS IN ASSOCIATES

	2025 RMB'000	2024 RMB'000
Share of net assets	2,184,843	2,122,494

19. INVESTMENTS IN ASSOCIATES (Continued)

	2025 RMB'000	2024 RMB'000
Yuandong Construction Investment Group Co., Ltd. of Beijing 北京城建遠東建設投資集團有限公司	124,505	121,999
Hunan Sanxiang Bank Co., Ltd. 湖南三湘銀行股份有限公司	591,825	606,756
Huaxu (Guangzhou) Industrial Investment Fund Management Partnership Enterprise (Limited Partnership) 華胥(廣州)產業投資基金管理合夥企業(有限合夥)	871,734	768,873
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	247,341	270,513
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	4,582	4,776
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	56,067	57,280
Wuxi Sany Venture Capital Partnership Enterprise (Limited Partnership)無錫三一創業投資合夥企業(有限合夥)	191,779	194,440
Hunan Guozhong Zhilian Engineering Machinery Research Institute Co., Ltd. 湖南國重智聯工程機械研究院有限公司	1,927	1,778
Hunan Sany Jingchuang Technology Co., Ltd. 湖南三一精創科技有限公司	73,607	72,914
Xiangjiang Technology (Xinjiang) Co., Ltd. 湘疆科技(新疆)有限公司	21,476	23,165
Total	2,184,843	2,122,494

19. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 RMB'000
Share of the associates' profit for the year	22,725	13,169
Share of the associates' total comprehensive income/(loss)	67,796	(3,875)
Aggregate carrying amount of the Group's investments in the associates	2,184,843	2,122,494

During the year ended December 31, 2025, the Group has discontinued the recognition of its share of losses of Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司 as the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the years ended December 31, 2025 and 2024 were RMB15,913,000 and RMB16,739,000, respectively.

20. FINANCIAL ASSETS AT FVOCI

	2025 RMB'000	2024 RMB'000
Current portion		
Bills receivable, at fair value	461,187	456,501
Unlisted equity investments, at fair value		
SVOLT Energy Technology Company Ltd.		
蜂巢能源科技有限公司	255,633	159,072
Shenzhen Trinity Technology Co., Ltd.		
深圳市三一科技有限公司	112,008	135,451
Suzhou Lvkong Transmission Technology Co., Ltd.		
蘇州綠控傳動科技股份有限公司	64,159	48,000
Aerospace Kaitian Environmental Tech. Co., Ltd.		
航天凱天環保科技股份有限公司	40,000	40,000
Shanghai Guonuo Machinery Co., Ltd.		
上海國核機械有限公司	6,017	6,017
Rootcloud Technology Co., Ltd.		
樹根互聯技術有限公司	95,479	104,824
Zhejiang Chengfeng Engineering Machinery Co., Ltd.		
浙江成峰工程機械有限公司	2,294	2,294
Others	118,681	112,797
Subtotal	694,271	608,455
Total	1,155,458	1,064,956

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

21. FINANCIAL ASSETS AT FVPL

	2025 RMB'000	2024 RMB'000
Current portion		
Debt investments, at fair value	15,736,293	11,062,402
Subtotal	15,736,293	11,062,402
Non-current portion		
Fund and non-listed equity investments, at fair value	271,164	285,051
Total	16,007,457	11,347,453

Certain investments have been pledged, details of which are disclosed in note 44 to the financial statements.

22. LOANS AND ADVANCES

	2025 RMB'000	2024 RMB'000
Loans and advances	1,763,699	3,540,820
Less: Loss allowance	(75,232)	(238,872)
	1,688,467	3,301,948
Analysed into:		
Current portion	1,061,328	2,016,412
Non-current portion	627,139	1,285,536

The movements in the loss allowance for impairment of loans and advances are as follows:

22. LOANS AND ADVANCES (Continued)

Year ended December 31, 2025

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	89,919	10,484	138,469	238,872
Transfer during the year	4,374	(4,692)	318	–
Reversal of impairment losses during the year	(45,314)	(5,247)	(21,332)	(71,893)
Amount written off as uncollectible	–	–	(91,747)	(91,747)
At the end of the year	48,979	545	25,708	75,232

Year ended December 31, 2024

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	191,264	11,979	118,381	321,624
Transfer during the year	(14,504)	10,584	3,920	–
(Reversal)/provision for impairment losses during the year	(86,841)	(12,079)	16,168	(82,752)
At the end of the year	89,919	10,484	138,469	238,872

Certain loans and advances have been pledged, details of which are disclosed in note 44 to the financial statements.

22. LOANS AND ADVANCES (Continued)

	2025 RMB'000	2024 RMB'000
At the beginning of the year	238,872	321,624
Impairment losses, net	(71,893)	(82,752)
Amount written off as uncollectible	(91,747)	–
At the end of the year	75,232	238,872

23. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	37,272,427	35,143,568
Bills receivable, at amortised cost	483,366	397,632
Impairment	(4,931,410)	(4,284,353)
Net carrying amount	32,824,383	31,256,847
Analysed into:		
Current portion	28,974,284	28,343,222
Non-current portion	3,850,099	2,913,625

The Group's trading terms with its customers are mainly on credit. The credit terms for the PRC customers by instalment and credit payment typically range from 3 to 24 months, whereas overseas customers are granted terms of 3 to 12 months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management and credit limits attributed to customers are reviewed once a month. Trade receivables are non-interest-bearing.

23. TRADE AND BILLS RECEIVABLES (Continued)

The amounts due from related parties included in trade receivables are disclosed in note 49 to the financial statements.

Certain bills receivable have been pledged, details of which are disclosed in note 44 to the financial statements.

An ageing analysis of the trade and bills receivables as at December 31, 2025 (based on the invoice date) is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	31,560,079	30,055,683
After one year but within two years	1,968,448	2,065,787
After two years but within three years	1,258,913	753,353
After three years but within four years	592,710	622,035
After four years but within five years	558,393	446,088
After five years	1,817,250	1,598,254
Total	37,755,793	35,541,200

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

23. TRADE AND BILLS RECEIVABLES (Continued)

Year ended December 31, 2025

	12-months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	88,180	–	18,410	4,177,763	4,284,353
Impairment losses, net	12,980	–	(5,281)	777,078	784,777
Amount written off as uncollectible	–	–	–	(89,488)	(89,488)
Exchange realignment	–	–	–	(48,232)	(48,232)
At the end of the year	101,160	–	13,129	4,817,121	4,931,410

Year ended December 31, 2024

	12-months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	82,685	–	–	3,672,908	3,755,593
Impairment losses, net	5,495	–	18,410	757,740	781,645
Amount written off as uncollectible	–	–	–	(224,644)	(224,644)
Exchange realignment	–	–	–	(28,241)	(28,241)
At the end of the year	88,180	–	18,410	4,177,763	4,284,353

23. TRADE AND BILLS RECEIVABLES (Continued)

For bills receivable, the Group considered the non-settlement of these bills by the issuing banks on maturity is not probable. Therefore, during the years ended December 31, 2025 and 2024, the Group estimated the expected loss rate for bills receivable is minimal.

For trade receivables, the Group determines the ECLs using a provision matrix, estimated based on the financial quality of the debtors and historical credit loss experience based on the days past due of the trade receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The following table details the risk profile of trade receivables:

As at December 31, 2025

	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
Provision for bad debts on an individual basis	5,491,851	49.25%	2,704,828
Provision for bad debts by portfolio of credit risk characteristics			
Undue or overdue within 1 year	27,875,518	2.06%	574,132
Overdue 1 to 2 years	1,488,939	10.00%	148,894
Overdue 2 to 3 years	696,220	20.00%	139,244
Overdue 3 to 4 years	387,274	35.00%	135,546
Overdue 4 to 5 years	415,437	75.00%	311,578
Overdue over 5 years	917,188	100.00%	917,188
Total	37,272,427	13.23%	4,931,410

23. TRADE AND BILLS RECEIVABLES (Continued)

As at December 31, 2024

	Gross carrying amount RMB'000	Expected credit loss rate	Expected credit losses RMB'000
Provision for bad debts on an individual basis	4,105,234	50.95%	2,091,631
Provision for bad debts by portfolio of credit risk characteristics			
Undue or overdue within 1 year	27,393,193	2.27%	620,978
Overdue 1 to 2 years	1,375,855	10.00%	137,586
Overdue 2 to 3 years	550,570	20.00%	110,114
Overdue 3 to 4 years	483,022	35.00%	169,058
Overdue 4 to 5 years	322,832	75.00%	242,124
Overdue over 5 years	912,862	100.00%	912,862
Total	35,143,568	12.19%	4,284,353

There was no significant change in the ECL rates for the time band during the years ended December 31, 2025 and 2024, mainly because no significant changes in the historical default rates of trade receivables, economic conditions and performance, solvency and behaviour of the debtors were noted, based on which the ECL rates are determined.

24. RECEIVABLES UNDER FINANCE LEASE

	2025 RMB'000	2024 RMB'000
Gross investments	17,702,059	18,576,435
Unearned finance income	(1,371,459)	(1,614,418)
	16,330,600	16,962,017
Less: Loss allowance	(810,655)	(532,359)
	15,519,945	16,429,658
Analysed into:		
Current portion	6,637,655	6,531,876
Non-current portion	8,882,290	9,897,782

The movements in the loss allowance for impairment of receivables under finance lease are as follows:

Year ended December 31, 2025

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	489,030	29,793	13,536	532,359
Transfer during the year	5,195	(7,042)	1,847	–
Provision for impairment losses during the year	47,837	214,876	16,336	279,049
Exchange realignment	(753)	–	–	(753)
At the end of the year	541,309	237,627	31,719	810,655

24. RECEIVABLES UNDER FINANCE LEASE (Continued)

Year ended December 31, 2024

	12-months ECLs	Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year	435,165	49,681	7,444	492,290
Transfer during the year	(9,505)	8,128	1,377	–
Provision for/(reversal of) impairment losses during the year	64,966	(28,016)	4,715	41,665
Exchange realignment	(1,596)	–	–	(1,596)
At the end of the year	489,030	29,793	13,536	532,359

The Group provides equipment finance lease services to customers who purchase machinery products of the Group or other vendors through its subsidiaries engaging in the leasing business. Under the finance lease arrangements, the collectability of the minimum lease payments is reasonably predictable, there is no significant uncertainty on the amount of un-reimbursable cost yet to be incurred by the Group under the lease arrangement.

Certain receivables under finance lease have been pledged, details of which are disclosed in note 44 to the financial statements.

25. CONTRACT ASSETS

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000	As at January 1, 2024 RMB'000
Contract assets arising from:			
Sale of products	139,978	154,028	128,350
Impairment	(2,100)	(2,311)	(1,926)
Net carrying amount	137,878	151,717	126,424
Analysed into:			
Current portion	75,550	99,206	67,102
Non-current portion	62,328	52,511	59,322

Contract assets are initially recognised for revenue earned from the sale of products as the receipt of consideration is conditional on successful completion of installation of the products. Upon completion of installation or construction and acceptance by the customers, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets in 2025 was the result of the customer payment upon expiration of the warranty period. The increase in contract assets in 2024 was the result of the increase in the ongoing sale of products

25. CONTRACT ASSETS (Continued)

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	2,311	1,926
Impairment losses, net	(211)	385
At the end of the year	2,100	2,311

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets using a provision matrix:

	2025 RMB'000	2024 RMB'000
Expected credit loss rate	1.50%	1.50%
Gross carrying amount (RMB'000)	139,978	154,028
Expected credit losses (RMB'000)	2,100	2,311

26. DEFERRED TAX

The movements in deferred tax assets of the Group during the years ended December 31, 2025 and 2024 are as follows:

Deferred tax assets

	Provision for impairment of assets RMB'000	Changes in fair value of derivative financial instruments RMB'000	Depreciation of property, plant and equipment RMB'000	Amortisation of other intangible assets RMB'000	Deferred income RMB'000	Tax losses RMB'000	Accruals RMB'000	Deductible temporary differences on inventories RMB'000	Others RMB'000	Total RMB'000
At January 1, 2025	990,489	9,073	8,232	65,893	262,834	1,661,001	1,028,352	1,049,025	208,274	5,283,173
Deferred tax credited/(charged) to profit or loss during the period	168,201	2,355	(5,269)	4,998	5,428	(174,913)	139,439	61,620	30,799	232,658
Deferred tax charged to other comprehensive income during the period	–	–	–	–	–	–	–	–	(1,109)	(1,109)
Deferred tax credited to capital reserve during the period	–	–	–	–	–	–	45,434	–	–	45,434
Exchange realignment	4,731	–	–	–	–	605	47	–	1,263	6,646
At December 31, 2025	1,163,421	11,428	2,963	70,891	268,262	1,486,693	1,213,272	1,110,645	239,227	5,566,802
At January 1, 2024	880,424	9,702	14,549	66,212	290,523	1,494,250	1,077,602	1,402,132	219,406	5,454,800
Deferred tax credited/(charged) to profit or loss during the year	109,701	(629)	(6,317)	(319)	(27,689)	273,977	(45,331)	(352,866)	(7,679)	(57,152)
Deferred tax (charged)/credited to other comprehensive income and retained profits during the year	–	–	–	–	–	(77,885)	–	–	978	(76,907)
Disposal of subsidiaries	(142)	–	–	–	–	(29,190)	(4,248)	(241)	(76)	(33,897)
Exchange realignment	506	–	–	–	–	(151)	329	–	(4,355)	(3,671)
At December 31, 2024	990,489	9,073	8,232	65,893	262,834	1,661,001	1,028,352	1,049,025	208,274	5,283,173

26. DEFERRED TAX (Continued)

The movements in deferred tax liabilities of the Group during the years ended December 31, 2025 and 2024 are as follows:

Deferred tax liabilities

	Amortisation of other intangible assets RMB'000	Depreciation of property, plant and equipment RMB'000	Changes in fair value of financial assets at FVPL, FVOCI and derivative financial instruments RMB'000	Trade receivables RMB'000	Others RMB'000	Total RMB'000
At January 1, 2025	80,316	724,173	387,860	819,129	487,354	2,498,832
Deferred tax (credited)/charged to profit or loss during the year	(1,377)	(73,258)	(25,064)	(145,438)	81,768	(163,369)
Deferred tax charged to other comprehensive income during the year	–	–	27,048	–	–	27,048
Exchange realignment	–	–	–	–	370	370
At December 31, 2025	78,939	650,915	389,844	673,691	569,492	2,362,881
At January 1, 2024	73,143	860,901	472,331	1,278,953	524,506	3,209,834
Deferred tax charged/(credited) to profit or loss during the year	7,173	(136,728)	7,355	(459,373)	(37,858)	(619,431)
Deferred tax credited to other comprehensive income during the year	–	–	(91,826)	–	–	(91,826)
Disposal of subsidiaries	–	–	–	(451)	(71)	(522)
Exchange realignment	–	–	–	–	777	777
At December 31, 2024	80,316	724,173	387,860	819,129	487,354	2,498,832

26. DEFERRED TAX (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	3,982,262	3,576,592
Net deferred tax liabilities recognised in the consolidated statement of financial position	778,341	792,251

As at December 31, 2025 and 2024, deferred tax assets have not been recognised in respect of tax losses of RMB2,899,405,000 and RMB3,637,582,000, respectively, which will expire in one to ten years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses and deductible temporary differences can be utilised.

27. OTHER NON-CURRENT ASSETS

	2025 RMB'000	2024 RMB'000
Prepayments for purchase of land use right and equipment	31,545	52,542
Others	18,590	12,842
Impairment	(3,960)	(3,960)
Total	46,175	61,424

28. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	4,101,781	3,883,479
Work in progress	2,125,456	1,981,985
Finished goods	16,861,501	14,640,170
	23,088,738	20,505,634
Less: Provision for impairment losses	(562,074)	(557,653)
Total	22,526,664	19,947,981

29. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Debt investments, at amortised cost	2,915,763	5,359,465
Prepayments to suppliers	1,111,585	970,721
Deposits and other receivables	3,795,257	3,764,265
VAT recoverable	2,453,141	2,084,077
Prepayment of taxes	827,270	475,302
Others	12,166	7,194
	11,115,182	12,661,024
Impairment allowance	(990,394)	(821,511)
Total	10,124,788	11,839,513

An impairment analysis was performed at December 31, 2025. The Group has applied the general approach to provide for expected credit losses for non-trade other receivables under IFRS 9. The Group considered the historical loss rate and adjusted it for forward-looking macroeconomic data in calculating the expected credit loss rate.

	2025 RMB'000	2024 RMB'000
At the beginning of the year	821,511	647,415
Impairment losses, net	180,259	203,557
Amount written off as uncollectible	(10,963)	(29,107)
Exchange realignment	(413)	(354)
At the end of the year	990,394	821,511

The amounts due from related parties included in other receivables are disclosed in note 49 to the financial statements.

30. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Derivative financial assets		
Forward currency contracts	61,070	375,720
Derivative financial liabilities		
Forward currency contracts	225,280	100,394
Others	–	6,368
Total	225,280	106,762

31. CASH AND CASH EQUIVALENTS AND RESTRICTED DEPOSITS

	2025 RMB'000	2024 RMB'000 (restated)
Cash and bank balances	38,451,241	20,383,176
Placements with banks	187,691	449,311
Subtotal	38,638,932	20,832,487
Less:		
Restricted deposits	(1,694,757)	(689,488)
Time deposits	(22,039,322)	(8,566,529)
Cash and cash equivalents	14,904,853	11,576,470

At December 31, 2025 and 2024, the cash and bank balances of the Group denominated in RMB amounted to RMB38,451,241,000 and RMB20,383,176,000, respectively. The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Certain bank deposits are pledged for the issuance of bankers' acceptance, details of which are disclosed in note 44 to the financial statements.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

32. TRADE AND BILLS PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables	27,247,771	21,264,967
Bills payable	8,816,460	7,389,392
Total	36,064,231	28,654,359

An ageing analysis of the trade and bills payables as at December 31, 2025 based on contract maturity dates, bill dates or goods receipt dates is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	35,683,600	28,396,361
Over 1 year	380,631	257,998
Total	36,064,231	28,654,359

Trade payables are non-interest-bearing.

The amounts due to related parties included in trade payables are disclosed in note 49 to the financial statements.

33. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000 (restated)
Dividends payable	1,012	213,862
Payables for construction costs	179,531	454,115
Payables for purchases of equipment	749,982	1,102,258
Payables for asset-backed securities and factoring transfer payments	1,638,411	1,532,317
Payables to individuals	175,276	179,302
Employee benefits payable	3,461,554	3,139,635
Output VAT to be transferred	886,507	1,013,466
Provisions and accruals	4,650,171	4,341,943
Other tax payables	414,164	485,098
Other payables	1,690,894	2,108,095
Total	13,847,502	14,570,091

Other payables are unsecured and repayable on demand or within one year.

The amounts due to related parties included in other payables are disclosed in note 49 to the financial statements.

34. CONTRACT LIABILITIES

The Group recognised the following revenue-related contract liabilities:

	As at December 31, 2025 RMB'000	As at December 31, 2024 RMB'000	As at January 1, 2024 RMB'000
Short-term advances received from customers			
Sale of products	2,958,450	2,520,831	2,177,672

The Group receives payments from customers based on billing schedules as established in the contracts. A portion of payments is usually received in advance of the performance under the contracts. The contract liabilities comprise the prepayments received from customers, to whom the products have not yet been transferred. The increase in contract liabilities as at December 31, 2025 and 2024 is mainly due to the increase in advances received from customers in relation to the sale of products.

The amounts due to related parties included in contract liabilities are disclosed in note 49 to the financial statements.

35. PLACEMENTS FROM BANKS

	2025 RMB'000	2024 RMB'000
Analysed by type of counterparties		
Banks	3,619,027	3,480,000
Accrued interest	28,179	27,970
Total	3,647,206	3,507,970

36. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at December 31, 2025			As at December 31, 2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Current portion of long-term bank loans – unsecured	1.95-3.2	2026	2,735,293	2.05-3.95	2025	3,738,637
Current portion of long-term bank loans – secured	2.35-3.2	2026	313,603	–	–	–
Bank loans – unsecured	0.83-2.50	2026	4,506,196	0.10-5.72	2025	3,442,289
Bank loans – secured	2.10-3.00	2026	4,622,251	2.10-3.00	2025	2,511,067
Other borrowing – secured	0.65-2.7	2026	1,411,360	0.65-2.7	2025	2,077,806
Short term bonds	–	–	–	1.93-1.98	2025	1,584,950
Subtotal			13,588,703			13,354,749
Non-current						
Bank loans – secured	2.14-3.03	2027-2029	285,418	2.05-3.95	2026-2033	274,847
Bank loans – unsecured	1.95-3.25	2027-2033	7,567,949	2.05-3.95	2026-2033	11,281,335
Subtotal			7,853,367			11,556,182
Total			21,442,070			24,910,931

36. INTEREST-BEARING BANK AND OTHER BORROWINGS (Continued)

	2025 RMB'000	2024 RMB'000
Analysed into:		
Bank loans repayable:		
Within one year or on demand	12,177,343	9,691,993
In the one to second years, inclusive	3,128,164	4,385,206
In the second to third years, inclusive	1,877,792	4,020,518
In the third to fourth years, inclusive	1,276,831	454,046
In the fourth to fifth years, inclusive	595,913	691,326
Over five years	974,667	2,005,086
Subtotal	20,030,710	21,248,175
Other borrowings repayable:		
Within one year or on demand	1,411,360	3,662,756
Total	21,442,070	24,910,931

The carrying amounts of borrowings are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
USD	–	838,467
THB	1,174,043	1,313,880
EUR	886,611	836,747
JPY	279,641	–
INR	621,083	–
MYR	168,254	101,163
SGD	93,327	92,068
AUD	43,418	–
Total	3,266,377	3,182,325

Except for the borrowings listed above, all borrowings are denominated in RMB.

The Group considers there is no indication that it will have difficulties in complying with the loan covenant.

37. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grants and subsidies		
At beginning of year	2,347,376	2,387,473
Grants received	253,588	191,453
Charged to profit or loss (note 5)	(204,625)	(197,226)
Transferred out upon the disposal of property, plant and equipment	–	(34,324)
At end of year	2,396,339	2,347,376

The balances mainly represented the government grants received to build industrial parks and are released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

38. OTHER NON-CURRENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Mortgage and finance lease guarantee obligations	138,051	130,119
Net liabilities of a defined benefit plan (note)	48,200	33,617
Other long-term employee benefits	11,198	29,365
Others	14,618	43,705
Total	212,067	236,806

38. OTHER NON-CURRENT LIABILITIES (Continued)

Note:

The employees of Putzmeister Holding GmbH, a subsidiary of the Group, set up a defined benefit plan (hereinafter referred to as the "Benefit Plan") based on annual revenue units according to the needs and requirements of the German labour market. According to the Benefit Plan, employees who meet the requirements of the Benefit Plan can participate in the Benefit Plan by reducing their monthly paid-in income. Before the employee retires, the Benefit Plan injects funds into the nominal account in the Benefit Plan according to a certain percentage each year; when the employee retires, the amount accumulated in the nominal account will be fully converted into retirement pension or fully converted into retirement pension with spousal benefits. As at December 31, 2025 and 2024, the weighted average length of the Benefit Plan was 5.2 years and 5.7 years, respectively; and the average service lives of the Benefit Plan were 27.4 years and 26.5 years, respectively.

The Benefit Plan requires a fee to be paid into an independently managed fund. The Benefit Plan is in the legal form of a fund and is administered by an independent trustee whose assets are held separately from those of the Group. The trustee is responsible for determining the Benefit Plan's investment strategy. The trustee reviews the funding level of the plan. The review includes asset-liability matching strategies and investment risk management strategies, as well as the use of annuities and life swaps to manage risk. The trustee decides the amount to be paid based on the results of the annual review.

The Benefit Plan is calculated annually by a qualified independent actuary, Funk Vorsorgeberatung GmbH, using the expected unit benefit method. The principal actuary responsible for this valuation is Mr. Sven Pulpit, who holds certification from the German Actuarial Association (DAV). As the calculation process involves uncertain factors, as at December 31, 2025, the net liabilities of the Benefit Plan are calculated based on the management's best judgement on uncertain factors based on future development expectations, market environment and industry standards.

The principal actuarial assumptions used as at December 31, 2025 and 2024 were as follows:

	2025	2024
Discount rate	3.10%	3.00%
Pension growth rate	0.00% – 3.00%	0.00% – 3.00%
Expected rate of return on planned assets	N/A	N/A
Expected rate of return on unplanned assets	N/A	N/A

As at December 31, 2025, the actuarial valuation showed that the market value of plan assets was RMB36,178,000, and that the actuarial value of these assets represented 42.88% of the benefits that had accrued to qualified employees. The deficiency of RMB48,200,000 is expected to be cleared over the remaining service period of 27.4 years.

As at December 31, 2024, the actuarial valuation showed that the market value of plan assets was RMB34,196,000, and that the actuarial value of these assets represented 50.43% of the benefits that had accrued to qualified employees. The deficiency of RMB33,617,000 is expected to be cleared over the remaining service period of 26.5 years.

38. OTHER NON-CURRENT LIABILITIES (Continued)

The quantitative sensitivity analysis for significant assumptions used are as follows:

As at December 31, 2025

	Increase %	Increase/ (decrease) in defined benefit obligations RMB'000	Increase/ (decrease) in current service cost RMB'000	Decrease %	Increase/ (decrease) in defined benefit obligations RMB'000	Increase/ (decrease) in current service cost RMB'000
Discount rate	0.50	(2,273)	(4)	0.50	2,592	5
Pension growth rate	0.50	2,284	–	0.50	(2,126)	–

As at December 31, 2024

	Increase %	Increase/ (decrease) in defined benefit obligations RMB'000	Increase/ (decrease) in current service cost RMB'000	Decrease %	Increase/ (decrease) in defined benefit obligations RMB'000	Increase/ (decrease) in current service cost RMB'000
Discount rate	0.50	(2,267)	(5)	0.50	2,543	5
Pension growth rate	0.50	2,267	–	0.50	(2,068)	–

The above sensitivity analysis has been determined based on a method that extrapolates the impact on defined benefit plan obligations as a result of reasonable changes in key assumptions occurring at December 31, 2025. The sensitivity analysis is based on a change in a significant assumption, with all other assumptions remained constant. The sensitivity analysis may not be representative of an actual change in the defined benefit plan obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

38. OTHER NON-CURRENT LIABILITIES (Continued)

Movements in the present value of defined benefit obligations and the fair value of plan assets are as follows:

As at December 31, 2025

	Present value of defined benefit plan obligations RMB'000	Fair value of plan assets RMB'000	Net defined benefit plan liability/(asset) RMB'000
Opening balance	67,813	34,196	33,617
Charged to profit or loss	3,440	1,099	2,341
Current service cost	1,588	–	1,588
Net interest	1,852	1,099	753
Recognised in other comprehensive income	7,343	3,489	3,854
Actuarial gains or losses	7,343	3,489	3,854
Other changes	5,782	(2,606)	8,388
Employer input	6	143	(137)
Benefits paid	(8,432)	(2,745)	(5,687)
Others	14,208	(4)	14,212
Closing balance	84,378	36,178	48,200

As at December 31, 2024

	Present value of defined benefit plan obligations RMB'000	Fair value of plan assets RMB'000	Net defined benefit plan liability/(asset) RMB'000
Opening balance	74,869	37,071	37,798
Charged to profit or loss	2,390	1,499	891
Current service cost	141	177	(36)
Net interest	2,249	1,322	927
Recognised in other comprehensive income	(3,236)	(1,661)	(1,575)
Actuarial gains or losses	(3,236)	(1,661)	(1,575)
Other changes	(6,210)	(2,713)	(3,497)
Employer input	55	55	–
Benefits paid	(6,265)	(2,768)	(3,497)
Closing balance	67,813	34,196	33,617

39. SHARE CAPITAL/TREASURY SHARES

Share capital

	2025 RMB'000	2024 RMB'000
Issued and fully paid:		
Ordinary shares of RMB1.00 each	9,195,004	8,474,978

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue in thousand shares	Share capital RMB'000
At January 1, 2024	8,485,740	8,485,740
Cancellation of shares	(10,762)	(10,762)
At December 31, 2024	8,474,978	8,474,978
Cancellation of shares	(588)	(588)
Issue of shares	720,614	720,614
At December 31, 2025	9,195,004	9,195,004

Treasury shares

A summary of movements in the Company's treasury shares is as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the year	142,628	215,654
Grant of treasury shares under share incentive scheme	(601,846)	(624,048)
Repurchase of shares	1,355,369	654,985
Cancellation of treasury shares	(100,042)	(103,963)
At the end of the year	796,109	142,628

40. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Capital reserve

The capital reserve of the Group includes the share premium contributed by the shareholders of the Company.

(b) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the subsidiaries, the statutory surplus reserve may be used either to offset losses or to be converted to increase paid-in capital, provided that the balance after such conversion is not less than 25% of the registered capital of the respective entities. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(c) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of foreign operations of which the functional currencies are not RMB. The reserve is dealt with in accordance with the accounting policy set out in note 2.4.

(d) Special reserve – safety production fund

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety, the Group is required to set aside an amount for maintenance, production and other similar funds. The funds can be used for maintenance of production and improvements of safety and are not available for distribution to shareholders.

(e) General risk reserve

Pursuant to the relevant notices issued by regulatory bodies, one subsidiary in the financial services segment in Chinese Mainland is required to set aside a general risk reserve. In principle, the balance of general risk reserve shall be no less than 1.5% of the ending balance of risk assets.

(f) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets measured at FVOCI under IFRS 9 that were held at the end of the reporting period.

(g) Other reserve

Other reserve comprises the remeasurement of a defined benefit plan and share of other comprehensive income/(loss) under the equity method.

41. SHARE-BASED PAYMENTS

On July 29, 2022, the Proposal on the Company's 2022 Restricted Share Incentive Plan (Draft) and its Summary (hereinafter referred to as "Restricted Stock Incentive Plan") was considered and approved at the Company's third extraordinary general meeting of shareholders in 2022. The participants of the Incentive Plan were the directors, senior management, and core technical (business) personnel of the Company and its subsidiaries (excluding independent directors and supervisors).

The details of Restricted Stock Incentive Plan are as follows:

Under the plan, the Company granted a total of 22,386,250 restricted shares at a grant price of RMB9.66 per share to eligible participants. The restricted shares are subject to a maximum term of 45 months and are immediately locked upon grant. All restricted shares are subject to a 20-month lock-up period, after which they will be released in two equal tranches (50% each) on the first trading day following the 20th month and 32nd month from the grant date. The key unlocking conditions are as follows:

First unlocking tranche (20th month): The Company must achieve either of the following for the 2023 fiscal year:

(i) 10% or higher year-on-year revenue growth compared to 2022; or

(ii) 10% or higher year-on-year net profit growth compared to 2022.

Second unlocking tranche (32nd month): The Company must achieve either of the following for the 2024 fiscal year:

(i) 20% or higher year-on-year revenue growth compared to 2022; or

(ii) 20% or higher year-on-year net profit growth compared to 2022.

If the unlocking conditions are met, the restricted shares will be released proportionally as stipulated. If the Company fails to satisfy the performance targets, all corresponding restricted shares eligible for release in the relevant fiscal year shall not be unlocked and will instead be repurchased and cancelled by the Company.

41. SHARE-BASED PAYMENTS (Continued)

The difference between the employees' subscription price and the fair value of the restricted shares on the grant date constitutes a share-based payment expense.

On December 14, 2020, "Proposal on Measures for the Management of the 2020 Employee Stock Ownership Plan" (hereinafter referred to as "2020 Employee Stock Ownership Plan") was approved by the Company's second extraordinary general meeting of shareholders in 2020. The Company held its first Extraordinary General Meeting of 2021 on June 18, 2021 to consider and approve the "Proposal on Measures for the Management of the 2021 Employee Stock Ownership Plan" (hereinafter referred to as "2021 ESOP"). At the 2021 Annual General Meeting of Shareholders held on May 13, 2022, the Company deliberated and approved the Motion Concerning the "2022 Employee Stock Ownership Plan (Draft) and Summary" (hereinafter referred to as the "2022 ESOP"). The Company held its Extraordinary General Meeting on June 30, 2023 to consider and approve the "Proposal on Measures for the Management of the 2023 Employee Stock Ownership Plan" (hereinafter referred to as "2023 ESOP"). The Company held its Extraordinary General Meeting on April 19, 2024 to consider and approve the "Proposal on Measures for the Management of the 2024 Employee Stock Ownership Plan" (hereinafter referred to as "2024 ESOP").The Company held its Extraordinary General Meeting on April 21, 2025 to consider and approve the "Proposal on Measures for the Management of the 2025 Employee Stock Ownership Plan" (hereinafter referred to as "2025 ESOP").

The participants of the Employee Stock Ownership Plan include directors, supervisors, senior management, intermediate management, key position personnel core business (technical) personnel of the Company and its subsidiaries.

41. SHARE-BASED PAYMENTS (Continued)

The details of Employee Stock Ownership Plan are as follows:

For 2021 Employee Stock Ownership Plan, the Company recognises June 18, 2021 as the grant date and would repurchase 7,408 thousand shares in special securities account to the account of 2021 Employee Stock Ownership Plan on June 30, 2021 at the price of RMB35.73/share. Duration of such Employee Stock Ownership Plan is 72 months, and the lock-up period of underlying stocks acquired in Employee Stock Ownership Plan is 12 months, which shall be vested to the holders in five natural years. Thereafter, 20% of the stocks will be unlocked each year. From the date when the last underlying stock mentioned in the Company notice is transferred to Employee Stock Ownership Plan, trading is forbidden during the lock-up period mentioned above.

For 2022 Employee Stock Ownership Plan, the Company determined May 13, 2022 as the grant date, and transferred 19,702 thousand shares in the special securities account for repurchase to the 2022 Employee Stock Ownership Plan account on July 28, 2022 at a grant price of RMB23.65 per share. The duration of the Employee Stock Ownership Plan is 72 months, and the lock-up period for the underlying stocks acquired by the Employee Stock Ownership Plan is 12 months. The stock rights and interests of salaried employees are attributed to the holders in five natural years, with an annual attribution of 20%. The stock rights and interests of employees under the share-based salary system are attributed to the holders in two natural years, with an annual attribution of 50%. Starting from the date on which the company announces the transfer of the last underlying stock to the Employee Stock Ownership Plan, no trading shall be conducted during the aforementioned lock-up period.

For 2023 Employee Stock Ownership Plan, the Company determined June 30, 2023 as the grant date, and transferred 36,050 thousand shares in the special securities account for repurchase to the 2023 Employee Stock Ownership Plan account on August 2, 2023 at a grant price of RMB16.13 per share. The duration of the Employee Stock Ownership Plan is 72 months, and the lock-up period for the underlying stocks acquired by the Employee Stock Ownership Plan is 12 months. The stock rights and interests of salaried employees are attributed to the holders in five natural years, with an annual attribution of 20%. The stock rights and interests of employees under the share-based salary system are attributed to the holders in two natural years, with an annual attribution of 50%. Starting from the date on which the company announces the transfer of the last underlying stock to the Employee Stock Ownership Plan, no trading shall be conducted during the aforementioned lock-up period.

For 2024 Employee Stock Ownership Plan, the Company determined April 19, 2024 as the grant date, and transferred 41,120 thousand shares in the special securities account for repurchase to the 2024 Employee Stock Ownership Plan account on July 31, 2024 at a grant price of RMB13.47 per share. The duration of the Employee Stock Ownership Plan is 72 months, and the lock-up period for the underlying stocks acquired by the Employee Stock Ownership Plan is 12 months. The stock rights and interests of salaried employees are attributed to the holders in five natural years, with an annual attribution of 20%. The stock rights and interests of employees under the share-based salary system are attributed to the holders in two natural years, with an annual attribution of 50%. Starting from the date on which the Company announces the transfer of the last underlying stock to the Employee Stock Ownership Plan, no trading shall be conducted during the aforementioned lock-up period.

41. SHARE-BASED PAYMENTS (Continued)

The details of Employee Stock Ownership Plan are as follows: (continued)

For 2025 Employee Stock Ownership Plan, the Company determined April 21, 2025 as the grant date, and transferred 32,498 thousand shares in the special securities account for repurchase to the 2025 Employee Stock Ownership Plan account on July 16, 2025 at a grant price of RMB16.09 per share. The duration of the Employee Stock Ownership Plan is 72 months, and the lock-up period for the underlying stocks acquired by the Employee Stock Ownership Plan is 12 months. The stock rights and interests of salaried employees are attributed to the holders in five natural years, with an annual attribution of 20%. The stock rights and interests of employees under the share-based salary system are attributed to the holders in two natural years, with an annual attribution of 50%. Starting from the date on which the company announces the transfer of the last underlying stock to the Employee Stock Ownership Plan, no trading shall be conducted during the aforementioned lock-up period.

The following restricted shares were outstanding under the Employee Stock Ownership Plan and Restricted Stock Incentive Plan during the year:

	2025 Shares'000	2024 Shares'000
Outstanding as at beginning of the year	69,627	48,471
Granted	32,498	41,120
Exercised	(31,634)	(14,673)
Lapsed	(7,077)	(5,291)
Outstanding as at end of the year	63,414	69,627

The Company determines the fair value of the restricted shares based on the closing price of the restricted shares on the grant date.

Basis for determining the number of exercisable equity instruments: On each reporting date during the waiting period, the best estimate is made based on the latest changes in the number of exercisable employees, expected performance completion, and other follow-up information, and the estimated number of exercisable equity instruments is revised. On the vesting date, the final estimated number of exercisable equity instruments is consistent with the actual number of exercisable equity instruments.

As at December 31, 2024 and 2025, the accumulated amounts of equity-settled share-based payments included in capital reserve were RMB720,765,000 and RMB793,986,000, respectively.

The Group recognised share-based payment expenses of RMB70,146,000 and RMB73,608,000, respectively, during the years ended December 31, 2024 and 2025.

42. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the years ended December 31, 2025 and 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB641,960,000 and RMB304,117,000, respectively, in respect of lease arrangements for properties.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At January 1, 2025	24,910,931	757,567	25,668,498
Changes from financing cash flows	(5,235,023)	(399,306)	(5,634,329)
New leases	–	644,609	644,609
Interest accretion	525,417	44,738	570,155
Foreign exchange movement	1,240,745	(2,649)	1,238,096
At December 31, 2025	21,442,070	1,044,959	22,487,029
At January 1, 2024	31,025,839	803,679	31,829,518
Changes from financing cash flows	(7,744,029)	(384,158)	(8,128,187)
New leases	–	304,117	304,117
Interest accretion	815,613	32,499	848,112
Foreign exchange movement	813,508	1,430	814,938
At December 31, 2024	24,910,931	757,567	25,668,498

(c) Total cash outflow for leases

	2025 RMB'000	2024 RMB'000
Within operating activities	(72,628)	(89,617)
Within financing activities	(399,306)	(384,158)
Total	(471,934)	(473,775)

43. BUSINESS COMBINATIONS

The business combinations under common control that occurred during the year are presented below:

The consolidated entity	The proportion of equity interests obtained in a business combination	Date of consolidation
Changsha Sany Zhixin Enterprise Management Partnership (Limited Partnership) ("Zhixin Partnership") 長沙三一智芯企業管理合夥企業(有限合夥)	99.90%	December 30, 2025

On December 30, 2025, the Group acquired a 99.90% equity interest in Zhixin Partnership from SANY Group Co., Ltd. The carrying amounts of assets and liabilities of the acquiree as at the date of consolidation and December 31, 2024 are as follows:

	As at December 30, 2025 RMB'000	As at December 31, 2024 RMB'000
Cash and cash equivalents	1	1
Other payables and accruals	(1)	(1)
Net liabilities	–	–

Zhixin Partnership holds a 15% equity interest in Sany Hongxiang Battery Co., Ltd. ("Sany Hongxiang"). On the date immediately before the Transaction, the Company held an 84.85% equity interest in Sany Hongxiang. Upon completion of the Transaction, the Company holds a 99.84% equity interest in Sany Hongxiang. This transaction indirectly constitutes a business combination under common control. The impact of this transaction on the opening balances of the Group's consolidated financial statements is as follows:

	As at January 1, 2025 RMB'000	As at January 1, 2024 RMB'000
Increased in capital reserve	63	4
Decreased in retained profits	(29,441)	(9,557)
Increased in non-controlling interests	29,378	9,553

44. RESTRICTED ASSETS

Details of the Group's restricted assets at December 31, 2025 and 2024 are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Restricted deposits	i	1,694,757	689,488
Financial assets at fair value through profit or loss	ii	1,715,935	2,134,213
Bills receivable	iii	261,924	234,993
Receivables under finance lease	iv	1,520,692	1,779,492
Loans and advances	v	–	565,898
Total		5,193,308	5,404,084

i Certain bank deposits were pledged as securities for the issuance of bankers' acceptance, mortgaged borrowings and statutory deposit reserve placement with central bank as at December 31, 2025 and 2024, respectively.

ii Certain financial assets at fair value through profit or loss were pledged for repurchase of national debts as at December 31, 2025 and 2024, respectively.

iii Certain bills receivable were pledged to obtain loans as at December 31, 2025 and 2024, respectively.

iv Certain receivables under finance lease were pledged for trade receivables factoring as at December 31, 2025 and 2024, respectively.

v Certain loans and advances were pledged to obtain loans as at December 31, 2025 and 2024, respectively.

45. CONTINGENT LIABILITIES

	2025 RMB'000	2024 RMB'000
Mortgage loan guarantee obligations	846,752	589,036
Finance lease guarantee obligations	11,931,216	13,311,285
Total	12,777,968	13,900,321

(a) Certain end customers of the Group have utilised purchased construction machinery as collateral to entrust the partnered distributors (hereinafter "Distributors") or Hunan Zhongfa Intelligent Equipment Co., Ltd. (hereinafter "Hunan Zhongfa") in obtaining mortgage loans from financial institutions. The mortgage contracts stipulate that individual buyers may obtain loans equivalent to 70% to 80% of the machinery purchase price, with loan terms typically ranging from 2 to 4 years. Pursuant to agreements between the Group and the mortgage lending institutions, in the event of buyers' default on loan repayments, both Hunan Zhongfa (or Distributors) and the Group are jointly liable for guaranteeing the remaining mortgage loans from the financial institutions. As of December 31, 2025 and 2024, the outstanding guarantee obligations assumed by the Group amounted to RMB0.85 billion and RMB0.59 billion, respectively.

(b) Certain end customers of the Group acquire the Group's machinery products through finance lease arrangements. Users enter into sales agreements with dealers collaborating with the Group or directly with the Group. Under these arrangements, the Group is obligated to repurchase outstanding finance lease balances if the lessee fails to make lease payments under agreed terms during the repayment period. As of December 31, 2025 and 2024, the outstanding repurchase guarantee obligations amounted to RMB11.93 billion and RMB13.31 billion, respectively. Of these amounts, obligations related to finance lease agreements with Kangfu International (hereinafter "Kangfu") and Hunan Zhonghong Financial Leasing (hereinafter "Hunan Zhonghong") totalled RMB0.14 billion and RMB0.41 billion for the reporting period.

The Group issues asset-backed securities ("ABS") and assumes liquidity shortfall payment obligations to cover the deficit between distributable funds of each ABS special plan tranche and the fixed returns and principal payable to priority ABS holders. As of December 31, 2025 and 2024, the outstanding balances of such obligations were RMB9.72 billion and RMB7.95 billion, respectively. Management assessed the likelihood of triggering these liquidity support obligations as low.

In 2025, the Group received a ruling from Indonesia's Business Competition Supervisory Commission (KPPU) alleging that some subsidiaries violated the Anti-Competition Law. The ruling required the subsidiaries to amend its distributor agreements, restructure its product distribution channels, and impose a total fine of IDR417 billion (approximately RMB166.8 million). The subsidiaries believed the ruling contained material deficiencies and has filed an appeal in August 2025. As of the date of this annual report, the case remained pending adjudication. Based on consultations with the Group's legal counsel, as well as legal analysis and legal opinions, the Group believes it is more likely that the subsidiaries will succeed in overturning the KPPU's ruling, and the likelihood of having to pay the fine is low. Accordingly, the Group has not recognised a provision for this contingent liability.

46. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	2025 RMB'000	2024 RMB'000
Construction in progress	917,977	1,587,381

47. DISPOSAL OF SUBSIDIARIES

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries are as follows:

	2025 RMB'000	2024 RMB'000
Net assets disposed of:		
Current assets	–	171,487
Non-current assets	–	189,905
Current liabilities	–	(475,236)
Non-current liabilities	–	(308)
Non-controlling interests	–	17,146
Transferred from other comprehensive income	–	9
Subtotal	–	(96,997)
Gain on disposal of subsidiaries	–	96,997

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2025 RMB'000	2024 RMB'000
Cash and bank balances disposed of	–	(7,562)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	–	(7,562)

48. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025 %	2024 %
Percentage of equity interest held by non-controlling interests:		
Loudi Zhongxing Hydraulic Components Co., Ltd. ("Loudi Zhongxing")婁底市中興液壓件有限公司	25.00	25.00
Loudi Zhongyuan New Materials Co., Ltd. ("Loudi Zhongyuan")婁底市中源新材料有限公司	25.16	25.16
SANY Auto Finance	4.23	4.23
SANY Financial Leasing	5.14	5.14

	2025 RMB'000	2024 RMB'000
Profit/(loss) for the year allocated to non-controlling interests:		
Loudi Zhongxing	62,980	46,832
Loudi Zhongyuan	3,560	(7,125)
SANY Auto Finance	9,886	11,593
SANY Financial Leasing	9,609	10,039
Accumulated balances of non-controlling interests at the reporting date:		
Loudi Zhongxing	193,641	130,111
Loudi Zhongyuan	118,710	115,089
SANY Auto Finance	149,126	151,942
SANY Financial Leasing	88,465	78,845

48. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

As at December 31, 2025

	Loudi Zhongxing RMB'000	Loudi Zhongyuan RMB'000	SANY Auto Finance RMB'000	SANY Financial Leasing RMB'000
Revenue	1,847,223	468,772	468,482	315,177
Profit for the year	251,919	14,152	233,491	186,980
Total comprehensive income for the year	253,230	14,154	233,491	186,980
Current assets	1,724,913	296,318	4,991,733	2,201,684
Non-current assets	1,582,737	334,698	4,634,626	3,046,600
Current liabilities	1,293,275	155,136	6,104,259	3,241,517
Non-current liabilities	1,239,811	4,007	–	285,418
Net cash flows from/(used in) operating activities	110,895	(40,112)	707,950	862,167

As at December 31, 2024

	Loudi Zhongxing RMB'000	Loudi Zhongyuan RMB'000	SANY Auto Finance RMB'000	SANY Financial Leasing RMB'000
Revenue	1,619,914	479,303	609,988	342,802
Profit/(loss) for the year	187,327	(28,321)	273,804	195,341
Total comprehensive income/(loss) for the year	186,031	(28,324)	273,804	195,341
Current assets	1,584,563	226,552	3,915,901	2,162,157
Non-current assets	1,666,002	376,383	7,426,597	3,664,455
Current liabilities	1,411,036	140,641	7,753,880	4,175,691
Non-current liabilities	1,319,084	4,816	–	116,756
Net cash flows from/(used in) operating activities	450,458	23,852	65,211	(29,788)

49. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The following transactions and balances were carried out between the Group and its related parties during the reporting period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and on terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the financial statements, the Group has the following transactions with related parties:

i Purchases of goods from related parties

	2025 RMB'000	2024 RMB'000
Changsha Dilian Industrial Control Technology Co., Ltd.長沙帝聯工控科技有限公司	1,127,961	1,129,178
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	823,801	946,298
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	746,429	283,144
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	724,339	615,444
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	688,883	137,628
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	665,206	378,933
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	622,125	405,823
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	537,586	481,401
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	298,672	194,408
Sany Logistics Equipment USA Co., Ltd. 三一物流裝備美國有限公司	277,162	324,875
Hangzhou Lilong Hydraulic Co., Ltd. 杭州力龍液壓有限公司	240,932	237,879
Hunan Anren Sany Construction Technology Co., Ltd.湖南安仁三一築工科技有限公司	155,559	23,393
Huachu Petrochemical Guangdong Co., Ltd. 華儲石化(廣東)有限公司	147,199	87,910
Sany Heavy Equipment International Holdings Co., Ltd.三一重裝國際控股有限公司	142,739	327,506
Sany Construction Technology Miluo Co., Ltd.三一築工科技(汨羅)有限公司	119,079	32,359
Kunshan Sany Power Co., Ltd.昆山三一動力有限公司	104,180	155,232
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	85,950	47,385
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	56,265	42,244
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	51,491	8,947

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

i Purchases of goods from related parties (Continued)

	2025 RMB'000	2024 RMB'000
Hunan SANY Port Machinery Co., Ltd. 湖南三一港口設備有限公司	50,914	–
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	50,714	49,531
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	35,052	16,168
Sany Heavy Equipment Indonesia Holdings Co., Ltd. 三一印尼重型裝備有限公司	34,627	16,663
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	16,363	15,384
Sany Silicon Energy Zhuzhou Co., Ltd. 三一矽能(株洲)有限公司	11,029	5,540
Sany Heavy Energy Co. Ltd and its subsidiaries 三一重能股份有限公司及其子公司	9,696	1,183
Sany Intelligent Equipment Co., Ltd. 三一智能裝備有限公司	8,514	45,372
Sany Oil Smart Equipment Co., Ltd. 三一石油智能裝備有限公司	7,213	1
SANY INTERNATIONAL LLC	5,483	–
Zhejiang Sany Construction Technology Co., Ltd.浙江三一築工科技有限公司	5,395	6,151
Jiangsu Sany Environmental Technology Co., Ltd.江蘇三一環境科技有限公司	5,076	4,777
PT SANY MAKMUR PERKASA	4,492	1,699
Hunan Sany Building Co., Ltd. 湖南三一快而居住宅工業有限公司	3,933	21,643
Chengdu Shuneng Shenghe New Energy Co., Ltd.成都蜀能盛和新能源有限公司	3,623	–
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	3,364	3,557
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd. 湖南省地面無人裝備工程研究中心有限責任公司	3,212	8,052
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	3,128	442
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	3,111	2,652
Shengjing Intelligent Technology Jiaxing Co., Ltd.盛景智能科技(嘉興)有限公司	2,988	11,775
Shuozhou SANY Silicon Energy New Energy Co., Ltd.朔州三一矽能新能源有限公司	1,531	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

i Purchases of goods from related parties (Continued)

	2025 RMB'000	2024 RMB'000
Hunan Sany Interactive Marketing Technology Co., Ltd.湖南三一互動行銷科技有限公司	1,493	134
Huzhou Zhushengyuan Park Management Co., Ltd. 湖州竹勝園區管理有限公司	976	–
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	816	475
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	746	962
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	536	291
SANY Logistics Equipment Germany GmbH 三一物流裝備德國有限公司	501	–
Hangzhou Serval Technology Co., Ltd. 杭州藪貓科技有限公司	319	908
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	217	432
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	160	–
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	16	228
Sany Construction Engineering Linli Technology Co., Ltd.三一築工(臨澧)科技有限公司	–	8,735
Jiangsu Sany Construction Co., Ltd. 江蘇三一築工有限公司	–	5,798
Xian Hualei Shipbuilding Industry Co., Ltd. 西安華雷船舶實業有限公司	–	550
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	–	210
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	–	197
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	–	45
Runze Hui Enterprise Management Co., Ltd. 潤澤匯企業管理有限公司	–	6
Sany Handan Construction Technology Co., Ltd. 三一邯鄲築工科技有限公司	–	1
Total	7,890,796	6,089,549

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

ii Receipt of services from related parties

	2025 RMB'000	2024 RMB'000
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	71,130	127,101
SANY Group Co., Ltd.三一集團有限公司	57,791	63,871
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	55,702	51,675
Jiulong Property Insurance Co., Ltd. 久隆財產保險有限公司	20,440	14,512
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	17,675	59
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	16,024	62,528
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	13,319	21,081
Sany Heavy Energy Co. Ltd and its subsidiaries 三一重能股份有限公司及其子公司	12,684	18,315
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	7,950	–
Shihezi Mingzhao Equity Investment Management Co., Ltd.石河子市明照股權投資管理有限公司	7,172	8,050
PT SANY MAKMUR PERKASA	6,464	8,147
Hunan Xingxiang Construction Supervision Consulting Co., Ltd.湖南興湘建設監理諮詢有限公司	3,323	1,241
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	2,614	4,655
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	2,230	1,210
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	1,655	106
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	1,334	2,198
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	1,242	109
Chongqing Sany Zhushengyuan Property Service Co., Ltd.重慶三一竹勝園物業服務有限公司	706	619
Hunan Anren Sany Construction Technology Co., Ltd.湖南安仁三一築工科技有限公司	637	449
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	602	1,610

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

ii Receipt of services from related parties (Continued)

	2025 RMB'000	2024 RMB'000
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	595	–
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	516	121
Hunan Sanfeng Technology Co., Ltd. 湖南三峰科技有限公司	486	797
Sany Intelligent Equipment Co., Ltd. 三一智能裝備有限公司	479	21
Sany Silicon Energy Shuozhou Co., Ltd. 三一矽能(朔州)有限公司	429	1
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	376	153
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	354	–
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	271	196
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	262	43
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	167	26
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	118	2,625
Hangzhou Serval Technology Co., Ltd. 杭州藪貓科技有限公司	116	707
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	112	4,658
Sany Silicon Energy Zhuzhou Co., Ltd. 三一矽能(株洲)有限公司	99	5
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	90	95

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

ii Receipt of services from related parties (Continued)

	2025 RMB'000	2024 RMB'000
Changsha Shufeng Enterprise Management Co., Ltd. 長沙樹澧企業管理有限公司	38	1
Beijing Sany Architectural Design and Research Co., Ltd.北京三一建築設計研究有限公司	30	–
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	28	194
Hangzhou Lilong Hydraulic Co., Ltd. 杭州力龍液壓有限公司	12	943
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	4	–
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	–	1,726
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd. 湖南省地面無人裝備工程研究中心有限責任公司	–	235
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	–	54
Kunshan Sany Environment Protecting Technology Co., Ltd.昆山三一環保科技有限公司	–	52
Hunan Aika Internet Technology Co., Ltd. 湖南愛卡互聯科技有限公司	–	18
Total	305,276	400,207

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iii Other procurement expenditure

	2025 RMB'000	2024 RMB'000
Hunan Xingxiang Construction Supervision Consulting Co., Ltd.湖南興湘建設監理諮詢有限公司	–	1,574
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	–	1,172
Beijing Sany Architectural Design and Research Co., Ltd.北京三一建築設計研究有限公司	–	719
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	–	558
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	–	229
SANY Group Co., Ltd.三一集團有限公司	455	2,110
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	163,969	214,149
Total	164,424	220,511

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iv Sales of goods to related parties

	2025 RMB'000	2024 RMB'000
Palfinger Sany Crane CIS	970,656	1,306,277
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	693,905	204,844
PT SANY MAKMUR PERKASA	570,830	594,475
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	518,454	269,082
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	371,766	286,221
Sany Logistics Equipment USA Co., Ltd. 三一物流裝備美國有限公司	325,123	550,183
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	313,252	354,128
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	311,622	300,822
SANY INTERNATIONAL LLC	194,939	–
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	184,447	63,816
Turbo Fly Machine Engineering Limited 騰飛機械設備有限公司	106,771	86,448
China Wealth Hong Kong Machine Limited 中富香港機械有限公司	105,547	72,581
Sany Intelligent Equipment Co., Ltd. 三一智能裝備有限公司	75,729	113,462
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	56,722	88,350
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	47,583	30,876
China Wealth Saudi Machine Limited 中富沙特機械有限公司	40,494	33,939
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	40,194	4,427
Hunan Sany Body Co., Ltd. 湖南三一車身有限公司	32,042	26,158
Hangzhou Lilong Hydraulic Co., Ltd. 杭州力龍液壓有限公司	24,190	3,245
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	16,946	346
Sany Heavy Energy Co. Ltd and its subsidiaries 三一重能股份有限公司及其子公司	16,363	28,482
China Wealth Equipment Pte Ltd.中富設備有限公司	15,981	15,351
Sun Li Heng Machinery Co., Ltd. Hong Kong 新利恒機械有限公司(香港)	15,338	–
SANY International Singapore Pte. Ltd. 三一國際(新加坡)有限責任公司	15,211	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iv Sales of goods to related parties (Continued)

	2025 RMB'000	2024 RMB'000
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	12,967	16,517
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	10,623	6,418
Sany Silicon Energy Zhuzhou Co., Ltd. 三一矽能(株洲)有限公司	10,008	842
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd. 湖南省地面無人装備工程研究中心有限責任公司	8,590	29,624
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	8,259	4,496
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	3,329	1,823
Huachu Petrochemical Guangdong Co., Ltd. 華儲石化(廣東)有限公司	2,653	2,972
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	2,578	4,627
Sany Oil Smart Equipment Co., Ltd. 三一石油智能装備有限公司	2,326	1,009
Jiulong Property Insurance Co., Ltd. 久隆財產保險有限公司	2,280	4,381
Sany Heavy Equipment Indonesia Holdings Co., Ltd. 三一印尼重型装備有限公司	2,126	23,337
Gangyue Construction Engineering Co., Ltd. 港越建築工程有限公司	1,954	2,371
China Wealth Machinery Malaysia Co., Ltd. 中富機械馬來西亞有限公司	1,513	2,669
SANY EUROPE CHINA WEALTH LIMITED	1,143	–
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	889	660
China Wealth Cambodia Machinery Co., Ltd. 中富柬埔寨機械有限公司	707	831
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	554	384
SANY Group Co., Ltd.三一集團有限公司	498	554
Sany Silicon Energy Shuozhou Co., Ltd. 三一矽能(朔州)有限公司	494	188
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	331	344
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	318	60
China Wealth Machine Holdings Limited 中富機械控股有限公司	315	4
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	234	250
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	231	329

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iv Sales of goods to related parties (Continued)

	2025 RMB'000	2024 RMB'000
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	217	30
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	197	371
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	178	440
Sany Construction Engineering Xian Technology Co., Ltd.三一築工(西安)科技有限公司	163	72
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	111	109
Zhuzhou Sany Smart Industry and Trade Co., Ltd. 株洲三一智慧工貿有限公司	111	55
Changsha Yuntian Real Estate Co., Ltd. 長沙雲天房地產有限公司	97	57
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	88	86
Hunan Sany Building Co., Ltd. 湖南三一快而居住宅工業有限公司	88	70
SANY PC Manufacturing SDN BHD	71	56
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	69	1,941
Hunan Xingxiang Construction Supervision Consulting Co., Ltd.湖南興湘建設監理諮詢有限公司	61	64
Hunan SANY Port Machinery Co., Ltd. 湖南三一港口設備有限公司	60	45
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	43	46
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	42	33
Hunan Sany Intelligent Construction Engineering Co., Ltd.湖南三一智能建造工程有限公司	39	30
Changsha Shufeng Enterprise Management Co., Ltd. 長沙樹澧企業管理有限公司	36	20
Chongqing Zhushengyuan Real Estate Development Co., Ltd.重慶竹勝園房地產開發有限公司	34	33
Hunan Sany Construction Co., Ltd. 湖南三一築工有限公司	32	55
Shandong Hongtong Zhenyou Mechanical Co., Ltd. 山東宏通振友機械有限公司	32	–
Guangzhou Huayao Real Estate Co., Ltd. 廣州華耀置業有限公司	26	65
Sany Robot Changsha Co., Ltd. 三一機器人(長沙)有限公司	25	38
Zhuzhou Sany Zhushengyuan Property Service Co., Ltd.株洲三一竹勝園物業服務有限公司	15	14
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	13	155
Changsha Yunjing Real Estate Co., Ltd. 長沙雲璟房地產有限公司	13	6

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iv Sales of goods to related parties (Continued)

	2025 RMB'000	2024 RMB'000
Changsha Yunhui Real Estate Development Co., Ltd. 長沙雲薈房地產開發有限公司	12	19
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	11	31
Sany Zhuhai Investment Co., Ltd. 三一(珠海)投資有限公司	10	35
Zhuzhou Sany Intelligent Manufacturing Co., Ltd. 株洲三一智能製造有限公司	9	71
China Kangfu International Leasing Co., Ltd. 中國康富國際租賃股份有限公司	9	4
Sany Indonesia Mining Equipment Co., Ltd. 三一印尼礦山設備有限公司	7	24,331
Sany Construction Engineering Linli Technology Co., Ltd.三一築工(臨澧)科技有限公司	6	21
Shanghai Sany Construction Co., Ltd. 上海三一築工建設有限公司	6	3
Hunan Zizhuyuan Real Estate Co., Ltd. 湖南紫竹源房地產有限公司	5	31
Yaowu Shenzhen Technology Co., Ltd. 要務(深圳)科技有限公司	5	18
Sany Hydrogen Energy Technology Co., Ltd. 三一氫能科技有限公司	3	18
Kunshan Sany Power Co., Ltd.昆山三一動力有限公司	3	1
Zhuhai Zhuxiang Cloud Technology Co., Ltd. 珠海築享雲科技有限公司	3	–
Zhongxian Sany Construction Technology Co., Ltd. 忠縣三一築工科技有限公司	3	–
Zhuhai SANY Port Machinery Co., Ltd. 珠海三一港口機械有限公司	2	47
Sany Zhuhai Real Estate Co., Ltd. 三一(珠海)置業有限公司	2	16
Changsha Three Silver Real Estate Development Co., Ltd.長沙三銀房地產開發有限公司	2	1
Linli Zhushengyuan Real Estate Co., Ltd. 臨澧竹勝園房地產有限公司	2	1
SANY Silicon Energy Bazhong Co., Ltd. 三一矽能(巴中)有限公司	2	–
Sany Quanzhou Construction Technology Co., Ltd. 三一(泉州)築工科技有限公司	1	37
Hunan Sanyin Commercial Management Co., Ltd. 湖南三銀商業管理有限公司	1	11

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

iv Sales of goods to related parties (Continued)

	2025 RMB'000	2024 RMB'000
Loudi Zhushengyuan Real Estate Development Co., Ltd.婁底竹勝園房地產開發有限公司	1	4
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	1	1
Chongqing Sany Zhushengyuan Property Service Co., Ltd.重慶三一竹勝園物業服務有限公司	1	1
Shuozhou SANY Silicon Energy New Energy Co., Ltd.朔州三一矽能新能源有限公司	1	–
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	–	47,928
Sany Construction Development Malaysia Limited 三一築工發展(馬來西亞)有限公司	–	434
Hunan Anren Sany Heavy Steel Structure Co., Ltd. 湖南安仁三一重型鋼構有限公司	–	224
Kunshan Sany Environment Protecting Technology Co., Ltd.昆山三一環保科技有限公司	–	106
Sany Handan Construction Technology Co., Ltd. 三一邯鄲築工科技有限公司	–	16
Sany Construction Chongqing Technology Co., Ltd. 三一築工(重慶)科技有限公司	–	8
Jiangsu Sany Construction Co., Ltd. 江蘇三一築工有限公司	–	4
Loudi Zizhu Yunzhi Industrial Park Development Co., Ltd.婁底紫竹雲智產業園發展有限公司	–	4
Changsha Yunqi Real Estate Development Co., Ltd. 長沙雲麒房地產開發有限公司	–	2
Hunan Aika Internet Technology Co., Ltd. 湖南愛卡互聯科技有限公司	–	1
Yuandong Construction Investment Group Co., Ltd. of Beijing 北京城建遠東建設投資集團有限公司	–	1
Beijing Sany Architectural Design and Research Co., Ltd.北京三一建築設計研究有限公司	–	1
Sany Construction Quanzhou Building Materials Co., Ltd.三一築工(泉州)建材有限公司	–	1
Total	5,140,994	4,615,526

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties

		2025 RMB'000	2024 RMB'000
Sany Heavy Energy Co. Ltd and its subsidiaries 三一重能股份有限公司及其子公司	Administrative service	249,924	45,344
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	Logistics service	98,482	34,757
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	Administrative service	83,425	55,763
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	Administrative service	69,380	31,953
Sany Logistics Equipment USA Co., Ltd. 三一物流裝備美國有限公司	Administrative service	53,589	23,300
Sany Silicon Energy Zhuzhou Co., Ltd. 三一矽能(株洲)有限公司	Logistics service	24,855	15,542
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	Administrative service	23,529	9,190
Sany Lithium Energy Co., Ltd. 三一鋰能有限公司	Administrative service	16,176	6,076
Sany Silicon Energy Shuozhou Co., Ltd. 三一矽能(朔州)有限公司	Logistics service	12,009	5,090
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	Logistics service	11,272	976
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	Logistics service	9,967	4,153
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	Administrative service	9,766	9,679
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	Logistics service	9,175	1,753
Wuxi Sany Venture Capital Partnership Enterprise Limited Partnership 無錫三一創業投資合夥企業(有限合夥)	Management consulting service	7,852	13,208
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	Logistics service	6,494	3,065
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	Logistics service	5,906	11,712
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	Logistics service	4,879	6,896
SANY Group Co., Ltd. 三一集團有限公司	Administrative service	4,129	1,407
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	Logistics service	4,024	2,400
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	Logistics service	2,885	5,043
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	Administrative service	2,727	6
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	Administrative service	2,409	1,663
Sany Intelligent Equipment Co., Ltd. 三一智能裝備有限公司	Administrative service	2,362	506

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd.武漢九州龍工程機械有限公司	Logistics service	2,354	307
Hunan Anren Sany Construction Technology Co., Ltd.湖南安仁三一築工科技有限公司	Administrative service	2,246	2,299
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	Administrative service	1,928	3,602
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	Administrative service	1,816	873
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	Administrative service	1,807	7,331
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	Administrative service	1,444	2,238
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	Administrative service	1,435	1,267
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	Logistics service	1,351	1,098
Hunan SANY Port Machinery Co., Ltd. 湖南三一港口設備有限公司	Administrative service	1,290	125
Sany Intelligent Equipment Co., Ltd. 三一智能裝備有限公司	Logistics service	1,242	1,361
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	Administrative service	1,158	894
Hangzhou Lilong Hydraulic Co., Ltd. 杭州力龍液壓有限公司	Logistics service	1,116	1,428
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	Administrative service	878	3,177
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	Administrative service	841	3,265
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	Logistics service	831	1,493
Sany Lithium Energy Co., Ltd. 三一鋰能有限公司	Logistics service	785	497
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	Administrative service	764	362
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	Administrative service	714	287
Changsha Yuntian Real Estate Co., Ltd. 長沙雲天房地產有限公司	Administrative service	687	776

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
Hunan Sany Body Co., Ltd. 湖南三一車身有限公司	Administrative service	675	1,105
Sany Indonesia Mining Equipment Co., Ltd. 三一印尼礦山設備有限公司	Administrative service	665	3,507
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	Logistics service	651	2,512
Huachu Petrochemical Guangdong Co., Ltd. 華儲石化(廣東)有限公司	Administrative service	605	–
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	Administrative service	600	82
Sany Robot Changsha Co., Ltd. 三一機器人(長沙)有限公司	Administrative service	595	54
Changsha Dilian Industrial Control Technology Co., Ltd.長沙帝聯工控科技有限公司	Administrative service	591	–
Sany Silicon Energy Zhuzhou Co., Ltd. 三一矽能(株洲)有限公司	Administrative service	552	4,913
Sany Silicon Energy Shuozhou Co., Ltd. 三一矽能(朔州)有限公司	Administrative service	526	1,555
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	Logistics service	488	574
Hangzhou Lilong Hydraulic Co., Ltd. 杭州力龍液壓有限公司	Administrative service	439	1,193
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	Logistics service	437	–
Sany Hydrogen Energy Co., Ltd. 三一氫能有限公司	Administrative service	332	2,046
PT SANY MAKMUR PERKASA	Administrative service	296	–
Hunan Sanxiang Bank Co., Ltd. 湖南三湘銀行股份有限公司	Administrative service	289	–
Hunan Anren Sany Heavy Steel Structure Co., Ltd. 湖南安仁三一重型鋼構有限公司	Administrative service	275	559
Zhuhai SANY Port Machinery Co., Ltd. 珠海三一港口機械有限公司	Administrative service	272	–
Sany Oil Smart Equipment Co., Ltd. 三一石油智能裝備有限公司	Administrative service	267	914
Palfinger Sany Crane CIS	Administrative service	238	–
Sany Heavy Energy Co. Ltd and its subsidiaries 三一重能股份有限公司及其子公司	Machine processing service	235	–
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	Administrative service	218	–
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	Logistics service	213	148
Hunan SANY Port Machinery Co., Ltd. 湖南三一港口設備有限公司	Logistics service	211	7
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	Administrative service	204	115

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
Zhuzhou Sany Silicon Energy Technology Co., Ltd.株洲三一矽能技術有限公司	Logistics service	180	270
Sany Lithium Energy Co., Ltd. 三一鋰能有限公司	Machine processing service	180	99
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	Logistics service	155	828
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	Logistics service	108	353
Guangzhou Huayao Real Estate Co., Ltd. 廣州華耀置業有限公司	Administrative service	102	–
Jiulong Property Insurance Co., Ltd. 久隆財產保險有限公司	Administrative service	101	98
Huaxin Yongkang Insurance Sales Co., Ltd. 華新永康保險銷售有限公司	Administrative service	96	397
Changsha Yunjing Real Estate Co., Ltd. 長沙雲璟房地產有限公司	Administrative service	89	214
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	Administrative service	89	12
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd.武漢九州龍工程機械有限公司	Administrative service	82	22
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	Administrative service	76	–
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	Machine processing service	74	–
Sany Construction Engineering Xian Technology Co., Ltd.三一築工(西安)科技有限公司	Administrative service	73	52
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	Administrative service	69	95
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	Machine processing service	67	–
Zhuzhou Sany Smart Industry and Trade Co., Ltd. 株洲三一智慧工貿有限公司	Administrative service	54	69
Sany Hydrogen Energy Technology Co., Ltd. 三一氫能科技有限公司	Administrative service	54	5
Changsha Yunqi Real Estate Development Co., Ltd. 長沙雲麒房地產開發有限公司	Administrative service	47	–
SANY Silicon Energy Bazhong Co., Ltd. 三一矽能(巴中)有限公司	Administrative service	47	–
Sany Zhuhai Investment Co., Ltd. 三一(珠海)投資有限公司	Administrative service	42	31
Tianjin Boyu Power Engineering Co., Ltd. 天津博鈺電力工程有限公司	Administrative service	42	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
Zhuzhou Sany Intelligent Manufacturing Co., Ltd. 株洲三一智能製造有限公司	Administrative service	40	130
Hunan Sany Intelligent Construction Engineering Co., Ltd.湖南三一智能建造工程有限公司	Administrative service	39	3
Hunan Sany Building Co., Ltd.湖南三一快而居住宅工業有限公司	Administrative service	38	113
SANY INTERNATIONAL LLC	Administrative service	37	–
Hunan Xingxiang Construction Supervision Consulting Co., Ltd.湖南興湘建設監理諮詢有限公司	Administrative service	33	13
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	Administrative service	26	112
Sany Robot Equipment Xian Co., Ltd. 三一機器人装備(西安)有限公司	Administrative service	25	837
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	Administrative service	24	47
Kunshan Sany Environment Protecting Technology Co., Ltd.昆山三一環保科技有限公司	Administrative service	23	175
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd. 湖南省地面無人装備工程研究中心有限責任公司	Administrative service	15	–
Sany Construction Engineering Xian Technology Co., Ltd.三一築工(西安)科技有限公司	Logistics service	13	–
SANY Silicon Energy Bazhong Co., Ltd. 三一矽能(巴中)有限公司	Logistics service	10	–
Sany Construction Engineering Linli Technology Co., Ltd.三一築工(臨澧)科技有限公司	Administrative service	9	28
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	Administrative service	8	178
Beijing Sany Public Welfare Foundation 北京三一公益基金會	Administrative service	6	–
Liaoning Shengyuanlijian Construction Engineering Co., Ltd.遼寧盛源利建建築工程有限公司	Administrative service	5	–
Hunan Sany Construction Co., Ltd. 湖南三一築工有限公司	Administrative service	4	10
Sany Oil Smart Equipment Co., Ltd. 三一石油智能装備有限公司	Logistics service	4	1
Sany Construction Chongqing Technology Co., Ltd.三一築工(重慶)科技有限公司	Administrative service	3	10
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	Logistics service	3	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
China Wealth Hong Kong Machine Limited 中富香港機械有限公司	Administrative service	3	–
Sany Zhuhai Real Estate Co., Ltd. 三一(珠海)置業有限公司	Administrative service	2	3
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd.武漢九州龍工程機械有限公司	Management consulting service	2	2
Sany Construction Development Malaysia Limited 三一築工發展(馬來西亞)有限公司	Administrative service	2	–
Chongqing Zhushengyuan Real Estate Development Co., Ltd.重慶竹勝園房地產開發有限公司	Administrative service	2	–
Sany Handan Construction Technology Co., Ltd. 三一邯鄲築工科技有限公司	Administrative service	1	1
Zhuhai Zhuxiang Cloud Technology Co., Ltd. 珠海築享雲科技有限公司	Administrative service	1	1
Hunan Zizhuyuan Real Estate Co., Ltd. 湖南紫竹源房地產有限公司	Administrative service	1	–
Kunshan Sany Power Co., Ltd. 昆山三一動力有限公司	Administrative service	1	–
Shuozhou SANY Silicon Energy New Energy Co., Ltd.朔州三一矽能新能源有限公司	Administrative service	1	–
Sany Heavy Equipment Indonesia Holdings Co., Ltd.三一印尼重型裝備有限公司	Administrative service	–	14,779
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	Logistics service	–	5,646
Hunan Sany Building Co., Ltd. 湖南三一快而居住宅工業有限公司	Logistics service	–	2,273
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	Machine processing service	–	566
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	Machine processing service	–	57
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	Machine processing service	–	56
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	Logistics service	–	44
Sany International Zambia Industrial Co., Ltd. 三一國際(尚比亞)實業有限公司	Logistics service	–	26
Runze Hui Enterprise Management Co., Ltd. 潤澤匯企業管理有限公司	Administrative service	–	9
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	Machine processing service	–	9

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

v Rendering of services to related parties (Continued)

		2025 RMB'000	2024 RMB'000
Hunan Aika Internet Technology Co., Ltd. 湖南愛卡互聯科技有限公司	Administrative service	–	5
China Wealth Saudi Machine Limited 中富沙特機械有限公司	Administrative service	–	5
Shanghai Sany Construction Co., Ltd. 上海三一築工建設有限公司	Administrative service	–	4
China Wealth Machinery Malaysia Co., Ltd. 中富機械馬來西亞有限公司	Administrative service	–	4
Changsha Yunhui Real Estate Development Co., Ltd.長沙雲薈房地產開發有限公司	Administrative service	–	4
China Wealth Equipment Pte Ltd. 中富設備有限公司	Logistics service	–	3
Beijing Sany Architectural Design and Research Co., Ltd.北京三一建築設計研究有限公司	Administrative service	–	3
Turbo Fly Machine Engineering Limited 騰飛機械設備有限公司	Logistics service	–	1
TOTAL		751,985	369,149

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

vi Leasing as lessor with related parties

		2025 RMB'000	2024 RMB'000
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	Building leasing	8,049	7,852
Sany Indonesia Mining Equipment Co., Ltd. 三一印尼礦山設備有限公司	Building leasing	7,072	–
Hunan Anren Sany Construction Technology Co., Ltd.湖南安仁三一築工科技有限公司	Building leasing	6,288	3,349
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	Building leasing	6,252	5,202
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	Building leasing	4,752	1,636
Hunan Lehui Sports Culture Communication Co., Ltd.湖南樂匯體育文化傳播有限公司	Building leasing	3,435	6,064
Hunan Xingbida Network Technology Co., Ltd.湖南行必達網聯科技有限公司	Building leasing	3,082	3,445
Zhejiang Sany Construction Technology Co., Ltd.浙江三一築工科技有限公司	Building leasing	1,537	1,537
Sany Technology Equipment Co., Ltd. 三一技術裝備有限公司	Building leasing	1,522	4,759
Hunan Anren Sany Heavy Steel Structure Co., Ltd.湖南安仁三一重型鋼構有限公司	Building leasing	1,101	1,639
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	Building leasing	407	414
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	Building leasing	293	1,905
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	Building leasing	214	179
Hunan Sanyin Commercial Management Co., Ltd.湖南三銀商業管理有限公司	Building leasing	85	128
Sichuan Lumaite Engineering Equipment Co., Ltd.四川路邁特工程設備有限公司	Building leasing	79	–
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd.武漢九州龍工程機械有限公司	Building leasing	49	–
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	Building leasing	32	61
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	Building leasing	13	17
Changsha Shufeng Enterprise Management Co., Ltd.長沙樹灃企業管理有限公司	Building leasing	3	–
Sany Oil Smart Equipment Co., Ltd. 三一石油智能裝備有限公司	Building leasing	2	4
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	Building leasing	–	1,310
SANY Group Co., Ltd.三一集團有限公司	Building leasing	–	631
Changsha Yunqi Real Estate Development Co., Ltd.長沙雲麒房地產開發有限公司	Building leasing	–	185
Beijing Sany Public Welfare Foundation 北京三一公益基金會	Building leasing	–	85

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

vi Leasing as lessor with related parties (Continued)

		2025 RMB'000	2024 RMB'000
Kunshan Sany Environment Protecting Technology Co., Ltd. 昆山三一環保科技有限公司	Building leasing	–	34
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	Building leasing	–	27
Sany Hydrogen Energy Technology Co., Ltd. 三一氫能科技有限公司	Building leasing	–	20
Hunan Zhushengyuan Property Service Co., Ltd.湖南竹勝園物業服務有限公司	Building leasing	–	11
Sany Hydrogen Energy Co., Ltd. 三一氫能有限公司	Building leasing	–	8
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	Building leasing	–	2
Jiangsu Sany Environmental Technology Co., Ltd.江蘇三一環境科技有限公司	Building leasing	–	2
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	Building leasing	–	2
Sany Robot Changsha Co., Ltd. 三一機器人(長沙)有限公司	Building leasing	–	1
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	Equipment leasing	14,606	87,978
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	Equipment leasing	2,452	847
Sany Lithium Energy Co., Ltd. 三一鋰能有限公司	Equipment leasing	1,517	627

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

vi Leasing as lessor with related parties (Continued)

		2025 RMB'000	2024 RMB'000
Sany Kinetic Energy for Electricity New Energy Technology Development Ezhou Co., Ltd.三一動能換電新能源科技發展(鄂州)有限公司	Equipment leasing	1,272	656
Hunan Sany Intelligent Construction Engineering Co., Ltd.湖南三一智能建造工程有限公司	Equipment leasing	309	1,057
Sany Lithium Energy Chongqing New Energy Co., Ltd.三一鋰能(重慶)新能源有限公司	Equipment leasing	216	98
Ludian Lithium Energy Jianshui Co., Ltd. 綠電鋰能(建水)有限公司	Equipment leasing	138	100
Sany Kinetic Energy for Electricity New Energy Technology Development Zibo Co., Ltd.三一動能換電新能源科技發展(淄博)有限公司	Equipment leasing	130	25
Hunan Xingbida Network Technology Co., Ltd.湖南行必達網聯科技有限公司	Equipment leasing	30	–
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	Equipment leasing	–	81
Sany Lithium Energy Changsha New Energy Co., Ltd.三一鋰能(長沙)新能源有限公司	Equipment leasing	–	80
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	Equipment leasing	–	19
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	Equipment leasing	–	1
TOTAL		64,937	132,078

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

vii Leasing as lessee with related parties

	2025 RMB'000	2024 RMB'000
SANY Group Co., Ltd.三一集團有限公司	77,909	78,052
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	55,554	60,428
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	18,230	15,439
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	8,268	8,268
Hunan Sany Jingchuang Technology Co., Ltd. 湖南三一精創科技有限公司	7,951	5,704
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	1,893	1,787
China Kangfu International Leasing Co., Ltd. 中國康富國際租賃股份有限公司	1,860	3,292
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	1,570	6,064
Guangzhou Zhiben Industrial Operation Management Co., Ltd.廣州置本產業運營管理有限公司	1,212	–
Shanghai SANY Science and Technology Co., Ltd. 上海三一科技有限公司	701	502
Sany Heavy Energy Co., Ltd.三一重能股份有限公司	539	72
SANY Heavy Equipment Co., Ltd. 三一重型裝備有限公司	134	344
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	119	141
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	–	43
Total	175,940	180,136

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

viii Property transferred to related parties

	2025 RMB'000	2024 RMB'000
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	10,269	119
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	6,924	9,929
SANY Group Co., Ltd.三一集團有限公司	3,051	804
Sany Energy Equipment Co., Ltd.三一能源裝備有限公司	2,852	5
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	1,056	560
Sany Oil Smart Equipment Co., Ltd.三一石油智能裝備有限公司	715	55
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	607	117
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd.湖南省地面無人裝備工程研究中心有限責任公司	506	40
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	415	49
Sany Environmental Industry Co., Ltd.三一環境產業有限公司	284	2
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	231	25
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	212	340
Hangzhou Lilong Hydraulic Co., Ltd.杭州力龍液壓有限公司	115	2
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	79	392
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	61	604
Sany Silicon Energy Zhuzhou Co., Ltd.三一矽能(株洲)有限公司	32	49
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	18	179
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	10	34
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	7	15
Sany Construction Technology Co., Ltd. 三一築工科技股份有限公司	6	29
Shenzhen Trinity Technology Co., Ltd.深圳市三一科技有限公司	3	49
Chongqing Sany Zhushengyuan Property Service Co., Ltd. 重慶三一竹勝園物業服務有限公司	3	3
Sany Silicon Energy Shuozhou Co., Ltd.三一矽能(朔州)有限公司	2	157
Changsha Yuntian Real Estate Co., Ltd.長沙雲天房地產有限公司	2	3
Hunan Zizhuyuan Real Estate Co., Ltd. 湖南紫竹源房地產有限公司	1	2
Guangzhou Huayao Real Estate Co., Ltd.廣州華耀置業有限公司	1	–

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

viii Property transferred to related parties (Continued)

	2025 RMB'000	2024 RMB'000
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	–	205
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	–	78
Hunan Sany Jingchuang Technology Co., Ltd. 湖南三一精創科技有限公司	–	65
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	–	36
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	–	27
Changsha Yunqi Real Estate Development Co., Ltd. 長沙雲麒房地產開發有限公司	–	24
Loudi Zhushengyuan Real Estate Development Co., Ltd.婁底竹勝園房地產開發有限公司	–	16
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	–	13
Hunan Aika Internet Technology Co., Ltd. 湖南愛卡互聯科技有限公司	–	6
Hunan Zhonghong Financial Leasing Co., Ltd. 湖南中宏融資租賃有限公司	–	6
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	–	3
Changsha Yunjing Real Estate Co., Ltd. 長沙雲璟房地產有限公司	–	2
Hunan Sany Intelligent Construction Engineering Co., Ltd.湖南三一智能建造工程有限公司	–	1
Changsha Shufeng Enterprise Management Co., Ltd. 長沙樹灃企業管理有限公司	–	1
Total	27,462	14,046

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

ix Property purchased from related parties

	2025 RMB'000	2024 RMB'000
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	4,641	5,670
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	2,466	3,962
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	2,305	2,242
Hunan Anren Sany Heavy Steel Structure Co., Ltd. 湖南安仁三一重型鋼構有限公司	2,267	–
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd.湖南省地面無人装備工程研究中心有限責任公司	1,269	–
SANY Group Co., Ltd.三一集團有限公司	758	22,006
SANY Heavy Equipment Co., Ltd.三一重型装備有限公司	668	178
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	303	–
Hunan SANY Port Machinery Co., Ltd.湖南三一港口設備有限公司	56	–
Sany Silicon Energy Zhuzhou Co., Ltd.三一矽能(株洲)有限公司	46	6
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	44	18
Guangzhou Huayao Real Estate Co., Ltd.廣州華耀置業有限公司	44	–
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	30	11
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	24	27
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	21	61
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	17	–
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	16	135
Hunan Sany Building Co., Ltd.湖南三一快而居住宅工業有限公司	13	16
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	12	33
Sany Construction Technology Co., Ltd.三一築工科技股份有限公司	9	62
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	6	7,579
Sany Energy Equipment Co., Ltd.三一能源装備有限公司	5	17
Hunan Sany Construction Co., Ltd.湖南三一築工有限公司	5	7
Kunshan Sany Environment Protecting Technology Co., Ltd. 昆山三一環保科技有限公司	4	3
Sany Silicon Energy Shuozhou Co., Ltd.三一矽能(朔州)有限公司	4	2
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	4	–
Hunan Zizhuyuan Real Estate Co., Ltd.湖南紫竹源房地產有限公司	3	905

49. RELATED PARTY TRANSACTIONS (Continued)

(a) Transactions with related parties (Continued)

ix Property purchased from related parties (Continued)

	2025 RMB'000	2024 RMB'000
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	2	395
Hunan Xingxiang Construction Supervision Consulting Co., Ltd.湖南興湘建設監理諮詢有限公司	2	3
Sany Kinetic Energy For Electricity New Energy Technology Development Ezhou Co., Ltd. 三一動能換電新能源科技發展(鄂州)有限公司	2	–
Zhuhai Zhuxiang Cloud Technology Co., Ltd.珠海築享雲科技有限公司	1	1
Changsha Yuntian Real Estate Co., Ltd.長沙雲天房地產有限公司	1	–
Chongqing Sany Zhushengyuan Property Service Co., Ltd. 重慶三一竹勝園物業服務有限公司	1	–
Sany Oil Smart Equipment Co., Ltd.三一石油智能裝備有限公司	1	–
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	1	–
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	–	291
Hunan Sany Jingchuang Technology Co., Ltd. 湖南三一精創科技有限公司	–	96
Hunan Aika Internet Technology Co., Ltd.湖南愛卡互聯科技有限公司	–	23
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	–	21
Sany Hydrogen Energy Technology Co., Ltd.三一氫能科技有限公司	–	20
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	–	17
Shanghai Zhushengyuan Real Estate Co., Ltd.上海竹勝園地產有限公司	–	15
Sany Intelligent Mining Technology Co., Ltd.三一智礦科技有限公司	–	5
Zhuzhou Sany Zhushengyuan Property Service Co., Ltd. 株洲三一竹勝園物業服務有限公司	–	2
Hunan Zhonghong Financial Leasing Co., Ltd. 湖南中宏融資租賃有限公司	–	1
Shenzhen Trinity Technology Co., Ltd.深圳市三一科技有限公司	–	1
Total	15,051	43,831

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties:

i Prepayments and other receivables

	2025 RMB'000	2024 RMB'000
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	30,883	17
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	30,407	29,111
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	9,099	14,752
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	6,959	3,416
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	6,898	10,487
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	5,050	4,065
Hunan SANY Port Machinery Co., Ltd.湖南三一港口設備有限公司	4,454	197
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	3,357	3,654
Sany Energy Equipment Co., Ltd.三一能源裝備有限公司	3,092	79
SANY INTERNATIONAL (ZIMBABWE) INDUSTRIAL (PRIVATE) LIMITED	2,860	–
China Wealth Machinery Malaysia Co., Ltd.中富機械馬來西亞有限公司	903	928
China Wealth Equipment Pte Ltd.中富設備有限公司	869	–
Sany Oil Smart Equipment Co., Ltd.三一石油智能裝備有限公司	782	–
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	764	34,622
SANY Group Co., Ltd.三一集團有限公司	673	691
Sany Intelligent Mining Technology Co., Ltd.三一智礦科技有限公司	547	–
CHN WEALTH EQUIPMENT SDN.BHD 中富設備馬來西亞有限公司	536	554
Hunan DEUTZ Power Co., Ltd.湖南道依茨動力有限公司	530	624
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	528	486
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	467	–
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	319	61
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	314	–
Guangzhou Ygp Industrial Trading Co., Ltd.廣州市易工品貿易有限公司	218	2
Hunan Sanxiang Bank Co., Ltd.湖南三湘銀行股份有限公司	170	–
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	83	–

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

i Prepayments and other receivables (Continued)

	2025 RMB'000	2024 RMB'000
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	75	55
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	56	49
Huaxin Yongkang Insurance Sales Co., Ltd.華新永康保險銷售有限公司	55	55
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	54	–
Palfinger Sany Crane CIS	52	–
Hunan Sany Cloud Oil Energy Co., Ltd.湖南三一雲油能源有限公司	47	47
Hangzhou Lilong Hydraulic Co., Ltd.杭州力龍液壓有限公司	43	186
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	43	–
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	38	16
Sany Robot Changsha Co., Ltd.三一機器人(長沙)有限公司	34	–
Xian Hualei Shipbuilding Industry Co., Ltd.西安華雷船舶實業有限公司	23	23
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	22	3
SANY Silicon Energy Bazhong Co., Ltd.三一矽能(巴中)有限公司	22	–
Sany Environmental Industry Co., Ltd.三一環境產業有限公司	18	–
Sany Construction Technology Co., Ltd.三一築工科技股份有限公司	17	46,550
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	15	238
Hunan Xingxiang Construction Supervision Consulting Co., Ltd. 湖南興湘建設監理諮詢有限公司	6	–
China Wealth Saudi Machine Limited 中富沙特機械有限公司	5	5
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	5	–
Sany Silicon Energy Zhuzhou Co., Ltd.三一矽能(株洲)有限公司	4	–
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	2	–
Tianjin Boyu Power Engineering Co., Ltd.天津博鈺電力工程有限公司	2	–
Zhuzhou Sany Intelligent Manufacturing Co., Ltd. 株洲三一智能製造有限公司	1	1

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

i Prepayments and other receivables (Continued)

	2025 RMB'000	2024 RMB'000
Zhuzhou Sany Smart Industry and Trade Co., Ltd. 株洲三一智慧工貿有限公司	1	–
Hunan Sany Intelligent Construction Engineering Co., Ltd. 湖南三一智能建造工程有限公司	1	–
Sany Hydrogen Energy Technology Co., Ltd. 三一氫能科技有限公司	1	–
Hunan Sany Building Co., Ltd. 湖南三一快而居住宅工業有限公司	1	–
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd.湖南省地面無人裝備工程研究中心有限責任公司	1	–
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	–	4,859
Changsha Yuntian Real Estate Co., Ltd. 長沙雲天房地產有限公司	–	127
PT SANY MAKMUR PERKASA	–	96
Shanghai Sany Construction Co., Ltd. 上海三一築工建設有限公司	–	16
Zhuzhou Clover Environmental Development Co., Ltd. 株洲三葉草環境事業發展有限公司	–	10
Jiulong Property Insurance Co., Ltd.久隆財產保險有限公司	–	4
Sany Zhuhai Real Estate Co., Ltd.三一(珠海)置業有限公司	–	1
Total	111,406	156,087

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

ii Trade and bills receivables

	2025 RMB'000	2024 RMB'000
PT SANY MAKMUR PERKASA	294,878	377,352
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	227,258	227,330
SANY INTERNATIONAL LLC	204,161	–
Sany Logistics Equipment USA Co., Ltd. 三一物流裝備美國有限公司	198,506	206,666
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	161,633	69,498
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	147,794	70,712
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	133,647	94,735
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	91,269	40,582
Sany Heavy Equipment Indonesia Holdings Co., Ltd. 三一印尼重型裝備有限公司	65,910	85,202
China Wealth Hong Kong Machine Limited 中富香港機械有限公司	65,309	34,106
China Wealth Saudi Machine Limited 中富沙特機械有限公司	71,140	55,588
Turbo Fly Machine Engineering Limited 騰飛機械設備有限公司	57,221	66,241
Hunan SANY Port Machinery Co., Ltd.湖南三一港口設備有限公司	34,413	31,495
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	34,380	18,286
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	30,534	696
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	26,437	27,505
Hangzhou Lilong Hydraulic Co., Ltd.杭州力龍液壓有限公司	25,983	296
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	22,813	1,322
Palfinger Sany Crane CIS	18,349	410,263
SANY International Singapore Pte. Ltd. 三一國際(新加坡)有限責任公司	15,178	–
Gangyue Construction Engineering Co., Ltd.港越建築工程有限公司	13,963	14,535
Sany Silicon Energy Zhuzhou Co., Ltd.三一矽能(株洲)有限公司	13,617	2,838
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	12,427	13,935
Sany Environmental Industry Co., Ltd.三一環境產業有限公司	12,402	99

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

ii Trade and bills receivables (Continued)

	2025 RMB'000	2024 RMB'000
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	11,728	3,467
SANY Group Co., Ltd.三一集團有限公司	11,649	10,807
Hunan Lehui Sports Culture Communication Co., Ltd. 湖南樂匯體育文化傳播有限公司	10,796	10,245
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	11,528	24,852
Sany Construction Development Malaysia Limited 三一築工發展(馬來西亞)有限公司	9,272	9,603
Sany Indonesia Mining Equipment Co., Ltd.三一印尼礦山設備有限公司	9,223	3,869
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	8,492	15,539
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	7,802	3,877
China Wealth Equipment Pte Ltd.中富設備有限公司	15,344	15,745
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	5,510	602
China Wealth Cambodia Machinery Co., Ltd.中富柬埔寨機械有限公司	4,857	4,252
Sany Construction Industry Development Africa PTY Ltd. 三一築工發展(非洲)有限公司	4,535	4,638
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	35,909	141
Sany Energy Equipment Co., Ltd.三一能源裝備有限公司	4,288	13,862
Hunan DEUTZ Power Co., Ltd.湖南道依茨動力有限公司	2,248	838
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd.湖南省地面無人裝備工程研究中心有限責任公司	2,087	11,404
Zhuhai SANY Port Machinery Co., Ltd.珠海三一港口機械有限公司	1,556	1,467
Hunan Sany Intelligent Construction Engineering Co., Ltd. 湖南三一智能建造工程有限公司	1,534	1,007
SANY EUROPE CHINA WEALTH LIMIT	1,128	–
Sany Silicon Energy Shuozhou Co., Ltd.三一矽能(朔州)有限公司	1,109	1,542
Huachu Petrochemical Guangdong Co., Ltd.華儲石化(廣東)有限公司	918	45

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

ii Trade and bills receivables (Continued)

	2025 RMB'000	2024 RMB'000
Sany Construction Technology Co., Ltd.三一築工科技股份有限公司	765	2,088
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	657	1,483
Sany Construction Engineering Xian Technology Co., Ltd. 三一築工(西安)科技有限公司	546	280
Sany Oil Smart Equipment Co., Ltd.三一石油智能裝備有限公司	407	940
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	230	–
China Wealth Machine Holdings Limited 中富機械控股有限公司	171	141
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	124	147
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	123	50
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	72	94
Xian Hualei Shipbuilding Industry Co., Ltd.西安華雷船舶實業有限公司	71	71
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	63	–
Hunan Sany Building Co., Ltd.湖南三一快而居住宅工業有限公司	61	660
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	57	162
SANY PC Manufacturing SDN BHD	54	–
Zhongxian Sany Construction Technology Co., Ltd. 忠縣三一築工科技有限公司	35	–
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	31	18
Zhuzhou Sany Zhushengyuan Property Service Co., Ltd. 株洲三一竹勝園物業服務有限公司	13	17
Hunan Zizhuyuan Real Estate Co., Ltd.湖南紫竹源房地產有限公司	13	14
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	12	9
Hunan Sany Construction Co., Ltd.湖南三一築工有限公司	8	12
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	6	206
Hunan Xingxiang Construction Supervision Consulting Co., Ltd. 湖南興湘建設監理諮詢有限公司	6	48
Changsha Yuntian Real Estate Co., Ltd.長沙雲天房地產有限公司	5	25

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

ii Trade and bills receivables (Continued)

	2025 RMB'000	2024 RMB'000
Sany Intelligent Mining Technology Co., Ltd. 三一智礦科技有限公司	4	46
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	4	13
Changsha Shufeng Enterprise Management Co., Ltd. 長沙樹灃企業管理有限公司	3	–
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	2	224
Sany Robot Changsha Co., Ltd.三一機器人(長沙)有限公司	2	18
Changsha Yunhui Real Estate Development Co., Ltd. 長沙雲薈房地產開發有限公司	2	8
Sany Zhuhai Real Estate Co., Ltd.三一(珠海)置業有限公司	2	2
Changsha Three Silver Real Estate Development Co., Ltd. 長沙三銀房地產開發有限公司	2	1
Guangzhou Huayao Real Estate Co., Ltd. 廣州華耀置業有限公司	1	28
Zhuzhou Sany Smart Industry and Trade Co., Ltd. 株洲三一智慧工貿有限公司	1	24
Sany Hydrogen Energy Technology Co., Ltd. 三一氫能科技有限公司	1	8
Kunshan Sany Environment Protecting Technology Co., Ltd. 昆山三一環保科技有限公司	1	8
Zhuzhou Sany Intelligent Manufacturing Co., Ltd. 株洲三一智能製造有限公司	1	2
Shanghai Sany Construction Co., Ltd. 上海三一築工建設有限公司	1	–
Zhuhai Zhuxiang Cloud Technology Co., Ltd. 珠海築享雲科技有限公司	1	–
China Wealth Machinery Malaysia Co., Ltd. 中富機械馬來西亞有限公司	–	3,132

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

ii Trade and bills receivables (Continued)

	2025 RMB'000	2024 RMB'000
Sany Construction Chongqing Technology Co., Ltd. 三一築工(重慶)科技有限公司	–	535
Zhuzhou Sany Silicon Energy Technology Co., Ltd. 株洲三一矽能技術有限公司	–	64
Hunan Anren Sany Heavy Steel Structure Co., Ltd. 湖南安仁三一重型鋼構有限公司	–	45
Sany International Zambia Industrial Co., Ltd. 三一國際(尚比亞)實業有限公司	–	29
Yaowu Shenzhen Technology Co., Ltd. 要務(深圳)科技有限公司	–	14
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	–	11
Sany Zhuhai Investment Co., Ltd.三一(珠海)投資有限公司	–	7
Hunan Sanxiang Bank Co., Ltd.湖南三湘銀行股份有限公司	–	4
Jiangsu Sany Construction Co., Ltd.江蘇三一築工有限公司	–	4
Chongqing Zhushengyuan Real Estate Development Co., Ltd.重慶竹勝園房地產開發有限公司	–	3
Changsha Yunjing Real Estate Co., Ltd. 長沙雲璟房地產有限公司	–	3
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	–	1
Sany Quanzhou Construction Technology Co., Ltd. 三一(泉州)築工科技有限公司	–	1
Changsha Yunqi Real Estate Development Co., Ltd. 長沙雲麒房地產開發有限公司	–	1
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	–	1
Kunshan Sany Power Co., Ltd.昆山三一動力有限公司	–	1
Sany Construction Quanzhou Building Materials Co., Ltd. 三一築工(泉州)建材有限公司	–	1
Total	2,144,293	1,997,788

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iii Trade and bills payables

	2025 RMB'000	2024 RMB'000
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	934,156	562,504
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	630,750	527,247
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	522,100	194,812
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	275,899	307,229
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	226,539	786,767
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	221,010	148,107
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	219,120	271,411
Hangzhou Lilong Hydraulic Co., Ltd.杭州力龍液壓有限公司	193,951	83,945
Sany Heavy Equipment International Holdings Co., Ltd. 三一重裝國際控股有限公司	193,481	449,422
Hunan DEUTZ Power Co., Ltd.湖南道依茨動力有限公司	187,342	50,398
Sany Logistics Equipment USA Co., Ltd.三一物流裝備美國有限公司	177,428	249,166
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	167,114	46,164
Huachu Petrochemical Guangdong Co., Ltd.華儲石化(廣東)有限公司	95,260	62,380
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	73,693	27,206
Sany Heavy Equipment Indonesia Holdings Co., Ltd. 三一印尼重型裝備有限公司	68,410	39,151
Hunan SANY Port Machinery Co., Ltd.湖南三一港口設備有限公司	38,023	74
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	24,336	5,835
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	15,632	6,186
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	15,548	6,603
Kunshan Sany Power Co., Ltd.昆山三一動力有限公司	13,872	18,001
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	8,873	5,439
Sany Silicon Energy Zhuzhou Co., Ltd.三一矽能(株洲)有限公司	8,632	6,682
SANY INTERNATIONAL LLC	7,748	–
Hunan Sany Building Co., Ltd.湖南三一快而居住宅工業有限公司	5,454	13,301
Sany Construction Technology Co., Ltd.三一築工科技股份有限公司	3,727	–

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iii Trade and bills payables (Continued)

	2025 RMB'000	2024 RMB'000
Sany Energy Equipment Co., Ltd.三一能源裝備有限公司	2,895	1,537
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	2,600	–
Sany Environmental Industry Co., Ltd.三一環境產業有限公司	2,234	1,609
PT SANY MAKMUR PERKASA	2,141	2,595
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	1,898	27,699
Xian Hualei Shipbuilding Industry Co., Ltd. 西安華雷船舶實業有限公司	988	988
Hunan Sanxiang Bank Co., Ltd.湖南三湘銀行股份有限公司	667	–
SANY Logistics Equipment Germany GmbH	500	–
Yaowu Shenzhen Technology Co., Ltd. 要務(深圳)科技有限公司	350	–
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd. 湖南省地面無人裝備工程研究中心有限責任公司	204	12
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	161	–
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	69	79
Sany Robot Equipment Xian Co., Ltd. 三一機器人裝備(西安)有限公司	40	33
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	26	1,030
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	–	107
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	–	5
Lianyungang Anxin Machinery Sales Co., Ltd. 連雲港安心機械銷售有限公司	–	2
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	–	1
Total	4,342,871	3,903,727

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iv Other payables and accruals

	2025 RMB'000	2024 RMB'000
SANY Group Co., Ltd.三一集團有限公司	155,125	309,401
Sany Technology Equipment Co., Ltd.三一技術裝備有限公司	27,979	47,856
Sany Robot Equipment Xian Co., Ltd.三一機器人裝備(西安)有限公司	25,144	33,420
Sany Robotics Technology Co., Ltd.三一機器人科技有限公司	15,831	17,357
Sany Lithium Energy Co., Ltd.三一鋰能有限公司	15,278	4,753
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	13,607	6,528
Sany Construction Technology Co., Ltd.三一築工科技股份有限公司	11,336	8,220
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	10,727	11,170
Beijing Sany Heavy Machinery Co., Ltd.北京市三一重機有限公司	6,188	–
Shihezi Mingzhao Equity Investment Management Co., Ltd. 石河子市明照股權投資管理有限公司	4,160	9,335
Rootcloud Technology Co., Ltd. and its subsidiaries 樹根互聯股份有限公司及其子公司	3,093	4,365
Hunan Anren Sany Heavy Steel Structure Co., Ltd. 湖南安仁三一重型鋼構有限公司	2,561	–
Shengjing Intelligent Technology Jiaxing Co., Ltd. 盛景智能科技(嘉興)有限公司	1,548	2,410
Jiangsu Sany Construction Co., Ltd.江蘇三一築工有限公司	1,460	14,376
Guangzhou Zhiben Industrial Operation Management Co., Ltd. 廣州置本產業運營管理有限公司	1,204	–
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	1,195	1,561
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	1,146	1,615
Beijing Sany Architectural Design and Research Co., Ltd. 北京三一建築設計研究有限公司	1,114	1,114
Hunan Lehui Sports Culture Communication Co., Ltd. 湖南樂匯體育文化傳播有限公司	1,002	1,002
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	944	634
Hunan Sany Building Co., Ltd.湖南三一快而居住宅工業有限公司	660	1,099
Sany Construction Technology Miluo Co., Ltd. 三一築工科技(汨羅)有限公司	582	609

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iv Other payables and accruals (Continued)

	2025 RMB'000	2024 RMB'000
Kunshan Zhongfa Asset Management Co., Ltd. 昆山中發資產管理有限公司	529	529
Yuandong Construction Investment Group Co., Ltd. of Beijing 北京城建遠東建設投資集團有限公司	400	400
Hunan Xingxiang Construction Supervision Consulting Co., Ltd. 湖南興湘建設監理諮詢有限公司	374	324
Hunan Anren Sany Construction Technology Co., Ltd. 湖南安仁三一築工科技有限公司	334	1,130
Sany Intelligent Mining Technology Co., Ltd.三一智礦科技有限公司	330	330
China Wealth Saudi Machine Limited 中富沙特機械有限公司	300	310
Loudi Zhushengyuan Real Estate Development Co., Ltd. 婁底竹勝園房地產開發有限公司	166	397
Zhuzhou Sany Silicon Energy New Energy Co., Ltd. 株洲三一矽能新能源有限公司	165	310
Huachu Petrochemical Guangdong Co., Ltd.華儲石化(廣東)有限公司	153	476
Palfinger Sany Crane CIS	151	4,966
Changsha Yunjing Real Estate Co., Ltd.長沙雲璟房地產有限公司	148	148
Sun Li Heng Machinery Co., Ltd. Hong Kong 新利恒機械有限公司(香港)	132	132
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	111	651
Hunan Sany Body Co., Ltd.湖南三一車身有限公司	96	100
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	90	90
Shanghai Zhushengyuan Real Estate Co., Ltd. 上海竹勝園地產有限公司	75	75
China Wealth Hong Kong Machine Limited 中富香港機械有限公司	60	284
Sany Environmental Industry Co., Ltd.三一環境產業有限公司	38	739
Changsha Yuntian Real Estate Co., Ltd.長沙雲天房地產有限公司	37	76
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	32	10,351
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	29	708
Jiulong Property Insurance Co., Ltd.久隆財產保險有限公司	27	950

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iv Other payables and accruals (Continued)

	2025 RMB'000	2024 RMB'000
Zhejiang Sany Construction Technology Co., Ltd. 浙江三一築工科技有限公司	18	506
Chongqing Sany Zhushengyuan Property Service Co., Ltd. 重慶三一竹勝園物業服務有限公司	11	60
Hubei Sany Truck Sales and Service Co., Ltd. 湖北三一卡車銷售服務有限公司	9	9
Sany Intelligent Equipment Co., Ltd.三一智能裝備有限公司	7	–
Hunan Sany Construction Co., Ltd.湖南三一築工有限公司	6	97
Shuozhou SANY Silicon Energy New Energy Co., Ltd. 朔州三一矽能新能源有限公司	5	–
Sany Hydrogen Energy Co., Ltd.三一氫能有限公司	4	443
Changsha Shufeng Enterprise Management Co., Ltd. 長沙樹澧企業管理有限公司	3	–
Sany Oil Smart Equipment Co., Ltd.三一石油智能裝備有限公司	2	2
Sany Palfinger SPV Equipment Co., Ltd. 三一帕爾菲格特種車輛裝備有限公司	2	2
Sany Kinetic Energy For Electricity New Energy Technology Development Ezhou Co., Ltd. 三一動能換電新能源科技發展(鄂州)有限公司	2	–
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	1	1
China Wealth Asia Machine Limited 中富(亞洲)機械有限公司	–	138,550
Liang Wengen and other natural persons 梁穩根等自然人	–	74,300
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	–	5,481
China Wealth Machine Holdings Limited 中富機械控股有限公司	–	2,240
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	–	297
SANY Marine Heavy Industry Co., Ltd.三一海洋重工有限公司	–	275
Changsha Yunhui Real Estate Development Co., Ltd. 長沙雲薈房地產開發有限公司	–	158
Hunan Ground Unmanned Equipment Engineering Research Center Co., Ltd.湖南省地面無人裝備工程研究中心有限責任公司	–	119
Sany Zhuhai Real Estate Co., Ltd.三一(珠海)置業有限公司	–	63

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

iv Other payables and accruals (Continued)

	2025 RMB'000	2024 RMB'000
Hangzhou Serval Technology Co., Ltd. 杭州藪貓科技有限公司	–	23
Beijing Sany Public Welfare Foundation 北京三一公益基金會	–	16
Hunan Aika Internet Technology Co., Ltd. 湖南愛卡互聯科技有限公司	–	1
Total	305,731	722,944

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

v Contract liabilities

	2025 RMB'000	2024 RMB'000
China Wealth Machine Holdings Limited 中富機械控股有限公司	17,549	17,806
Sun Li Heng Machinery Co., Ltd. (Hong Kong) 新利恒機械有限公司(香港)	2,813	–
China Wealth Hong Kong Machine Limited 中富香港機械有限公司	1,807	1,171
Wuhan Jiuzhoulong Engineering Machinery Co., Ltd. 武漢九州龍工程機械有限公司	1,274	123
Sichuan Lumaite Engineering Equipment Co., Ltd. 四川路邁特工程設備有限公司	1,266	–
Guangzhou Ygp Industrial Trading Co., Ltd. 廣州市易工品貿易有限公司	1,241	76
Sany Environmental Industry Co., Ltd. 三一環境產業有限公司	1,086	–
SANY Marine Heavy Industry Co., Ltd. 三一海洋重工有限公司	870	1,009
Hunan Zhongfa Intelligent Equipment Co., Ltd. 湖南中發智能裝備有限公司	595	517
Turbo Fly Machine Engineering Limited 騰飛機械設備有限公司	503	1,978
Sany Oil Smart Equipment Co., Ltd. 三一石油智能裝備有限公司	429	–
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	412	–
Tangshan Chite Mechanical Equipment Co., Ltd. 唐山馳特機械設備有限公司	251	142
PT SANY MAKMUR PERKASA	173	184
China Kangfu International Leasing Co., Ltd. 中國康富國際租賃股份有限公司	144	144
Palfinger Sany Crane CIS	123	–
Sany International Hong Kong Industry Co., Ltd. 三一國際(香港)實業有限公司	103	–

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

v Contract liabilities (Continued)

	2025 RMB'000	2024 RMB'000
Jiulong Property Insurance Co., Ltd. 久隆財產保險有限公司	102	529
China Wealth (Huayue) Limited 中富華越機械有限公司	93	93
Cuiyun Gonggong (Shanghai) Technology Co., Ltd. 萃雲共工(上海)科技有限公司	78	78
Hunan DEUTZ Power Co., Ltd. 湖南道依茨動力有限公司	35	31
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	28	17
Hunan Xingbida Network Technology Co., Ltd. 湖南行必達網聯科技有限公司	25	17
Jiangsu Sany Environmental Technology Co., Ltd. 江蘇三一環境科技有限公司	22	–
Changsha Dilian Industrial Control Technology Co., Ltd. 長沙帝聯工控科技有限公司	7	697
Hunan Sanyin Commercial Management Co., Ltd. 湖南三銀商業管理有限公司	3	5
Hunan AUTOMOBILE-LIMITED Company 湖南汽車製造有限責任公司	3	–
Hunan Sanxiang Bank Co., Ltd. 湖南三湘銀行股份有限公司	3	–
Beijing Sany Public Welfare Foundation 北京三一公益基金會	2	–
Sany Robotics Technology Co., Ltd. 三一機器人科技有限公司	1	1
Sany Energy Equipment Co., Ltd. 三一能源裝備有限公司	–	4,822
Loudi Zhushengyuan Real Estate Development Co., Ltd. 婁底竹勝園房地產開發有限公司	–	1
Total	31,041	29,441

49. RELATED PARTY TRANSACTIONS (Continued)

(b) Outstanding balances with related parties: (Continued)

vi Lease liabilities

	2025 RMB'000	2024 RMB'000
SANY Group Co., Ltd.三一集團有限公司	276,919	215,913
Sany Chongqing Intelligent Equipment Co., Ltd. 三一(重慶)智能裝備有限公司	198,200	2,973
Beijing Sany Heavy Machinery Co., Ltd. 北京市三一重機有限公司	82,190	91,528
Guangzhou Zhiben Industrial Operation Management Co., Ltd.廣州置本產業運營管理有限公司	5,223	–
Shenzhen Trinity Technology Co., Ltd. 深圳市三一科技有限公司	3,008	11,075
Hunan DEUTZ Power Co., Ltd.湖南道依茨動力有限公司	2,503	512
Sany Heavy Energy Co., Ltd. and its subsidiaries 三一重能股份有限公司及其子公司	823	1,265
SANY Heavy Equipment Co., Ltd.三一重型裝備有限公司	365	195
China Kangfu International Leasing Co., Ltd. 中國康富國際租賃股份有限公司	–	12,802
Hunan Zhushengyuan Property Service Co., Ltd. 湖南竹勝園物業服務有限公司	–	138
Total	569,231	336,401

All the above outstanding balances with related parties are in trade nature.

49. RELATED PARTY TRANSACTIONS (Continued)

(c) Commitments with related parties

To promote the sales of the Group's construction machinery equipment and meet customer demands, the Group has established finance lease sales cooperation with Kangfu and Hunan Zhonghong. The Group has entered into bank-enterprise cooperation agreements for finance leases with Kangfu, Hunan Zhonghong, and relevant financial institutions. Pursuant to the agreements, Kangfu and Hunan Zhonghong provide finance lease services to the Group's end customers, transferring their receivables from finance leases to financial institutions. Should the lessees fail to make rental payments according to agreed terms during the repayment period, the Group is obligated to guarantee the related leased assets under the cooperation agreements to the financial institutions. As of December 31, 2025 and 2024, the outstanding balances of such guarantee obligations undertaken by the Group amounted to RMB137.9 million and RMB408.0 million, respectively.

The Group has entered into trade receivables factoring arrangements with certain financial institutions and transferred the non-current portion of specific trade receivables to them. As of December 31, 2025 and 2024, the carrying amount of the unexpired non-current portion of trade receivables under these arrangements totalled nil and RMB25.8 million, respectively, with guarantee responsibilities assumed by the Company's parent company, Sany Group Co., Ltd.

To promote the sales of the Group's construction machinery equipment and meet customer demands, some end customers of the group use the purchased construction machinery as collateral and entrust cooperative distributors (hereinafter referred to as "distributors") to apply for mortgage loans from Bank of Sanxiang. According to the practice of financial institutions, if the purchaser fails to repay the loan on time, the distributor and the group have the obligation to repurchase the remaining mortgage loan from Bank of Sanxiang. As of December 31, 2025, the cumulative loan balance of the group with repurchase obligations amounted to RMB764.3 million.

Subsidiaries of the Group, SANY Auto Finance and SANY Financial Leasing cooperate with Sany Heavy Equipment International Holdings Co., Ltd. and its subsidiaries, or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Sany Heavy Equipment International Holdings Co., Ltd. and its subsidiaries committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB1,690.2 million and RMB2,436.3 million, respectively.

A subsidiary of the Group, SANY Auto Finance Co., Ltd. cooperates with Sany Construction Technology Co., Ltd. and its subsidiaries, or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Sany Construction Technology Co., Ltd. and its subsidiaries committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB97.0 million and RMB219.8 million, respectively.

Subsidiaries of the Group, SANY Auto Finance and SANY Financial Leasing cooperate with Hunan AUTOMOBILE-LIMITED Company, or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Hunan AUTOMOBILE-LIMITED Company committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB2,815.9 million and RMB1,458.0 million, respectively.

49. RELATED PARTY TRANSACTIONS (Continued)

(c) Commitments with related parties (Continued)

Subsidiaries of the Group, SANY Auto Finance and SANY Financial Leasing cooperate with Sany Environmental Industry Co., Ltd., or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Sany Environmental Industry Co., Ltd. committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB1.4 million and RMB16.3 million, respectively.

A subsidiary of the Group, SANY Auto Finance cooperates with Kunshan Sany Environment Protecting Technology Co., Ltd. or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Kunshan Sany Environment Protecting Technology Co., Ltd. committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB5.8 million and RMB11.2 million, respectively.

A subsidiary of the Group, SANY Auto Finance cooperate with Sany Palfinger SPV Equipment Co., Ltd. or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Sany Palfinger SPV Equipment Co., Ltd. committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB43.9 thousand and RMB0.2 million, respectively.

Subsidiaries of the Group, SANY Auto Finance and SANY Financial Leasing cooperate with Sany Robotics Technology Co., Ltd. or its distributors to provide financial leasing and mortgage services to their customers. According to the cooperation agreement, Sany Robotics Technology Co., Ltd. committed to assume guarantee for the lessees or borrowers. As of December 31, 2025 and 2024, the balances of the guarantee were RMB90.9 million and RMB140.8 million, respectively.

The balance of the related guarantee will gradually be released as the end customers, lessee or borrower make the payment and will not be fully released before listing.

49. RELATED PARTY TRANSACTIONS (Continued)

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Short term employee benefits	54,366	50,243
Equity-settled share-based payments	4,437	9,434
Total	58,803	59,677

Further details of directors' and supervisors' emoluments are included in note 8 to the financial statements.

(e) Monetary funds deposited with related parties:

	2025 RMB'000	2024 RMB'000
Hunan Sanxiang Bank Co., Ltd. 湖南三湘銀行股份有限公司	2,560,258	3,512,915

50. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the reporting period were as follows:

As at December 31, 2025

Financial assets

	Financial assets at FVPL		Financial assets at FVOCI			
	Designated as such upon initial recognition RMB'000	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at FVOCI	–	–	461,187	694,271	–	1,155,458
Financial assets at FVPL	10,535,966	5,471,491	–	–	–	16,007,457
Derivative financial instruments	–	61,070	–	–	–	61,070
Trade and bills receivables	–	–	–	–	32,824,383	32,824,383
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	7,822,605	7,822,605
Loans and advances	–	–	–	–	1,688,467	1,688,467
Receivables under finance lease	–	–	–	–	15,519,945	15,519,945
Restricted deposits	–	–	–	–	1,694,757	1,694,757
Time deposits	–	–	–	–	22,039,322	22,039,322
Cash and cash equivalents	–	–	–	–	14,904,853	14,904,853
Total	10,535,966	5,532,561	461,187	694,271	96,494,332	113,718,317

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Derivative financial instruments	225,280	–	225,280
Trade and bills payables	–	36,064,231	36,064,231
Financial liabilities included in other payables and accruals	–	5,599,446	5,599,446
Placements from banks	–	3,647,206	3,647,206
Interest-bearing bank and other borrowings	–	21,442,070	21,442,070
Lease liabilities	–	1,044,959	1,044,959
Total	225,280	67,797,912	68,023,192

50. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments at the end of the reporting period were as follows: (Continued)

As at December 31, 2024

Financial assets

	Financial assets at FVPL		Financial assets at FVOCI			
	Designated as such upon initial recognition RMB'000	Mandatorily designated as such RMB'000	Debt investments RMB'000	Equity investments RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at FVOCI	–	–	456,501	608,455	–	1,064,956
Financial assets at FVPL	9,150,818	2,196,635	–	–	–	11,347,453
Derivative financial instruments	–	375,720	–	–	–	375,720
Trade and bills receivables	–	–	–	–	31,256,847	31,256,847
Financial assets included in prepayments, other receivables and other assets	–	–	–	–	8,301,171	8,301,171
Loans and advances	–	–	–	–	3,301,948	3,301,948
Receivables under finance lease	–	–	–	–	16,429,658	16,429,658
Restricted deposits	–	–	–	–	689,488	689,488
Time deposits	–	–	–	–	8,566,529	8,566,529
Cash and cash equivalents	–	–	–	–	11,576,470	11,576,470
Total	9,150,818	2,572,355	456,501	608,455	80,122,111	92,910,240

Financial liabilities

	Financial liabilities at fair value through profit or loss		
	Held for trading RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Derivative financial instruments	106,762	–	106,762
Trade and bills payables	–	28,654,359	28,654,359
Financial liabilities included in other payables and accruals	–	6,081,632	6,081,632
Placements from banks	–	3,507,970	3,507,970
Interest-bearing bank and other borrowings	–	24,910,931	24,910,931
Lease liabilities	–	757,567	757,567
Other non-current liabilities	–	477	477
Total	106,762	63,912,936	64,019,698

51. TRANSFER OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At December 31, 2025 and 2024, the Group endorsed certain bills receivable (the "Endorsed Bills") with carrying amounts of RMB261,313,000 and RMB229,204,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"); the Group discounted certain bills receivable (the "Discounted Bills") with carrying amounts of RMB611,000 and RMB5,789,000, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills and Discounted Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled, and the Discounted Bills and the associated interest-bearing loans settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

As part of its normal business, the Group entered into long-term receivables factoring arrangements and transferred certain trade receivables and loans and advances to financial institutions. Pursuant to the arrangement, the Group may be required to repay the payment if any trade debtors delay payment. The Group has retained substantially all risks and rewards of the ownership of financial assets, and has not derecognised the financial assets. Subsequent to the transfer, the Group did not retain any rights on the use of the trade receivables and loans and advances, including the sale, transfer or pledge of the trade receivables and loans and advances to any other third parties. The carrying amounts of the trade receivables transferred under the arrangement that have not been settled as at December 31, 2025 and 2024 were RMB1,543,849,000 and RMB2,170,412,000, respectively. The carrying amounts of the loans and advances transferred under the arrangement that have not been settled as at December 31, 2025 and 2024 were nil and RMB218,441,000, respectively.

Transferred financial assets that are derecognised in their entirety

At December 31, 2025 and 2024, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland to certain of its suppliers in order to settle the trade payables due to such suppliers and certain unmatured discounted bills receivable (the "Derecognised Bills") with carrying amounts in aggregate of RMB825,664,000 and RMB883,339,000, respectively. The Derecognised Bills had a maturity of one to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended December 31, 2025 and 2024, the Group has recognised a loss of RMB375,000 and RMB2,826,000 on the date of transfer of the Derecognised Bills, respectively.

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments are as follows:

As at December 31, 2025

	Carrying amounts RMB'000	Fair values RMB'000
Financial assets		
Financial assets at FVPL	16,007,457	16,007,457
Financial assets at FVOCI	1,155,458	1,155,458
Derivative financial instruments	61,070	61,070
Total	17,223,985	17,223,985
Financial liabilities		
Derivative financial instruments	225,280	225,280

As at December 31, 2024

	Carrying amounts RMB'000	Fair values RMB'000
Financial assets		
Financial assets at FVPL	11,347,453	11,347,453
Financial assets at FVOCI	1,064,956	1,064,956
Derivative financial instruments	375,720	375,720
Total	12,788,129	12,788,129
Financial liabilities		
Derivative financial instruments	106,762	106,762

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, loans and advances, receivables under finance lease, financial assets included in other receivables, restricted deposits, time deposits, interest-bearing bank and other borrowings, trade and bills payables, placements from banks and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance team headed by the chief finance controller/his or her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the head of finance. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of trade receivables, loans and advances, receivables under finance lease, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk as at the end of the reporting period were assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and to calculate an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with AAA credit ratings. Derivative financial instruments, including forward currency contracts, interest rate swaps and futures contracts, are measured using valuation techniques similar to forward pricing and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The carrying amounts of forward currency contracts, interest rate swaps and futures contracts are the same as their fair values.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at the end of the reporting period:

Equity investments	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
December 31, 2025	Valuation multiples	Discount for lack of marketability	20% to 25%	Should the discount for lack of marketability be increased/decreased by 3%, the fair value of unlisted equity investments would be decreased/increased by approximately RMB13,475,000.
December 31, 2024	Valuation multiples	Discount for lack of marketability	20% to 25%	Should the discount for lack of marketability be increased/decreased by 3%, the fair value of unlisted equity investments would be decreased/increased by approximately RMB24,547,000.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

Assets measured at fair value

As at December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at FVPL	11,800,746	3,935,547	271,164	16,007,457
Financial assets at FVOCI	–	461,187	694,271	1,155,458
Derivative financial instruments	–	61,070	–	61,070
Total	11,800,746	4,457,804	965,435	17,223,985

As at December 31, 2024

	Fair value measurement using			
	Quoted prices i n active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at FVPL	9,592,118	1,470,284	285,051	11,347,453
Financial assets at FVOCI	–	456,501	608,455	1,064,956
Derivative financial instruments	–	375,720	–	375,720
Total	9,592,118	2,302,505	893,506	12,788,129

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets measured at fair value (Continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 RMB'000	2024 RMB'000
Equity investments at FVPL		
At beginning of year	285,051	310,913
Total losses recognised in profit or loss	(5,425)	(38,944)
Purchases	20,000	16,101
Disposals	(28,462)	(3,019)
At end of year	271,164	285,051
Equity investments at FVOCI		
At beginning of year	608,455	656,936
Total gains/(losses) recognised in other comprehensive income	87,216	(47,203)
Disposals	(1,400)	(1,278)
At end of year	694,271	608,455

52. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Liabilities measured at fair value

As at December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Derivative financial instruments	–	225,280	–	225,280

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Derivative financial instruments	–	106,762	–	106,762

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial liabilities.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank and other borrowings, financial assets at FVPL and FVOCI, time deposits and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, including principally interest rate swaps, forward currency contracts and futures contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 2.4 to the financial statements.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with a floating interest rate.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of the reporting period, assuming that the amounts of liabilities outstanding at the end of the reporting period were outstanding for the whole year. A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit after tax for the years ended December 31, 2025 and 2024 would have decreased/increased by RMB66,140,000 and RMB66,140,000 respectively; and the Group's total equity would have decreased/increased by RMB63,057,000 and RMB63,057,000, respectively. This is mainly attributable to the Group's exposure to variable interest rates on its bank loans.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit after tax and equity.

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

As at December 31, 2025	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit after tax RMB'000	Increase/(decrease) in shareholder's equity RMB'000
If the RMB strengthens against the AED	5	(2,615)	(2,615)
If the RMB weakens against the AED	(5)	2,615	2,615
If the RMB strengthens against the AOA	5	(1,179)	(1,179)
If the RMB weakens against the AOA	(5)	1,179	1,179
If the RMB strengthens against the AUD	5	15,937	15,937
If the RMB weakens against the AUD	(5)	(15,937)	(15,937)
If the RMB strengthens against the BRL	5	(33,767)	(33,767)
If the RMB weakens against the BRL	(5)	33,767	33,767
If the RMB strengthens against the RUB	5	(2,862)	(2,862)
If the RMB weakens against the RUB	(5)	2,862	2,862
If the RMB strengthens against the HKD	5	(366,229)	(366,229)
If the RMB weakens against the HKD	(5)	366,229	366,229
If the RMB strengthens against the USD	5	(1,252,264)	(1,252,264)
If the RMB weakens against the USD	(5)	1,252,264	1,252,264
If the RMB strengthens against the ZAR	5	(4,811)	(4,811)
If the RMB weakens against the ZAR	(5)	4,811	4,811
If the RMB strengthens against the NGN	5	(220)	(220)
If the RMB weakens against the NGN	(5)	220	220
If the RMB strengthens against the EUR	5	(11,824)	(11,824)
If the RMB weakens against the EUR	(5)	11,824	11,824
If the RMB strengthens against the JPY	5	(22,506)	(22,506)
If the RMB weakens against the JPY	(5)	22,506	22,506
If the RMB strengthens against the THB	5	(35,088)	(35,088)
If the RMB weakens against the THB	(5)	35,088	35,088
If the RMB strengthens against the SGD	5	(6,995)	(6,995)
If the RMB weakens against the SGD	(5)	6,995	6,995
If the RMB strengthens against the INR	5	69,951	69,951
If the RMB weakens against the INR	(5)	(69,951)	(69,951)
If the RMB strengthens against the IDR	5	35,379	35,379
If the RMB weakens against the IDR	(5)	(35,379)	(35,379)
If the RMB strengthens against the CAD	5	(3,185)	(3,185)
If the RMB weakens against the CAD	(5)	3,185	3,185
If the RMB strengthens against the MYR	5	(514)	(514)
If the RMB weakens against the MYR	(5)	514	514
If the RMB strengthens against the GBP	5	6,041	6,041
If the RMB weakens against the GBP	(5)	(6,041)	(6,041)
If the RMB strengthens against the COP	5	5,718	5,718
If the RMB weakens against the COP	(5)	(5,718)	(5,718)
If the RMB strengthens against the SAR	5	(80,348)	(80,348)
If the RMB weakens against the SAR	(5)	80,348	80,348
If the RMB strengthens against the MXN	5	11,943	11,943
If the RMB weakens against the MXN	(5)	(11,943)	(11,943)
If the RMB strengthens against the GNF	5	(1,336)	(1,336)
If the RMB weakens against the GNF	(5)	1,336	1,336

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

As at December 31, 2025	Increase/(decrease) in foreign currency rate	Increase/(decrease) in profit after tax RMB'000	Increase/(decrease) in shareholder's equity RMB'000
If the RMB strengthens against the VND	5	(2,581)	(2,581)
If the RMB weakens against the VND	(5)	2,581	2,581
If the RMB strengthens against the PHP	5	2,823	2,823
If the RMB weakens against the PHP	(5)	(2,823)	(2,823)
If the RMB strengthens against the UZS	5	(4,166)	(4,166)
If the RMB weakens against the UZS	(5)	4,166	4,166
If the RMB strengthens against the PLN	5	(2,488)	(2,488)
If the RMB weakens against the PLN	(5)	2,488	2,488
If the RMB strengthens against the SEK	5	(42)	(42)
If the RMB weakens against the SEK	(5)	42	42
If the RMB strengthens against the KZT	5	(914)	(914)
If the RMB weakens against the KZT	(5)	914	914
If the RMB strengthens against the XOF	5	(302)	(302)
If the RMB weakens against the XOF	(5)	302	302
If the RMB strengthens against the MZN	5	(137)	(137)
If the RMB weakens against the MZN	(5)	137	137
If the RMB strengthens against the NAD	5	(81)	(81)
If the RMB weakens against the NAD	(5)	81	81
If the RMB strengthens against the TZS	5	(629)	(629)
If the RMB weakens against the TZS	(5)	629	629
If the RMB strengthens against the PEN	5	(31)	(31)
If the RMB weakens against the PEN	(5)	31	31
If the RMB strengthens against the TRY	5	2	2
If the RMB weakens against the TRY	(5)	(2)	(2)

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Foreign currency risk (Continued)

As at December 31, 2024	Increase/(decrease) in foreign currency rate %	Increase/(decrease) in profit after tax RMB'000	Increase/(decrease) in shareholder's equity RMB'000
If the RMB strengthens against the AED	5	(56,125)	(56,125)
If the RMB weakens against the AED	(5)	56,125	56,125
If the RMB strengthens against the AUD	5	9,296	9,296
If the RMB weakens against the AUD	(5)	(9,296)	(9,296)
If the RMB strengthens against the BRL	5	23,946	23,946
If the RMB weakens against the BRL	(5)	(23,946)	(23,946)
If the RMB strengthens against the RUB	5	(2,880)	(2,880)
If the RMB weakens against the RUB	(5)	2,880	2,880
If the RMB strengthens against the HKD	5	12,391	12,391
If the RMB weakens against the HKD	(5)	(12,391)	(12,391)
If the RMB strengthens against the USD	5	(531,340)	(531,340)
If the RMB weakens against the USD	(5)	531,340	531,340
If the RMB strengthens against the ZAR	5	6,834	6,834
If the RMB weakens against the ZAR	(5)	(6,834)	(6,834)
If the RMB strengthens against the EUR	5	32,881	32,881
If the RMB weakens against the EUR	(5)	(32,881)	(32,881)
If the RMB strengthens against the JPY	5	(4,743)	(4,743)
If the RMB weakens against the JPY	(5)	4,743	4,743
If the RMB strengthens against the THB	5	38,663	38,663
If the RMB weakens against the THB	(5)	(38,663)	(38,663)
If the RMB strengthens against the SGD	5	(5,805)	(5,805)
If the RMB weakens against the SGD	(5)	5,805	5,805
If the RMB strengthens against the INR	5	64,727	64,727
If the RMB weakens against the INR	(5)	(64,727)	(64,727)
If the RMB strengthens against the IDR	5	51,289	51,289
If the RMB weakens against the IDR	(5)	(51,289)	(51,289)
If the RMB strengthens against the CAD	5	6,881	6,881
If the RMB weakens against the CAD	(5)	(6,881)	(6,881)
If the RMB strengthens against the MYR	5	11,111	11,111
If the RMB weakens against the MYR	(5)	(11,111)	(11,111)
If the RMB strengthens against the GBP	5	4,107	4,107
If the RMB weakens against the GBP	(5)	(4,107)	(4,107)
If the RMB strengthens against the COP	5	5,670	5,670
If the RMB weakens against the COP	(5)	(5,670)	(5,670)
If the RMB strengthens against the SAR	5	(78,535)	(78,535)
If the RMB weakens against the SAR	(5)	78,535	78,535
If the RMB strengthens against the MXN	5	9,716	9,716
If the RMB weakens against the MXN	(5)	(9,716)	(9,716)
If the RMB strengthens against the GNF	5	(430)	(430)
If the RMB weakens against the GNF	(5)	430	430
If the RMB strengthens against the VND	5	(2,482)	(2,482)
If the RMB weakens against the VND	(5)	2,482	2,482

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk

An impairment analysis was performed at the end of the reporting period using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on ageing information unless other information is available without undue cost or effort, and year-end staging classification as at the end of the reporting period. The amounts presented are gross carrying amounts for financial assets.

As at December 31, 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills receivables	6,901,812	–	13,129	30,840,852	37,755,793
Receivables under finance lease	16,330,600	–	–	–	16,330,600
Financial assets included in prepayments, other receivables and other assets	4,627,387	1,924,925	158,708	–	6,711,020
Financial assets at FVOCI	1,155,458	–	–	–	1,155,458
Loans and advances	1,720,717	16,814	26,168	–	1,763,699
Restricted deposits	1,694,757	–	–	–	1,694,757
Time deposits	22,039,322	–	–	–	22,039,322
Cash and cash equivalents	14,904,853	–	–	–	14,904,853
Total	69,374,906	1,941,739	198,005	30,840,852	102,355,502

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at December 31, 2024 (restated)

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables	5,430,865	–	18,410	30,091,925	35,541,200
Receivables under finance lease	16,037,984	876,430	47,603	–	16,962,017
Financial assets included in prepayments, other receivables and other assets	7,011,766	1,981,421	130,543	–	9,123,730
Financial assets at FVOCI	1,064,956	–	–	–	1,064,956
Loans and advances	3,080,779	306,256	153,785	–	3,540,820
Restricted deposits	689,488	–	–	–	689,488
Time deposits	8,566,529	–	–	–	8,566,529
Cash and cash equivalents	11,576,470	–	–	–	11,576,470
Total	53,458,837	3,164,107	350,341	30,091,925	87,065,210

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

As at December 31, 2025

	Less than 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	13,659,200	5,260,491	1,960,012	997,410	21,877,113
Lease liabilities	289,145	524,898	316,774	61,506	1,192,323
Trade and bills payables	36,064,231	–	–	–	36,064,231
Other payables and accruals	5,599,446	–	–	–	5,599,446
Placements from banks	3,673,432	–	–	–	3,673,432
Derivative financial instruments	225,280	–	–	–	225,280
Total	59,510,734	5,785,389	2,276,786	1,058,916	68,631,825

As at December 31, 2024 (restated)

	Less than 1 year RMB'000	1 to 3 years RMB'000	3 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Interest-bearing bank and other borrowings	13,502,305	9,512,615	1,253,236	2,035,746	26,303,902
Lease liabilities	249,370	290,931	199,110	136,044	875,455
Trade and bills payables	28,654,359	–	–	–	28,654,359
Other payables and accruals	6,081,632	–	–	–	6,081,632
Placements from banks	3,544,259	–	–	–	3,544,259
Derivative financial instruments	106,762	–	–	–	106,762
Other non-current liabilities	–	477	–	–	477
Total	52,138,687	9,804,023	1,452,346	2,171,790	65,566,846

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual equity investments included in financial assets at fair value through profit or loss (note 21) and equity investments at fair value through other comprehensive income (note 20) as at December 31, 2025 and 2024.

The following table demonstrates the sensitivity to every 5% change in the fair values of the equity investments, with all other variables held constant and after any impact on tax, based on their carrying amounts at the end of the reporting period.

	Carrying amount RMB'000	Increase/ (decrease) in other comprehensive income/net profit RMB'000	Increase/ (decrease) in total equity RMB'000
As at December 31, 2025			
Equity investments:			
Financial assets at FVOCI	694,271	26,161/(26,161)	26,161/(26,161)
As at December 31, 2024			
Equity investments:			
Financial assets at FVOCI	608,455	22,945/(22,945)	22,945/(22,945)

53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group monitors capital using a net gearing ratio which is net debt divided by the equity attributable to owners of the parent plus net debt. The net gearing ratios as at the end of the year were as follows:

	2025 RMB'000	2024 RMB'000 (restated)
Total liabilities (excluding deferred tax liabilities, income tax payables, total employee benefits payable, deferred income and total accruals and provisions)	71,125,409	67,555,245
Less: Cash and bank balances	(38,451,241)	(20,383,176)
Net debt	32,674,168	47,172,069
Equity attributable to owners of the parent	88,331,244	71,923,866
Capital and net debt	121,005,412	119,095,935
Net gearing ratio	27.00%	39.61%

54. EVENTS AFTER THE REPORTING PERIOD

Pursuant to a resolution passed at the Board meeting on March 30, 2026, a final dividend for the year ended December 31, 2025 of RMB0.18 per share was proposed, totaling RMB1,647 million.

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	37,146	40,857
Investment properties	390	1,756
Right-of-use assets	109	217
Other intangible assets	193,474	196,015
Investments in subsidiaries	24,723,658	23,239,090
Investments in associates	920,975	900,628
Financial assets at fair value through other comprehensive income	635,986	548,771
Financial assets at fair value through profit or loss	225,390	236,254
Trade receivables	31,316	–
Contract assets	27,554	28,973
Deferred tax assets	189,203	208,488
Total non-current assets	26,985,201	25,401,049
CURRENT ASSETS		
Inventories	1,440,019	707,219
Trade and bills receivables	2,566,447	1,916,582
Contract assets	21,277	37,888
Prepayments, other receivables and other assets	3,576,209	7,997,357
Financial assets at fair value through other comprehensive income	55,404	50,567
Financial assets at fair value through profit or loss	2,300,949	302,687
Derivative financial instruments	–	86,835
Restricted deposits	2,442,456	6,628,113
Time deposits	10,857,604	243,962
Cash and cash equivalents	6,787,818	3,990,624
Total current assets	30,048,183	21,961,834
CURRENT LIABILITIES		
Trade payables	2,850,063	2,130,936
Other payables and accruals	14,721,097	12,765,951
Contract liabilities	158,700	61,166
Derivative financial instruments	24,236	220
Interest-bearing bank and other borrowings	2,182,978	4,335,371
Lease liabilities	122	116
Tax payable	34,900	1,226
Total current liabilities	19,972,096	19,294,986
NET CURRENT ASSETS	10,076,087	2,666,848
TOTAL ASSETS LESS CURRENT LIABILITIES	37,061,288	28,067,897

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	2,636,500	5,081,500
Lease liabilities	–	122
Deferred income	3,614	4,505
Other non-current liabilities	264,093	273,414
Total non-current liabilities	2,904,207	5,359,541
Net assets	34,157,081	22,708,356
EQUITY		
Share capital	9,195,004	8,474,978
Treasury shares	(796,109)	(142,628)
Reserves (note)	25,758,186	14,376,006
Total equity	34,157,081	22,708,356

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Fair value reserve RMB'000	Exchange fluctuation reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At January 1, 2024	6,227,277	236,894	(4,822)	3,463,885	66,709	1,882,714	11,872,657
Profit for the year	–	–	–	–	–	4,448,899	4,448,899
Other comprehensive loss for the year	–	(921)	(1,177)	–	(7,891)	–	(9,989)
Total comprehensive income for the year	–	(921)	(1,177)	–	(7,891)	4,448,899	4,438,910
Cancellation of treasury shares	(93,201)	–	–	–	–	–	(93,201)
Grant of treasury shares under share incentive scheme	(70,155)	–	–	–	–	–	(70,155)
Cash dividends	–	–	–	–	–	(1,859,656)	(1,859,656)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	–	(234,541)	–	–	–	234,541	–
Recognition of share-based payment expenses	70,147	–	–	–	–	–	70,147
Cancellation of share incentive scheme	17,304	–	–	–	–	–	17,304
Transfer from retained profits	–	–	–	444,890	–	(444,890)	–
At December 31, 2024	6,151,372	1,432	(5,999)	3,908,775	58,818	4,261,608	14,376,006

55. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: (Continued)

	Capital reserve RMB'000	Fair value reserve RMB'000	Exchange fluctuation reserve RMB'000	Statutory surplus reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At January 1, 2025	6,151,372	1,432	(5,999)	3,908,775	58,818	4,261,608	14,376,006
Profit for the year	–	–	–	–	–	3,684,111	3,684,111
Other comprehensive income for the year	–	65,615	1,668	–	9,164	–	76,447
Total comprehensive income for the year	–	65,615	1,668	–	9,164	3,684,111	3,760,558
Issue of shares	13,134,190	–	–	–	–	–	13,134,190
Cancellation of treasury shares	(5,092)	–	–	–	–	–	(5,092)
Grant of treasury shares under share incentive scheme	(78,956)	–	–	–	–	–	(78,956)
Cash dividends	–	–	–	–	–	(5,643,586)	(5,643,586)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	–	–	–	–	(6,060)	6,060	–
Recognition of share-based payment expenses	73,608	–	–	–	–	–	73,608
Excess tax benefits from share-based payments	24,621	–	–	–	–	–	24,621
Cancellation of share incentive scheme	116,837	–	–	–	–	–	116,837
Transfer from retained profits	–	–	–	368,411	–	(368,411)	–
At December 31, 2025	19,416,580	67,047	(4,331)	4,277,186	61,922	1,939,782	25,758,186

56. COMPARATIVE AMOUNTS

Certain comparative amounts have been re-presented as if the business combination under common control during the current year had been taken place at the beginning of the comparative period.

57. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on March 30, 2026.

In this report, the following expressions shall, unless the context requires otherwise, have the following meanings:

"SANY Heavy Industry", "Company", "our Company", "the Company", "we" or "us"	SANY Heavy Industry Co., Ltd. (三一重工股份有限公司), a joint stock company established in the PRC with limited liability, the A Shares of which are listed on the SSE under the stock code 600031 and the H shares of which are listed on the Hong Kong Stock Exchange under the stock code 6031
"Group", "our Group", "we" or "us"	SANY Heavy Industry and its subsidiaries
"SANY Group"	SANY Group Co., Ltd. (三一集團有限公司), a limited liability company established in the PRC and one of our Controlling Shareholders
"Kunshan Heavy Machinery" or "SANY Heavy Machinery"	SANY Heavy Machinery Co., Ltd. (三一重機有限公司), a limited liability company established in the PRC and one of our subsidiaries
"SANY Automobile Hoisting Machinery"	SANY Automobile Hoisting Machinery Co., Ltd. (三一汽車起重機械有限公司), a limited liability company established in the PRC and one of our subsidiaries
"SANY Automobile Manufacturing"	SANY Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司), a limited liability company established in the PRC and one of our subsidiaries
"SANY Special Purpose Vehicle"	SANY Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)
"Loudi Zhongxing Hydraulic Parts"	Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司), a limited liability company established in the PRC, being one of our subsidiaries and constituting our connected subsidiary
"Loudi Zhongyuan New Material"	Loudi Zhongyuan New Material Co., Ltd. (婁底市中源新材料有限公司), a limited liability company established in the PRC, being one of our subsidiaries and constituting our connected subsidiary
"SANY International Development"	SANY International Development Limited (三一國際發展有限公司), a limited liability company established in the PRC and one of our subsidiaries
"Putzmeister"	Putzmeister Holding GmbH, a limited liability company established in Germany and one of our subsidiaries
"Sany Auto Finance"	SANY Auto Finance Co., Ltd. (三一汽車金融有限公司), a limited liability company established in the PRC and one of our subsidiaries

DEFINITIONS

"SANY Financial Leasing"	SANY Financial Leasing Co., Ltd. (三一融資租賃有限公司), a limited liability company established in the PRC and one of our subsidiaries
"SANY Intelligent"	Beijing SANY Intelligent Technology Co., Ltd. (北京三一智造科技有限公司), a limited liability company established in the PRC and one of our subsidiaries
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"SSE"	the Shanghai Stock Exchange
"Shanghai Branch of CSDCC"	the Shanghai Branch of China Securities Depository and Clearing Corporation Limited
"Reporting Period"	from January 1, 2025 to December 31, 2025
"Articles of Association"	the articles of association of our Company, as amended from time to time
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Corporate Governance Code"	the Corporate Governance Code in Part 2 of Appendix C1 to the Hong Kong Listing Rules
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 to the Hong Kong Listing Rules
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited

"H Share Listing Date"	October 28, 2025, the date on which the H Shares are listed and on which dealings in the H Shares are first permitted to commence on the Hong Kong Stock Exchange
"H Share(s)"	overseas listed shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and are to be listed on the Hong Kong Stock Exchange
"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and are listed for trading on the SSE and are traded in Renminbi
"Share(s)"	ordinary shares in the share capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
"Shareholders(s)"	holder(s) of the Share(s)
"Board"	the board of Directors of the Company
"Directors"	the directors of the Company
"prospectus"	the prospectus issued by the Company on October 20, 2025 in connection with the Global Offering and Listing of H Shares
"HK$" or "HK dollars"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Mainland China", "China" or "PRC"	the People's Republic of China, unless the context requires otherwise, excluding, for the purposes of this annual report only, the regions of Hong Kong, Macau and Taiwan of the People's Republic of China
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

"subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"connected person"	has the meaning ascribed to it under the Hong Kong Listing Rules
"associate"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules and unless the context otherwise requires, refers to SANY Group, Mr. Liang Wengen (梁穩根), Mr. Tang Xiuguo (唐修國), Mr. Xiang Wenbo (向文波), Mr. Mao Zhongwu (毛中吾), Mr. Yuan Jinhua (袁金華), Mr. Yi Xiaogang (易小剛), Mr. Zhou Fugui (周福貴) and Beijing Sany Heavy Machinery Co., Ltd. (北京市三一重機有限公司), a limited liability company established in the PRC on December 18, 2003
"connected subsidiary(ies)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Latest Practicable Date"	April 24, 2026, being the latest practicable date prior to the publishment of this annual report for the purpose of ascertaining certain information contained in this annual report
"Global Offering"	the initial public offering of the Company on the Main Board of the Stock Exchange, which was completed on October 28, 2025
"Listing"	the Company's H Shares were listed and commenced trading on the Main Board of the Hong Kong Stock Exchange