THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SANY Heavy Industry Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

SANY HEAVY INDUSTRY CO., LTD.
三一重工股份有限公司

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

(Stock Code: 6031)

PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS RELATED TO THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
2026 REMUNERATION AND EVALUATION PLAN FOR DIRECTORS
PROPOSED TERMINATION OF THE APPOINTMENT OF THE H SHARE FINANCIAL REPORT AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting to be held at 10:00 a.m. on Tuesday, July 14, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC is set out on pages 48 to 49 of this circular.

The form of proxy for the EGM has been distributed to the Shareholders who have indicated their wish to receive a printed copy on June 24, 2026 and has also been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.sany.com.cn). If you are not able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the EGM, and deposit it together with the notarized power of attorney or other document of authorization with the H Share Registrar of the Company, Tricor Investor Services Limited (for holders of H Shares). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person should you so desire.

This circular is prepared in both Chinese and English. In case of any discrepancies between the Chinese and the English versions, the Chinese version shall prevail.

June 24, 2026

CONTENTS

In this circular, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

"2026 A Share Employee Stock Ownership Plan" or "Employee Stock Ownership Plan"	the 2026 A Share employee stock ownership plan proposed to be adopted by the Company, the terms of which are set forth in Appendix I to this circular
"A Share(s)"	the domestic listed share(s) with a par value of RMB1.00 each in the share capital of the Company, which is listed on the Shanghai Stock Exchange and traded in RMB
"A Shareholder(s)"	holder(s) of the A Share(s)
"Articles of Association"	the Articles of Association of SANY Heavy Industry Co., Ltd., as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of directors of the Company
"CASBE"	China Accounting Standards for Business Enterprises
"CCASS"	the Central Clearing and Settlement System, a securities settlement system established and operated by the Hong Kong Securities Clearing Company Limited
"Company" or "Sany Heavy Industry"	SANY Heavy Industry Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under the stock code 06031 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code 600031
"Company Law"	the Company Law of the People's Republic of China
"CSRC"	China Securities Regulatory Commission
"Director(s)"	director(s) of the Company

"EGM" or "Extraordinary General Meeting"	the first extraordinary general meeting of the Company for the year 2026 to be held at 10:00 a.m. on Tuesday, July 14, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC and any adjournment thereof
"Group"	SANY Heavy Industry and its subsidiaries
"H Share(s)"	overseas listed share(s) with a par value of RMB1.00 each in the share capital of the Company, which is listed on the Hong Kong Stock Exchange and traded in HK dollars
"H Share Financial Report Auditor"	Ernst & Young (安永會計師事務所), the Company's overseas audit institution for the year 2026 with the term of one year, with effect from the Company's 2025 annual general meeting held on June 2, 2026
"H Share Registrar"	Tricor Investor Services Limited
"H Shareholder(s)"	holder(s) of the H Share(s)
"HK$" or "Hong Kong dollar(s)"	the lawful currency of Hong Kong
"Holder(s)"	the participant(s) who elect to participate in the 2026 A Share Employee Stock Ownership Plan and receive a certain number of Shares
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"IFRS"	the International Financial Reporting Standards
"Latest Practicable Date"	June 22, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

"PRC" or "China"	the People's Republic of China, but for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Remuneration and Evaluation Committee"	the remuneration and evaluation committee of the Board
"Share(s)"	the A Share(s) and/or the H Share(s) of the Company
"Shareholder(s)"	the shareholder(s) of the Company, including H Shareholder(s) and A Shareholder(s)
"%"	per cent

References to time and dates in this circular refer to Hong Kong time and dates.

In this circular, certain amounts and percentage figures included have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, governmental authorities, institutions, natural persons, laws or regulations have been included in this circular in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translation of the official Chinese names are for identification purpose only.

SANY HEAVY INDUSTRY CO., LTD.
三一重工股份有限公司

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

(Stock Code: 6031)

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

Non-executive Directors:
Mr. LIANG Wengen
Mr. LIANG Zaizhong
Mr. LIU Daojun

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

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

June 24, 2026

To the Shareholders

Dear Sir/Madam,

PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS RELATED TO THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN
2026 REMUNERATION AND EVALUATION PLAN FOR DIRECTORS
PROPOSED TERMINATION OF THE APPOINTMENT OF THE H SHARE FINANCIAL REPORT AUDITOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the notice of the EGM (set out on pages 48 to 49 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the EGM.

The following ordinary resolutions will be proposed to the EGM to approve: (i) the proposed adoption of the 2026 A Share Employee Stock Ownership Plan; (ii) the proposed adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan; (iii) the proposed authorization to the Board to handle matters related to the 2026 A Share Employee Stock Ownership Plan; (iv) the 2026 Remuneration and Evaluation Plan for Directors; and (v) the proposed termination of the appointment of the H Share Financial Report Auditor.

II. ORDINARY RESOLUTIONS

(i) Proposed adoption of the 2026 A Share Employee Stock Ownership Plan

The Board considered and approved the 2026 A Share Employee Stock Ownership Plan at the board meeting held on June 24, 2026, which shall only become effective upon consideration and approval by the Shareholders at the Company's EGM.

The main terms of the 2026 A Share Employee Stock Ownership Plan are provided as follows:

To enhance the benefit-sharing mechanism, and in accordance with relevant regulations and the Articles of Association, the Company proposes to introduce an A Share employee stock ownership plan covering no more than 5,420 core employees. The funds for this Employee Stock Ownership Plan are sourced from the accrued incentive fund of the Company, and employees are not required to make any capital contribution. Employees will be entitled to acquire the Company's repurchased A Shares at RMB21.30 per Share, with a total scale not exceeding RMB497 million. This Employee Stock Ownership Plan is of a total duration of 72 months, with a lock-up period of 12 months.

1. Basis for Formulation

This Employee Stock Ownership Plan is formulated in accordance with laws, regulations and normative documents, including the Company Law of the PRC (《中華人民共和國公司法》), the Securities Law of the PRC (《中華人民共和國證券法》), the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》), and the Articles of Association.

2. Participants and Scale

Participants: Directors (excluding independent Directors), senior management, middle-level management, key position personnel and core business (technical) personnel of the Company, totaling no more than 5,420 persons. All participants must be employees employed by the Company or its wholly-owned/controlled subsidiaries.

Source of Funds: The incentive fund accrued in accordance with the Administrative Measures on Remuneration for Key Positions (《關鍵崗位薪酬管理辦法》), the Notice on the Implementation of a New Remuneration Policy for Newly Recruited Employees in Certain Positions (Trial) (《關於對部分崗位新錄用員工實施新的薪酬辦法(試行)的通知》) and other relevant provisions of the Company, without involving any personal capital contribution from employees.

Planned Scale: Not exceeding RMB496,887,444.

3. Source of Shares and Grant Price

Source of Shares: The repurchased A Shares in the Company's special account for repurchase, totaling no more than 23,328,049 A Shares, representing no more than 1% of the Company's current total share capital.

Grant Price: RMB21.30 per A Share.

4. Allocation of A Shares to Holders

The allocation of A Shares under this Employee Stock Ownership Plan is as follows:

No.	**Name**	**Position**	**Granted Amount** *(RMB)*	**Proportion of the 2026 A Share Employee Stock Ownership Plan**
I.	Directors and senior management			
1	Sun Xinliang (孫新良)	Vice president	765,724	0.15%
2	Zhang Ke (張科)	Vice president	2,900,004	0.58%
3	Qin Zhiyu (秦致妤)	Board secretary	440,000	0.09%
Subtotal			4,105,728	0.83%
II.	Middle-level management, key position personnel and core business (technical) personnel		492,781,716	99.17%
Total			**496,887,444**	**100%**

5. *Duration and Lock-up Period*

Duration: 72 months, commencing from the date on which it is considered and approved by the general meeting and the Company announces that the last tranche of the underlying A Shares has been transferred to this Employee Stock Ownership Plan. Prior to the expiration, this Employee Stock Ownership Plan may be terminated early or extended upon the approval by the Holders' Meeting under the Employee Stock Ownership Plan by a two-thirds majority of the holdings and submission to the Board for consideration.

Lock-up Period: 12 months, commencing from the date of announcement that the last tranche of the underlying A Shares has been transferred to this Employee Stock Ownership Plan. No trading shall be conducted during such lock-up period.

6. *Vesting Arrangements*

Vesting arrangements vary depending on the type of remuneration system applicable to the employee:

Type of Employees	**Vesting Years**	**Annual Vesting Percentage**
Position-Salary System Employees	2027, 2028, 2029, 2030, 2031	20% each
Equity-Salary System Employees	2027, 2028	50% each

After the expiration of the aforesaid lock-up period and at the end of each vesting year, the management committee under this Employee Stock Ownership Plan (the "**Management Committee**") shall distribute the A Shares at an appropriate time in accordance with market conditions.

7. *Disposal of Interests under Special Circumstances*

(1) Disqualification due to unethical or dishonest conduct

If a Holder commits any act of corruption, bribery, infringement upon the interests of the Company, falsification of resume, disclosure of trade secrets or other similar misconduct, the Management Committee shall have the right to recover, on a mandatory basis and without compensation, the interests held by such Holder for the year in which the misconduct occurs and all years thereafter. Any gains corresponding to the recovered interests shall vest in the Company.

(2) Cessation of employment with the Company due to resignation or other reasons

If a Holder ceases to be employed by the Company for any reason (whether due to resignation, refusal to renew the employment contract, refusal of re-engagement after retirement, dismissal, death or other reasons), the Management Committee shall have the right to recover, on a mandatory basis and without compensation, the unallocated interests of such Holder, with the gains vesting in the Company.

8. Management Model and Voting Rights Arrangements

Internal Management: The Holders' Meeting is the supreme authority, which elects the members of the Management Committee to be responsible for day-to-day management and to exercise Shareholders' rights on behalf of the Holders.

Waiver of Voting Rights: During the duration, this Employee Stock Ownership Plan waives its voting rights in general meetings in respect of the A Shares held by it.

Concert Party Relationship: There is no concert party arrangement between this Employee Stock Ownership Plan and any of the Company's Directors, senior management, controlling Shareholders or actual controllers.

Implications under the Hong Kong Listing Rules

The 2026 A Share Employee Stock Ownership Plan does not involve the grant of new Shares or options over new Shares, or the issuance of Shares by the Company (or any of its subsidiaries). As the 2026 A Share Employee Stock Ownership Plan involves existing A Shares, it constitutes a share scheme under Chapter 17 of the Hong Kong Listing Rules and is only subject to the applicable disclosure requirements under Rule 17.12 of the Hong Kong Listing Rules. Although shareholders' approval is not required under the Hong Kong Listing Rules to adopt the 2026 A Share Employee Stock Ownership Plan, relevant PRC laws and regulations require that the 2026 A Share Employee Stock Ownership Plan and related matters be submitted for Shareholders' consideration and approval at the EGM by way of an ordinary resolution.

Further details of the 2026 A Share Employee Stock Ownership Plan (Draft) are set out in Appendix I to this circular. The English translation of the 2026 A Share Employee Stock Ownership Plan (Draft) is for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

The above resolution has been considered and approved by the Board and is hereby proposed at the EGM for consideration and approval by the Shareholders as an ordinary resolution.

(ii) Proposed Adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan

To regulate the implementation of the 2026 A Share Employee Stock Ownership Plan of the Company, the Company has formulated the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan of SANY Heavy Industry Co., Ltd. (《三一重工股份有限公司2026年A股員工持股計劃管理辦法》) in accordance with the relevant laws, administrative regulations, rules and normative documents, including the Company Law, the Securities Law, the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》), as well as the provisions of the Articles of Association and the 2026 A Share Employee Stock Ownership Plan (Draft).

Details of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan are set out in Appendix II to this circular. The English translation of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan is for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

The above resolution has been considered and approved by the Board and is hereby proposed at the EGM for consideration and approval by the Shareholders as an ordinary resolution.

(iii) Proposed Authorization to the Board to Handle Matters Related to the 2026 A Share Employee Stock Ownership Plan

To ensure the smooth implementation of the A Share Employee Stock Ownership Plan of the Company, the Board proposes to seek authorization at the EGM to authorize the Board to handle matters related to the Employee Stock Ownership Plan with full authority, including but not limited to:

1. to authorize the Board to handle all matters necessary for the establishment and implementation of the Employee Stock Ownership Plan, including but not limited to submitting an application to the Shanghai Stock Exchange and applying to the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for relevant registration and settlement businesses;

2. to authorize the Board to decide on the amendments to and changes in the Employee Stock Ownership Plan, including but not limited to the changes in the source of shares, source of funds and management model as stipulated in the Draft Plan, as well as the addition of Holders, basis for determining the Holders, the standard number of shares to be subscribed by Holders and the early termination of the Employee Stock Ownership Plan;

3. to authorize the Board to decide on the extension or shortening of the duration and lock-up period of the Employee Stock Ownership Plan;

4. to authorize the Board to consider the resolutions passed and submitted at the Holders' Meeting of the Employee Stock Ownership Plan;

5. after the Employee Stock Ownership Plan is approved by the shareholders' general meeting, if relevant laws, regulations or policies change during the implementation period, to authorize the Board of the Company to make corresponding adjustments to the Employee Stock Ownership Plan in accordance with the new policies;

6. to authorize the Board to interpret the 2026 A Share Employee Stock Ownership Plan (Draft);

7. to authorize the Board to change the participants and basis for determining the participants of the Employee Stock Ownership Plan;

8. to authorize the Board to delegate to the Management Committee the authority to handle all matters related to the unlocking and sale of shares under the Employee Stock Ownership Plan;

9. to authorize the Board the right to nominate candidates for the members of the Management Committee of the Employee Stock Ownership Plan;

10. to the extent permitted by laws, regulations, relevant normative documents, and the Articles of Association, to handle other matters related to the Employee Stock Ownership Plan, except for the rights required to be exercised by the shareholders' general meeting as specified by relevant documents.

The above authorization shall be valid from the date of approval by the Shareholders at the EGM until the completion of the implementation of this Employee Stock Ownership Plan.

The above resolution has been considered and approved by the Shareholders at the Board and is hereby proposed at the EGM for consideration and approval by the Shareholders as an ordinary resolution.

(iv) Proposal regarding the 2026 Remuneration and Evaluation Plan for Directors

The Remuneration and Evaluation Committee and the Board considered and approved the 2026 Remuneration and Evaluation Plan for Directors at the board meeting held on June 24, 2026. All Directors have abstained from voting on the Board resolution regarding the 2026 Remuneration and Evaluation Plan for Directors.

Details of the 2026 Remuneration and Evaluation Plan for Directors are provided as follows:

1. Scope of Application and Term of Application

Scope of Application: Directors of the Company (including independent Directors)

Term of Application: January 1, 2026 to December 31, 2026

2. Allowance for Independent Directors

Allowance Standards: A fixed allowance of RMB200,000 per year (pre-tax), payable on a monthly basis.

3. Remuneration of Non-Independent Directors

Office Holding	Remuneration Arrangement
Non-independent Directors holding offices in the Company	Shall receive remuneration based on their positions (comprising basic remuneration + performance-based remuneration, with the performance-based remuneration accounting for no less than 50% of the total), without receiving any additional remuneration for serving as Directors
Non-independent Directors not holding offices in the Company	Shall not receive any remuneration for serving as Directors

4. Other Provisions

The individual income tax shall be uniformly withheld and paid by the Company.

The remuneration may be adjusted appropriately according to the industry conditions and the actual situation of the Company's production and operation.

The above resolution has been considered and approved by the Board and is hereby proposed at the EGM for consideration and approval by the Shareholders as an ordinary resolution.

(v) Proposal regarding the termination of the appointment of the H Share Financial Report Auditor

Reference is made to the announcement of the Company dated June 24, 2026 in relation to the Company's adoption of CASBE on a uniform basis and the proposed termination of appointment of Ernst & Young as its H Share Financial Report Auditor.

The Board has considered and approved the adoption of CASBE for the preparation of financial reports on a uniform basis commencing from the interim report for the period ended June 30, 2026 and termination of the appointment of the H Share Financial Report Auditor at the board meeting held on June 24, 2026. In accordance with the Articles of Association and relevant applicable laws and regulations, the adoption of CASBE for the preparation of financial reports on a uniform basis has taken effect with approval by the Board. The Board hereby proposes at the EGM for consideration and approval by the Shareholders to terminate the appointment of the H Share Financial Report Auditor as an ordinary resolution.

The Company is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange, and adopts CASBE and IFRS for the preparation of financial reports and disclosure of relevant financial information, respectively.

Pursuant to Rule 4.11(c) and Rule 19A.31(4) of the Hong Kong Listing Rules, an issuer which is incorporated in the PRC as a joint stock limited company and listed on the Hong Kong Stock Exchange (the "**PRC issuer**") may adopt CASBE for the preparation of financial statements, and if the PRC issuer's primary listing is on the Hong Kong Stock Exchange, its annual accounts may be audited by a practising accounting firm in the PRC that meets the relevant conditions, provided that the PRC issuer has prepared its annual financial statements in accordance with CASBE. Under the mutual recognition agreement, a practising accounting firm in the PRC recognized by the Ministry of Finance of the PRC and the CSRC has been recognized as a suitable auditor or reporting accountant for PRC-incorporated companies listed in Hong Kong, and is a recognized PIE auditor (within the meaning of the Hong Kong Listing Rules) as mentioned in Section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong).

In view of the fact that the financial reports prepared in accordance with CASBE and IFRS have largely converged, the Company proposes to adopt CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the interim report for the period ended June 30, 2026.

The adoption of CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis will not have any material impact on the results or financial position of the Group, and is in the interests of the Company and its Shareholders as a whole.

Ernst & Young is currently the H Share Financial Report Auditor for the Company that provides audit services in respect of the Company's financial reports prepared in accordance with IFRS for a term commencing from the date of consideration and approval at the Company's 2025 annual general meeting held on June 2, 2026 to the conclusion of the 2026 annual general meeting. In view of the Company's proposed adoption of CASBE for the preparation of financial reports on a uniform basis and the fact that Ernst & Young Hua Ming LLP, the Company's domestic financial report auditor, has been recognized by the Ministry of Finance of the PRC and the CSRC as eligible for providing audit service to issuers incorporated in the PRC and listed in Hong Kong using the auditing standards of the PRC. Therefore, the Company proposes to terminate the appointment of Ernst & Young as the H Share Financial Report Auditor of the Company and to appoint Ernst & Young Hua Ming LLP, the domestic auditor, as the H Share Financial Report Auditor of the Company.

Following preliminary discussions with Ernst & Young Hua Ming and Ernst & Young, taking into account the proposed termination of appointment of Ernst & Young, the Company's current business conditions, scope of consolidated financial statements, the estimated remaining audit workload for 2026 and prevailing market fee levels, the total audit fees for financial statements and internal control services for 2026 are estimated to be adjusted to approximately RMB4.2 million. Should there be any material changes to the Company's business operations or consolidation scope, the audit fees will be adjusted accordingly based on actual circumstances.

Ernst & Young has confirmed that there is no matter relating to the termination of the appointment of the H Share Financial Report Auditor that should be brought to the attention of the holders of the Company's securities. There is no disagreement between the Company and Ernst & Young regarding the termination of the appointment of the H Share Financial Report Auditor.

All members of the Audit Committee and all Directors agree that, given the substantial convergence between CASBE and IFRS, and the support from the relevant policy documents for PRC enterprises to adopt CASBE for the preparation of H-share financial reports, the uniform adoption of these standards is conducive to enhancing the efficiency of information disclosure and reducing preparation costs, and will not have any material adverse impact on the authenticity and accuracy of the financial reports and investors' decision-making.

Subject to consideration and approval at the EGM, Ernst & Young Hua Ming LLP, the domestic auditor, will be the sole audit firm of the Company to audit the financial reports of the Company in accordance with CASBE, and will concurrently undertake the responsibilities as the audit institution for both the Company's A-Share and H-Share financial reports.

III. EGM ARRANGEMENT

The EGM will be held at 10:00 a.m. on Tuesday, July 14, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC, and the notice of the EGM is set out on pages 48 to 49 of this circular.

The register of members of H Shares will be closed from Thursday, July 9, 2026 to Tuesday, July 14, 2026 (both days inclusive), during which period no share transfers of H Shares will be effected. Holders of Shares whose names appear on the register of members of H Shares of the Company on Tuesday, July 14, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. In order to attend the EGM, holders of H Shares should ensure that all transfer documents, accompanied by relevant share certificates, are lodged with the H Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Wednesday, July 8, 2026. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the EGM is Tuesday, July 14, 2026.

The form of proxy for the EGM has been distributed to the Shareholders who have indicated their wish to receive a printed copy on June 24, 2026 and has also been published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.sany.com.cn).

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the H Share Registrar not less than 24 hours before the time appointed for the EGM (i.e. before 10:00 a.m. on Monday, July 13, 2026). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM in person if you so wish.

IV. HONG KONG LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, voting for all resolutions at the EGM will be taken by way of a poll.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder has a material interest in any of the above resolutions and therefore no Shareholder is required to abstain from voting in respect of the above resolutions at the EGM.

V. RESPONSIBILITY STATEMENT

The Board considers that the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the relevant resolutions at the EGM as set out in the notice of EGM as attached to this circular.

Yours faithfully,
By order of the Board
SANY Heavy Industry Co., Ltd.
XIANG Wenbo
Executive Director and Chairman of the Board

This Appendix I sets forth the 2026 A Share Employee Stock Ownership Plan (Draft). The English translation of the 2026 A Share Employee Stock Ownership Plan (Draft) is prepared for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Declaration

The Company and all its directors warrant that the Employee Stock Ownership Plan contains no false representations, misleading statements or material omissions, and assume individual and joint legal liability for its authenticity, accuracy and completeness.

SPECIAL NOTES

I. The 2026 A-Share Employee Stock Ownership Plan of SANY Heavy Industry Co., Ltd. (hereinafter referred to as the "**Employee Stock Ownership Plan**" or "**this Plan**") is formulated by SANY Heavy Industry Co., Ltd. (hereinafter referred to as the ''**Company**'' or ''**SANY Heavy Industry**'') pursuant to the provisions of the Company Law of the People's Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the ''**Company Law**''), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the ''**Securities Law**''), the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》) (hereinafter referred to as the ''**Guiding Opinions**''), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and other relevant laws, administrative regulations, rules and normative documents, as well as the Articles of Association.

II. The participants of the Employee Stock Ownership Plan include directors, senior management, middle-level management, key position personnel and core business (technical) personnel of the Company, totaling no more than 5,420 persons. All participants must be employed by the Company or its wholly-owned or controlled subsidiaries. Eligible employees may participate in the Employee Stock Ownership Plan in accordance with the principles of compliance with laws and regulations, voluntary participation, and at their own risk.

III. The scale of the Employee Stock Ownership Plan shall not exceed RMB496,887,444. The source of funds for the Employee Stock Ownership Plan shall be the incentive fund accrued in accordance with the Administrative Measures on Remuneration for Key Positions (《關鍵崗位薪酬管理辦法》), the Notice on the Implementation of a New Remuneration Policy for Newly Recruited Employees in Certain Positions (Trial) (《關於對部分崗位新錄用員工實施新的薪酬辦法(試行)的通知》) and other relevant provisions of the Company.

IV. The source of shares for the Employee Stock Ownership Plan is the repurchased A shares in the Company's special account for repurchase, totaling no more than 23,328,049 A shares, representing no more than 1% of the Company's current total share capital in aggregate.

The purchase price of the shares under the Employee Stock Ownership Plan, which are held in the Company's special securities account for repurchase, is RMB21.30 per A share.

V. The total number of all valid shares held under the Company's Employee Stock Ownership Plan shall not in aggregate exceed 10% of the total share capital of the Company, and the total number of shares corresponding to the equity interests granted to any individual employee shall not in aggregate exceed 1% of the total share capital of the Company. If relevant laws, regulations and normative documents impose revised requirements on the maximum scale of the Employee Stock Ownership Plan, the scale of the Employee Stock Ownership Plan shall be adjusted accordingly in line with the revised laws, regulations and normative documents.

VI. The duration of the Employee Stock Ownership Plan is 72 months, commencing from the date on which it is considered and approved by the general meeting and the Company announces that the last tranche of the underlying shares has been transferred to the Employee Stock Ownership Plan. The Employee Stock Ownership Plan may acquire the underlying shares through non-trading transfer or other means permitted by laws and regulations. The lock-up period of the underlying shares acquired by the Employee Stock Ownership Plan is 12 months, commencing from the date on which the Company announces that the last tranche of the underlying shares has been transferred to the Employee Stock Ownership Plan. No trading shall be conducted during the aforementioned lock-up period.

VII. To optimize the talent structure and enhance its efforts to attract talents in "new products and new technologies" and "globalization, digitalization, and decarbonization", the vesting of equity interests in the underlying shares under the Company's 2026 Employee Stock Ownership Plan will be divided into two parts:

(1) For employees under the position-salary system, equity interests will vest in the Holders in five calendar years, namely 2027, 2028, 2029, 2030 and 2031, with 20% of the total vesting in the Holders in each such year;

(2) For employees under the equity-salary system, equity interests will vest in the Holders in two calendar years, namely 2027 and 2028, with 50% of the total vesting in the Holders in each such year;

After the expiration of the lock-up period of the Employee Stock Ownership Plan and at the end of each vesting year, the Management Committee shall distribute the shares at an appropriate time in accordance with market conditions.

VIII. The Employee Stock Ownership Plan does not set performance assessment indicators for Holders.

IX. If a Holder engages in unethical or dishonest conduct, such as corruption, bribery, or any other conduct detrimental to the Company's interests, the Holder's participation qualification shall be revoked. The Management Committee shall have the right to recover, on a mandatory basis and without consideration, the interests held by such Holder under the Employee Stock Ownership Plan for the year in which the unethical or dishonest conduct occurred and all years thereafter. Any gains corresponding to the recovered interests shall vest in the Company.

X. If a Holder ceases to be employed by the Company for any reason, the Holder's participation qualification shall be revoked. The Management Committee shall have the right to recover, on a mandatory basis and without consideration, the undistributed interests held by such Holder under the Employee Stock Ownership Plan. Any gains corresponding to the recovered interests shall vest in the Company.

XI. The Management Committee of the Employee Stock Ownership Plan shall handle matters in relation to the disqualification of a Holder and the treatment of the interests held by such disqualified Holder.

XII. The Holders' Meeting is the highest internal management authority of the Employee Stock Ownership Plan. A Management Committee will be elected by the Holders to perform daily management duties, exercise shareholders' rights on behalf of the Holders, or authorize a management agency to exercise such rights. The Employee Stock Ownership Plan may opt to engage a professional management agency to manage the Plan.

XIII. Upon the consideration and approval of the Employee Stock Ownership Plan by the board of directors of the Company, the Company will issue a notice of convening the general meeting to review the Employee Stock Ownership Plan. The Employee Stock Ownership Plan may only be implemented after it has been approved by the general meeting of the Company. The general meeting of the Company to consider the Employee Stock Ownership Plan will be held by a combination of on-site voting and online voting.

XIV. Employees' participation in the Employee Stock Ownership Plan adhere to the principles of independent decision by the Company and voluntary participation by employees. There is no situation where employees are compelled to participate through means such as apportionment or mandatory allocation.

XV. The implementation of the Employee Stock Ownership Plan will not result in any change of control of the Company or cause the distribution of shareholding to fail to satisfy the listing requirements.

XVI. There is no arrangement or plan for concerted action between the Employee Stock Ownership Plan and the directors, senior management, controlling shareholders and actual controllers of the Company. During the duration of the Employee Stock Ownership Plan, it waives the voting rights attached to the shares it holds at general meetings.

XVII. The financial and accounting treatment of, and tax issues relating to, the implementation of the Employee Stock Ownership Plan shall be executed in accordance with the relevant financial policies, accounting standards and tax rules. The relevant taxes and fees payable by employees as a result of the implementation of the Employee Stock Ownership Plan shall be borne by the employees themselves.

Contents

Definitions

Unless otherwise specified, the terms used herein shall have the following meanings:

Term	Definition
SANY Heavy Industry or Company	SANY Heavy Industry Co., Ltd.
Employee Stock Ownership Plan, Plan or Employee Stock Ownership Plan (Draft)	the 2026 A-Share Employee Stock Ownership Plan of SANY Heavy Industry Co., Ltd. (Draft)
Holder(s)	the participant(s) who elect to participate in the Employee Stock Ownership Plan and receive a certain number of shares
Controlling Shareholder or SANY Group	SANY Group Co., Ltd. (三一集團有限公司)
CSRC	the China Securities Regulatory Commission (中國證券監督管理委員會)
Exchange	the Shanghai Stock Exchange
RMB, RMB'0,000, RMB100 million	RMB, RMB ten thousand, RMB100 million
Company Law	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
Securities Law	the Securities Law of the People's Republic of China (《中華人民共和國證券法》)
Guiding Opinions	the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies (《關於上市公司實施員工持股計劃試點的指導意見》)
Guidelines for Self-regulation	the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》)
Articles of Association	the articles of association of SANY Heavy Industry Co., Ltd.

I. PURPOSES OF THE EMPLOYEE STOCK OWNERSHIP PLAN

To further improve the corporate governance structure of SANY Heavy Industry Co., Ltd., facilitate the establishment and improvement of the Company's incentive and restraint mechanism, fully stimulate the enthusiasm and creativity of the directors, senior management and employees of the Company, effectively align the interests of the shareholders, the Company and the management, and keep all parties focused on the Company's long-term development, the Company has formulated the Employee Stock Ownership Plan (Draft) in accordance with the Company Law, the Securities Law, the Guiding Opinions, the Guidelines for Self-regulation and other relevant laws, regulations, normative documents, as well as the Articles of Association.

II. BASIC PRINCIPLES OF THE EMPLOYEE STOCK OWNERSHIP PLAN

(I) Principle of legal compliance

The Employee Stock Ownership Plan shall be implemented by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in an authentic, accurate, complete and timely manner. No persons shall use the Employee Stock Ownership Plan for insider trading, securities market manipulation or other securities frauds.

(II) Principle of voluntary participation

The Company shall implement the Employee Stock Ownership Plan by following the principle of independent decision by the Company and voluntary participation by employees. The Company shall not compel its employees to participate in the Employee Stock Ownership Plan through apportionment, mandatory allocation or other means.

(III) Principle of assuming one's own risks

The participants of the Employee Stock Ownership Plan shall assume their own profits and losses, assume their own risks and have equal rights and interests as other investors.

III. PARTICIPANTS OF THE EMPLOYEE STOCK OWNERSHIP PLAN AND CRITERIA FOR DETERMINATION

(I) Legal basis for determining the participants

The Company has determined the list of participants for the Employee Stock Ownership Plan in accordance with the relevant provisions of the Company Law, the Securities Law, the Guiding Opinions, the Guidelines for Self-regulation and other relevant laws, regulations and normative documents, as well as the Articles of Association, and by taking into account the actual circumstances of the Company. All participants must be employed by the Company or its wholly-owned or controlled subsidiaries.

(II) Criteria for determining the participants

The participants of the Employee Stock Ownership Plan shall meet one of the following criteria:

1. Directors (excluding independent directors) and senior management of the Company;
2. Middle-level management of the Company;
3. Key position personnel designated by the Company;
4. Core business (technical) personnel of the Company.

(III) Verification of the participants

The lawyers engaged by the Company shall express clear opinions as to whether the participants are eligible in accordance with applicable laws and regulations.

IV. SOURCES OF FUNDS AND SHARES FOR THE EMPLOYEE STOCK OWNERSHIP PLAN

(I) Source of funds for the Employee Stock Ownership Plan

The scale of the Employee Stock Ownership Plan shall not exceed RMB496,887,444. The source of funds for the Employee Stock Ownership Plan shall be the incentive fund accrued in accordance with the Administrative Measures on Remuneration for Key Positions (《關鍵崗位薪酬管理辦法》), the Notice on the Implementation of a New Remuneration Policy for Newly Recruited Employees in Certain Positions (Trial) (《關於對部分崗位新錄用員工實施新的薪酬辦法(試行)的通知》) and other relevant provisions of the Company.

(II) Source of shares for the Employee Stock Ownership Plan

The source of shares for the Employee Stock Ownership Plan is the repurchased A shares in the Company's special account for repurchase, totaling no more than 23,328,049 A shares, representing no more than 1% of the Company's current total share capital in aggregate.

The purchase price of the shares under the Employee Stock Ownership Plan, which are held in the Company's special securities account for repurchase, is RMB21.30 per A share.

The total number of all valid shares held under the Company's Employee Stock Ownership Plan shall not in aggregate exceed 10% of the total share capital of the Company, and the total number of shares corresponding to the equity interests granted to any individual employee shall not in aggregate exceed 1% of the total share capital of the Company. The total number of shares held by the Employee Stock Ownership Plan does not include the shares acquired by employees before the Company's initial public offering and listing, purchased personally through the secondary market, or acquired through equity incentives.

After the Employee Stock Ownership Plan (Draft) is approved by the general meeting, the Employee Stock Ownership Plan may acquire the Company's shares held in the special securities account for repurchase through non-trading transfer or other means permitted by laws and regulations.

V. INFORMATION ON THE HOLDERS OF THE EMPLOYEE STOCK OWNERSHIP PLAN

The participants of the Employee Stock Ownership Plan, the maximum amount and the allocation of interests to be granted shall be determined by the board of directors of the Company. The board of directors of the Company may adjust the list of participants of the Employee Stock Ownership Plan and their interests to be granted based on the actual employee subscriptions.

The participants of the Employee Stock Ownership Plan include directors, senior management, middle-level management, key position personnel and core business (technical) personnel of the Company, totaling no more than 5,420 persons. The expected proportions to interests to be granted are set out in the table below:

No.	**Name**	**Position**	**Granted Amount** *(RMB)*	**Proportion**
I. Directors and senior management				
1	Sun Xinliang (孫新良)	Vice president	765,724	0.15%
2	Zhang Ke (張科)	Vice president	2,900,004	0.58%
3	Qin Zhiyu (秦致妤)	Board secretary	440,000	0.09%
Subtotal of directors and senior management			4,105,728	0.83%
II. Middle-level management, key position personnel and core business (technical) personnel of the Company				
Subtotal of middle-level management, key position personnel and core business (technical) personnel of the Company			492,781,716	99.17%
Total			**496,887,444**	**100%**

VI. DURATION AND LOCK-UP PERIOD OF THE EMPLOYEE STOCK OWNERSHIP PLAN

(I) Duration of the Employee Stock Ownership Plan

1. The duration of the Employee Stock Ownership Plan is 72 months, commencing from the date on which it is considered and approved by the general meeting and the Company announces that the last tranche of the underlying shares has been transferred to the Employee Stock Ownership Plan. The Employee Stock Ownership Plan may be terminated early, and the duration may be extended in accordance with relevant regulatory requirements upon its expiration. If the Shanghai Stock Exchange suspends trading due to force majeure, including but not limited to wars and natural disasters, the duration of the Employee Stock Ownership Plan shall be automatically extended for a period equal to the duration of such suspension. During the suspension of the Shanghai Stock Exchange, the interests held by the Holders under the Employee Stock Ownership Plan shall not be withdrawn, transferred, pledged, used as security, or used for repayment of debts.

2. The duration of the Employee Stock Ownership Plan may be terminated early or extended within one month before the expiration of the duration, subject to the consent of the Holders holding more than two-thirds (exclusive) of the total interests and attending the Holders' Meeting, and the consideration and approval of the board of directors of the Company.

3. Where the shares in the Company held under the Employee Stock Ownership Plan cannot be fully realized before the expiration of the duration due to a trading suspension of the Company's shares or a window period, the duration of the Employee Stock Ownership Plan may be extended with the consent of more than two-thirds (exclusive) of the Holders attending the Holders' Meeting and the approval of the board of directors of the Company.

(II) Lock-up period for shares held under the Employee Stock Ownership Plan

1. The lock-up period of the Employee Stock Ownership Plan is 12 months, commencing from the date when the Company announces that the last tranche of the underlying shares has been transferred to the Employee Stock Ownership Plan.

2. The Employee Stock Ownership Plan shall strictly abide by market trading rules and the regulations of the CSRC and the Shanghai Stock Exchange on stock trading. No dealings in shares of the Company are allowed during the following periods:

   (1) within 15 days before the announcement of the Company's annual report and interim report;

   (2) within 5 days before the announcement of the Company's quarterly report, performance forecast and brief performance report;

(3) from the date of a major event that may have a significant impact on the trading price of securities and its derivatives of the Company or during the decision-making process, until the date of disclosure of the same in accordance with the law;

(4) other periods specified by the CSRC and the Shanghai Stock Exchange.

The trading restrictions on the Employee Stock Ownership Plan shall be implemented in accordance with the latest revised relevant regulations of the CSRC and the Shanghai Stock Exchange.

VII. ADJUSTMENTS TO EMPLOYEE STOCK OWNERSHIP PLAN SHARES DURING THE DURATION

In case of financing, capitalization issue, distribution of interests, distribution of dividends, share consolidation, etc. by the Company, the shares of the Company held under the Employee Stock Ownership Plan under implementation will be handled accordingly under the principle that the same share shall be entitled to the same rights.

VIII. WAYS OF PARTICIPATION IN THE EMPLOYEE STOCK OWNERSHIP PLAN DURING THE DURATION WHEN THE COMPANY RAISES FUNDS

During the duration of the Employee Stock Ownership Plan, when the Company raises funds by placement of shares, issuance of additional shares, convertible bonds, etc., the Management Committee shall submit the same to the Holders' Meeting to consider whether to participate and the fund solutions.

IX. HOLDERS' MEETING OF THE EMPLOYEE STOCK OWNERSHIP PLAN

(I) Powers of the Holders' Meeting

The participants of the Employee Stock Ownership Plan shall become the Holders of the Plan upon being granted of shares of the Employee Stock Ownership Plan. The Holders' Meeting shall serve as the supreme authority of the Employee Stock Ownership Plan and be comprised of all Holders. All Holders have the right to attend the Holders' Meeting of the Employee Stock Ownership Plan and exercise their voting rights based on their shares in the Plan. The Holders' Meeting shall exercise the following powers:

1. to elect and remove members of the Management Committee;

2. to consider the alteration, termination, extension of the duration, and early termination of the Employee Stock Ownership Plan, and submit the same to the board of directors of the Company for consideration and approval;

3. to consider whether the Employee Stock Ownership Plan participates in the fund raising and fund solutions of the Company such as placement of shares, issuance of additional shares, convertible bonds, etc. during the duration;

4. to authorize the Management Committee to supervise the daily management of the Employee Stock Ownership Plan;

5. to authorize the Management Committee to exercise Shareholders' rights;

6. other powers of the Holders' Meeting as required by laws, regulations, rules, normative documents or the Employee Stock Ownership Plan (Draft).

(II) Procedures for Convening the Holders' Meeting

1. The first Holders' Meeting shall be convened and chaired by the Chairman of the board of directors of the Company or its authorized representative, and the subsequent Holders' Meetings shall be convened by the Management Committee and chaired by the chairperson of the Management Committee. Where the chairperson of the Management Committee is unable to perform his/her duties, he/she shall designate a member of the Management Committee to preside over the meeting.

2. Holders who individually or collectively hold over 30% of the shares under the Employee Stock Ownership Plan may propose to convene a Holders' Meeting.

3. Holders who individually or collectively hold more than 30% of the shares of the Employee Stock Ownership Plan may submit to the Holders' Meeting ad hoc proposals, which must be submitted to the Management Committee three working days prior to the Holders' Meeting.

4. To convene a Holders' Meeting, the convener of the meeting shall issue a notice of meeting at least five days prior to the meeting and deliver such notice to all Holders in person, by post, fax, e-mail or other means. The notice of meeting shall at least include the time, location and means of the meeting, major matters proposed to be considered at the meeting, necessary materials for voting at the meeting, contact person and contact information, and date of issuance of the notice. The verbal notice of meeting shall at least include the time, location and means of the meeting, and an explanation on the emergency and necessity to convene a Holders' Meeting as soon as possible.

5. Voting procedures for Holders' Meetings

   (1) Holders shall exercise their voting rights in proportion to the shares held by them under this Plan. Each share shall have one vote, and voting of Holders' Meeting shall be taken by way of recorded ballot.

   (2) After each proposal has been fully discussed, the chairperson shall duly call upon the attending Holders to vote. The chairperson may also decide to put all proposals to a vote by the attending Holders collectively after all discussions are concluded. The voting method shall be by written ballot.

(3) The voting intentions of the Holders shall be classified as for, against or abstention. Attending Holders shall choose one of the aforementioned intentions. Failure to make a choice, or choosing more than one intention simultaneously, shall be considered an abstention; leaving the meeting midway without returning and without making a choice shall also be considered an abstention. If a Holder votes after the chairperson announces the voting results or after the stipulated voting deadline, their vote shall not be counted.

(4) Each resolution shall be considered passed and constitute a valid resolution of the Holders' Meeting if it receives the approval of Holders representing more than 50% (exclusive) of the shares held by those attending the Holders' Meeting (except for resolutions that require the approval of more than two-thirds (exclusive) of the shares as agreed in this Plan).

(5) If a resolution of the Holders' Meeting requires consideration by the board of directors of the Company and the general meeting, it shall be submitted for consideration by the board of directors of the Company and the general meeting in accordance with the provisions of the Articles of Association.

(6) The chairperson of the Holders' Meeting shall be responsible for arranging for keeping records of the Holders' Meeting.

X. MANAGEMENT COMMITTEE OF THE EMPLOYEE STOCK OWNERSHIP PLAN

1. This Employee Stock Ownership Plan shall establish a Management Committee to supervise the daily management of the Employee Stock Ownership Plan, be responsible for the Holders' Meeting of the Employee Stock Ownership Plan, and exercise Shareholders' rights on behalf of the Holders.

2. The Management Committee shall comprise five members, including one chairperson of the Management Committee. The members of the Management Committee shall be elected by the Holders' Meeting. The chairperson of the Management Committee shall be elected by a majority vote of all members of the Management Committee. The term of office of the chairperson shall be the duration of the Employee Stock Ownership Plan.

3. The Management Committee shall manage the assets of the Employee Stock Ownership Plan in accordance with the relevant laws, administrative regulations, departmental rules, this Plan and the Administrative Measures for the Employee Stock Ownership Plan, safeguard the lawful rights and interests of the Holders of the Employee Stock Ownership Plan, ensure the safety of the assets of the Employee Stock Ownership Plan, and owe the following fiduciary duties to the Employee Stock Ownership Plan:

   (1) not to take advantage of their positions to accept bribes or other illegal income, nor to embezzle the assets of the Employee Stock Ownership Plan;

   (2) not to misappropriate funds of the Employee Stock Ownership Plan;

(3) not to open accounts in their own names or other individuals' names to deposit assets or funds of the Employee Stock Ownership Plan without the approval of the Holders' Meeting;

(4) not to lend funds of the Employee Stock Ownership Plan to others or provide guarantees for others using the assets of the Employee Stock Ownership Plan without the approval of the Holders' Meeting;

(5) not to use their positions to harm the interests of the Employee Stock Ownership Plan. If a member of the Management Committee breaches his/her fiduciary duties and causes losses to the Employee Stock Ownership Plan, he/she shall be liable for compensation.

4. The Management Committee shall perform the following duties:

(1) to convene Holders' Meetings;

(2) to supervise the daily management of the Employee Stock Ownership Plan on behalf of all Holders;

(3) to exercise Shareholders' rights on behalf of all Holders or authorize a professional management institution to do so;

(4) to manage the distribution of proceeds from the Employee Stock Ownership Plan;

(5) to handle the inheritance registration of the shares of the Employee Stock Ownership Plan;

(6) to handle matters relating to the disqualification of Holders and the disposal of the shares held by disqualified Holders;

(7) other duties delegated by Holders' Meetings.

5. The chairperson of the Management Committee shall exercise the following powers:

(1) presiding over Holders' Meetings and convening and presiding over Management Committee meetings;

(2) supervising and inspecting the implementation of resolutions passed at Holders' Meetings and Management Committee meetings;

(3) other powers delegated by the Management Committee.

6. The Management Committee shall hold irregular meetings, convened by the chairperson of the Management Committee, with all Management Committee members to be notified one day prior to the meeting.

7. Holders representing more than one-third (exclusive) of the shares or more than one-third (exclusive) of members of the Management Committee may propose to convene an extraordinary meeting of the Management Committee. The chairperson of the Management Committee shall convene and preside over a Management Committee meeting within five days of receiving such a proposal.

8. A Management Committee meeting shall require the attendance of more than half of its members to be held. Resolutions of the Management Committee must be approved by more than half of all Management Committee members. Voting on resolutions of the Management Committee shall be conducted on a one-person, one-vote basis.

9. Resolutions of the Management Committee shall be voted on by recorded ballot. Management Committee meetings may be conducted and resolutions adopted via fax or electronic means, provided that Management Committee members are afforded full opportunity to express their views, and such resolutions shall be signed by the participating Management Committee members.

10. Management Committee meetings shall be attended by the Management Committee members in person. If a member of the Management Committee is unable to attend for any reason, he/she may appoint another Management Committee member in writing to attend on his/her behalf. The power of attorney shall specify the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the principal. The member of Management Committee attending by proxy shall exercise the rights of a Management Committee member within the scope of the authorization. If a member of the Management Committee fails to attend a Management Committee meeting and does not appoint a representative to attend, he/she shall be deemed to have waived his/her voting rights at that meeting.

11. The Management Committee shall keep minutes of the decisions made on matters discussed at the meeting, and the members of the Management Committee attending the meeting shall sign the minutes.

XI. MANAGEMENT MODEL OF THE EMPLOYEE STOCK OWNERSHIP PLAN

(I) Management model

The highest authority for the internal management of this Employee Stock Ownership Plan shall be the Holders' Meeting. The Management Committee is established to oversee the day-to-day management of the Employee Stock Ownership Plan and to exercise the right of the shareholders on behalf of the Holders or authorize a management institution to exercise such rights. The board of directors of the Company is responsible for preparing and revising the draft plan, and shall handle other matters relating to this Employee Stock Ownership Plan within the scope of authority granted by the shareholders' general meeting.

(II) Matters authorized by the shareholders' general meeting to the board of directors

1. to authorize the Board to handle all matters necessary for the establishment and implementation of the Employee Stock Ownership Plan, including but not limited to submitting an application to the Shanghai Stock Exchange and applying to the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for relevant registration and settlement businesses;

2. to authorize the Board to decide on the amendments to and changes in the Employee Stock Ownership Plan, including but not limited to the changes in the source of shares, source of funds and management model as stipulated in the Draft Plan, as well as the addition of Holders, basis for determining the Holders, the standard number of shares to be subscribed by Holders and the early termination of the Employee Stock Ownership Plan;

3. to authorize the Board to decide on the extension or shortening of the duration and lock-up period of the Employee Stock Ownership Plan;

4. to authorize the Board to consider the resolutions passed and submitted at the Holders' Meeting of the Employee Stock Ownership Plan;

5. after the Employee Stock Ownership Plan is approved by the shareholders' general meeting, if relevant laws, regulations or policies change during the implementation period, to authorize the Board of the Company to make corresponding adjustments to the Employee Stock Ownership Plan in accordance with the new policies;

6. to authorize the Board to interpret the 2026 A Share Employee Stock Ownership Plan (Draft);

7. to authorize the Board to change the participants and basis for determining the participants of the Employee Stock Ownership Plan;

8. to authorize the Board to delegate to the Management Committee the authority to handle all matters related to the unlocking and sale of shares under the Employee Stock Ownership Plan;

9. to authorize the Board the right to nominate candidates for the members of the Management Committee of the Employee Stock Ownership Plan;

10. to the extent permitted by laws, regulations, relevant normative documents, and the Articles of Association, to handle other matters related to the Employee Stock Ownership Plan, except for the rights required to be exercised by the shareholders' general meeting as specified by relevant documents.

XII. APPOINTMENT OF THE MANAGEMENT INSTITUTION AND MANAGEMENT FEES

This Plan shall be managed by the Company itself, and does not involve the appointment of any external management institution, nor will it incur any management fees payable as a result of entrusting an external institution with the management of the Plan.

XIII. MODIFICATION AND TERMINATION OF THE EMPLOYEE STOCK OWNERSHIP PLAN AND DISPOSAL OF HOLDERS' INTERESTS

(I) Modification of the Employee Stock Ownership Plan

During the term of this Plan, any modification of the Employee Stock Ownership Plan shall require the approval of Holders representing more than two-thirds (exclusive) of the shares held by those attending the Holders' Meeting, and shall be submitted to and approved by the board of directors of the Company.

(II) Termination of the Employee Stock Ownership Plan

1. This Employee Stock Ownership Plan shall automatically terminate after its term expires;

2. If all shares of the Company held under the Employee Stock Ownership Plan are sold, this Employee Stock Ownership Plan may be terminated early;

3. The term of this Employee Stock Ownership Plan may be terminated early or extended, subject to the approval by the Holders representing more than two-thirds (exclusive) of the shares held by those attending the Holders' meeting and be submitted to and approved by the board of directors of the Company one month prior to the expiry of the term of this Employee Stock Ownership Plan.

(III) Disposal of Holders' rights and interests

1. To optimize the talent structure and enhance its efforts to attract talents in "new products and new technologies" and "globalization, digitalization, and decarbonization", the vesting of equity interests in the underlying shares under the Company's 2026 Employee Stock Ownership Plan will be divided into two parts:

   (1) For employees under the salary-based remuneration system, the share interests shall be vested to the Holders over five calendar years, being 2027, 2028, 2029, 2030 and 2031, with 20% of the share interests vested to the Holders each year;

   (2) For employees under the share-based remuneration system, the share interests shall be vested to the Holders over two calendar years, being 2027 and 2028, with 50% of the share interests vested to the Holders each year;

   Upon the expiry of the lock-up period of the Employee Stock Ownership Plan and after the end of each vesting year, the Management Committee shall arrange for the distribution at an opportune time based on market conditions.

2. The Employee Stock Ownership Plan does not impose any performance assessment targets on the Holders.

3. During the term of the Employee Stock Ownership Plan, unless otherwise provided by laws, administrative regulations or departmental rules or considered and approved by the Holders' meeting, the shares held by the Holders under the Employee Stock Ownership Plan may not be withdrawn, pledged, guaranteed or used for debt repayment.

4. During the term of the Plan, the rights and interests of the Employee Stock Ownership Plan held by Holders shall not be transferred without the consent of the Management Committee. Any unauthorized transfer without consent shall be invalid.

5. If the Holders engage in unethical or dishonest conduct, such as embezzlement, bribery, or acts that harm the Company's interests, the Holders' eligibility to participate in the Plan will be revoked. The Management Committee reserves the right to compulsorily repurchase the Holders' shares under the Employee Stock Ownership Plan without compensation for the year in which the unethical or dishonest conduct occurred, as well as for all subsequent years. Any returns corresponding to the repurchased shares shall accrue to the Company.

   Specifically, it includes but is not limited to the following situations:

   (1) Misappropriation of company property. Using methods such as fabricating facts or concealing the truth to unlawfully appropriate the Company's property for his/her own use.

   (2) Misappropriation of company funds. Taking advantage of his/her position to misappropriate company funds for personal use or to lend to others.

   (3) Accepting or soliciting bribes. Taking advantage of his/her position to accept property from others or directly solicit property or benefits from others for his/her own personal gain.

   (4) Bribery. Providing benefits to company personnel, business-related personnel and their relatives.

   (5) Acts that cause loss to the Company's interests by taking advantage of one's position, engaging in malfeasance, abusing authority, fabricating information, or neglecting one's duties.

   (6) Other acts that cause the Company to suffer losses due to willful misconduct or negligence. Specifically: acts of willful misconduct that cause the Company to suffer losses of RMB500,000 or above; acts of negligence that cause the Company to suffer losses of RMB1 million or above.

   (7) Falsifying personal resume. Falsifying documents such as academic transcripts, degree certificates, employment termination certificates, work experience, and work performance records in order to meet the requirements for employment, promotion or other purposes.

   (8) Disclosing or transferring the Company's trade secrets. Disclosing or making unauthorized copies of non-public company information, such as business information, personnel information, technical information and operational information to individuals who do not have access to such information.

(9) Maliciously compromising the Company's information security. Engaging in illegal activities such as hacking the Company's network and information systems; creating, collecting or distributing viruses and hacking software within the Company.

(10) Concealing, covering up or failing to report, as required, major incidents or violations that have occurred, thereby causing material adverse effects on the Company.

(11) Acts that damage the Company's reputation, such as malicious sabotage or defamation of the Company's image.

(12) Violating the *Management System for Staff Incentives and Integrity* and other relevant systems of the Company, and engaging in unethical or dishonest conduct as listed in such systems.

(13) Other circumstances as determined by the Management Committee.

6. If a Holder ceases to be employed by the Company for any reason, the Holder's participation qualification shall be revoked. The Management Committee shall have the right to recover, on a mandatory basis and without consideration, the undistributed interests held by such Holder under the Employee Stock Ownership Plan. Any gains corresponding to the recovered interests shall vest in the Company.

Specific circumstances include, but are not limited to, the following:

(1) The Holder has resigned;

(2) The Holder refuses to renew the labor contract with the Company or its subsidiaries upon expiration of the labor contract;

(3) The Holder refuses to enter into a re-employment agreement with the Company or its subsidiaries after reaching the retirement age stipulated by national regulations;

(4) The Company or its subsidiary does not renew the labor contract with the Holder upon expiration of his/her labor contract;

(5) Termination or cancellation of labor contract by the Company or its subsidiaries due to personal reasons of a Holder (including being dismissed or removed by the Company);

(6) The Holder fails the performance evaluation or is deemed by the Company to be incompetent for his/her job;

(7) The Holder has died;

(8) Other circumstances as determined by the Management Committee.

7. The Holder's interests shall remain unchanged under the following circumstances.

(1) Within the duration, the Holder's position changes but he/she remains eligible to participate in the Employee Stock Ownership Plan;

(2) Within the duration, the Holder reaches the retirement age stipulated by national regulations and maintains employment with the Company by entering into a re-employment agreement with the Company;

(3) Within the duration, the Holder reaches the retirement age stipulated by national regulations and the Company does not offer to enter into a re-employment agreement;

(4) Other circumstances as determined by the Management Committee.

8. Disposal of Holders' interests during the lock-up period

(1) Within the lock-up period, the Holders shall not request the distribution of interests of the Employee Stock Ownership Plan.

(2) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the Employee Stock Ownership Plan due to the holding of shares of the Company shall be locked up together and shall not be sold in the secondary market or otherwise transferred. The unlocking period of such shares is the same as the corresponding shares.

(3) During the lock-up period, when the Company distributes dividends, the cash dividends received under the Employee Stock Ownership Plan due to the holding of the shares of the Company shall be included in the monetary assets of the Employee Stock Ownership Plan, and no distribution will be made.

(4) After the lock-up period and during the duration of the Employee Stock Ownership Plan, when the Company distributes dividends, the cash dividends received under the Employee Stock Ownership Plan due to the holding of the shares of the Company shall be included in the monetary assets of the Employee Stock Ownership Plan.

9. The Management Committee of the Employee Stock Ownership Plan is responsible for handling matters related to the revocation of Holders' eligibility, as well as the disposal of shares held by Holder whose eligibility has been revoked.

XIV. RIGHTS AND OBLIGATIONS OF THE COMPANY AND HOLDERS

(I) Rights and obligations of the Company

1. Rights of the Company

(1) if a Holder commits any unethical or dishonest conduct, including violation of law, corruption, bribery or acts prejudicial to the interests of the Company, which seriously damages the interests or reputation of the Company, the Management Committee shall revoke the eligibility of such Holder for the Employee Stock Ownership Plan.

(2) other rights stipulated by laws, administrative regulations and this Employee Stock Ownership Plan.

2. Obligations of the Company

(1) to fulfil information disclosure obligations regarding this Employee Stock Ownership Plan truthfully, accurately, completely and timely;

(2) other obligations stipulated by laws, administrative regulations and this Employee Stock Ownership Plan.

(II) Rights and obligations of Holders

1. The rights of Holders are as follows:

(1) to attend the Holders' Meeting and exercise voting rights;

(2) relevant rights and interests attached to the shares held by them.

2. The obligations of Holders are as follows:

(1) to comply with the provisions of the Employee Stock Ownership Plan (Draft);

(2) to bear the investment risks of the shares held by them under the Employee Stock Ownership Plan;

(3) to abide by the resolutions passed at the Holders' Meeting;

(4) to assume other obligations stipulated by the relevant laws, regulations, rules and the Employee Stock Ownership Plan (Draft).

XV. IMPLEMENTATION PROCEDURES OF THE EMPLOYEE STOCK OWNERSHIP PLAN

1. The board of directors of the Company is responsible for drafting the Employee Stock Ownership Plan.

2. Before implementing the Employee Stock Ownership Plan, the Company shall solicit employees' opinions through the employees' representatives meeting or other similar organizations.

3. The Draft Plan shall be considered and approved by the board of directors, and the Remuneration and Appraisal Committee shall express their opinions as to whether the Employee Stock Ownership Plan will contribute to the sustainable development of the Company, whether it is detrimental to the interests of the Company and all shareholders, and whether it involves any form of forced participation, such as apportionment or mandatory allocation.

4. Within two trading days after the board of directors considered and approved the Draft Plan, the Company shall announce the Board resolution, the Draft Employee Stock Ownership Plan and its summary, and the opinions of the Remuneration and Appraisal Committee.

5. The Company shall engage a law firm to issue a legal opinion on the Employee Stock Ownership Plan and shall announce the legal opinion before convening the general meeting to consider the Employee Stock Ownership Plan.

6. A general meeting shall be convened to consider the Employee Stock Ownership Plan. A combination of on-site voting and online voting will be adopted at the general meeting, with votes of minority shareholders separately counted and publicly disclosed. Any directors or shareholders involved in the Employee Stock Ownership Plan shall abstain from voting. The Employee Stock Ownership Plan may be implemented after being approved by more than half of the valid votes casted at the general meeting.

7. Within two trading days after the transfer of the underlying Shares to the Employee Stock Ownership Plan, the Company shall timely disclose the date and quantity of the underlying Shares acquired.

8. Within 10 days after the establishment of the Employee Stock Ownership Plan, a Holders' Meeting of the Employee Stock Ownership Plan shall be convened to specify the detailed matters relating to the implementation of the Employee Stock Ownership Plan.

XVI. OTHER IMPORTANT MATTERS

1. The consideration and approval of the Employee Stock Ownership Plan by the board of directors of the Company does not imply that a Holder enjoys the right to continue to hold his/her position in the Company or its subsidiaries, and does not constitute a commitment by the Company or its subsidiaries to the period of employment of an employee, and the employment between the Company or its subsidiaries and the employee shall still be governed by the employment contract entered into between the Company or the subsidiary and the Holder.

2. The financial, accounting treatment and taxation issues related to the implementation of the Employee Stock Ownership Plan shall be handled in accordance with the provisions of the relevant financial system, accounting standards and taxation regulations. Employees shall bear all related taxes incurred due to their participation in the Employee Stock Ownership Plan.

3. There is no concerted action arrangement, nor is there any concerted action plan, between the Employee Stock Ownership Plan and the directors, senior management, controlling shareholders and the actual controller of the Company. During the duration, shares held under the Employee Stock Ownership Plan do not confer any voting rights at the general meetings.

4. The board of directors shall be responsible for the interpretation of the Employee Stock Ownership Plan.

Board of Directors of
SANY Heavy Industry Co., Ltd.
June 2026

This Appendix II sets forth the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan. The English translation of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan is prepared for reference only. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

SANY Heavy Industry Co., Ltd.
Administrative Measures for the 2026 A Share Employee Stock Ownership Plan

CHAPTER 1 GENERAL PROVISIONS

Article 1 To further improve the corporate governance structure of SANY Heavy Industry Co., Ltd. (hereinafter referred to as "Sany Heavy Industry" or the "Company"), facilitate the establishment and improvement of the Company's incentive and restraint mechanism, fully stimulate the enthusiasm and creativity of the directors, senior management and employees of the Company, effectively align the interests of the shareholders, the Company and the management, and keep all parties focused on the Company's long-term development, the Company has formulated the 2026 A-Share Employee Stock Ownership Plan of SANY Heavy Industry Co., Ltd. (hereinafter referred to as the "Employee Stock Ownership Plan" or the "Plan") in accordance with the Company Law of the People's Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the "Securities Law"), the Guiding Opinions on the Pilot Implementation of Employee Stock Ownership Plan by Listed Companies issued by the CSRC (revised in 2025) (《中國證監會關於上市公司實施員工持股計劃試點的指導意見(2025年修訂)》) (hereinafter referred to as the "Guiding Opinions"), the Guidelines No. 1 of the Shanghai Stock Exchange for Self-regulation of Listed Companies – Standardized Operation (《上海證券交易所上市公司自律監管指引第1號—規範運作》) and other laws, regulations and normative documents, as well as the Articles of Association. To regulate the implementation of the Employee Stock Ownership Plan, the Administrative Measures are formulated.

CHAPTER 2 FORMULATION OF THE EMPLOYEE STOCK OWNERSHIP PLAN

Article 2 Basic principles of the Employee Stock Ownership Plan

(I) Principle of legal compliance

The Employee Stock Ownership Plan shall be implemented by the Company in strict accordance with the procedures stipulated in laws and administrative regulations, and the Company shall disclose information in an authentic, accurate, complete and timely manner. No persons shall use the Employee Stock Ownership Plan for insider trading, securities market manipulation or other securities frauds.

(II) Principle of voluntary participation

The Company shall implement the Employee Stock Ownership Plan by following the principle of independent decision by the Company and voluntary participation by employees. The Company shall not compel its employees to participate in the Employee Stock Ownership Plan through apportionment, mandatory allocation or other means.

(III) Principle of assuming one's own risks

The participants of the Employee Stock Ownership Plan shall assume their own profits and losses, assume their own risks and have equal rights and interests as other investors.

Article 3 Implementation procedures of the Employee Stock Ownership Plan

1. The board of directors of the Company is responsible for drafting the Employee Stock Ownership Plan.

2. Before implementing the Employee Stock Ownership Plan, the Company shall solicit employees' opinions through the employees' representatives meeting or other similar organizations.

3. The Draft Plan shall be considered and approved by the board of directors, and the Remuneration and Appraisal Committee shall express their opinions as to whether the Employee Stock Ownership Plan will contribute to the sustainable development of the Company, whether it is detrimental to the interests of the Company and all shareholders, and whether it involves any form of forced participation, such as apportionment or mandatory allocation.

4. Within two trading days after the board of directors considered and approved the Draft Plan, the Company shall announce the Board resolution, the Draft Employee Stock Ownership Plan and its summary, and the opinions of the Remuneration and Appraisal Committee.

5. The Company shall engage a law firm to issue a legal opinion on the Employee Stock Ownership Plan and shall announce the legal opinion before convening the general meeting to consider the Employee Stock Ownership Plan.

6. A general meeting shall be convened to consider the Employee Stock Ownership Plan. A combination of on-site voting and online voting will be adopted at the general meeting, with votes of minority shareholders separately counted and publicly disclosed. Any directors or shareholders involved in the Employee Stock Ownership Plan shall abstain from voting. The Employee Stock Ownership Plan may be implemented after being approved by more than half of the valid votes casted at the general meeting.

7. Within two trading days after the transfer of the underlying Shares to the Employee Stock Ownership Plan, the Company shall timely disclose the date and quantity of the underlying Shares acquired.

8. Within 10 days after the establishment of the Employee Stock Ownership Plan, a Holders' Meeting of the Employee Stock Ownership Plan shall be convened to specify the detailed matters relating to the implementation of the Employee Stock Ownership Plan.

Article 4 Participants of and source of funds for the Employee Stock Ownership Plan

(I) Scope of participants of the Employee Stock Ownership Plan

The participants of the Employee Stock Ownership Plan shall be employees employed by the Company or its wholly-owned or controlled subsidiaries. The participants, the maximum amount of interests to be granted, and the allocations shall be determined by the board of directors of the Company. The board of directors of the Company may adjust the list of participants of the Employee Stock Ownership Plan and their interests to be subscribed for based on the actual employee subscriptions.

The participants of the Employee Stock Ownership Plan shall meet one of the following criteria:

1. Directors (excluding independent directors) and senior management of the Company;

2. Middle-level management of the Company;

3. Key position personnel designated by the Company;

4. Core business (technical) personnel of the Company.

The participants of the Employee Stock Ownership Plan include directors, senior management, middle-level management, key position personnel and core business (technical) personnel of the Company, totaling no more than 5,420 persons. The expected proportions to interests to be granted are set out in the table below:

No.	**Name**	**Position**	**Granted Amount** *(RMB)*	**Proportion**
I.	Directors and senior management			
1	Sun Xinliang (孫新良)	Vice president	765,724	0.15%
2	Zhang Ke (張科)	Vice president	2,900,004	0.58%
3	Qin Zhiyu (秦致妤)	Board secretary	440,000	0.09%
Subtotal of directors and senior management			4,105,728	0.83%
II.	Middle-level management, key position personnel and core business (technical) personnel of the Company			
Subtotal of middle-level management, key position personnel and core business (technical) personnel of the Company			492,781,716	99.17%
Total			**496,887,444**	**100%**

The lawyers engaged by the Company shall express clear opinions as to whether the participants are eligible in accordance with applicable laws and regulations.

(II) Source of funds for the Employee Stock Ownership Plan

The scale of the Employee Stock Ownership Plan shall not exceed RMB496,887,444. The source of funds for the Employee Stock Ownership Plan shall be the incentive fund accrued in accordance with the Administrative Measures on Remuneration for Key Positions (《關鍵崗位薪酬管理辦法》), the Notice on the Implementation of a New Remuneration Policy for Newly Recruited Employees in Certain Positions (Trial) (《關於對部分崗位新錄用員工實施新的薪酬辦法(試行)的通知》) and other relevant provisions of the Company.

Article 5 Source of shares for the Employee Stock Ownership Plan

The source of shares for the Employee Stock Ownership Plan is the repurchased shares in the Company's special account for repurchase, totaling no more than 23,328,049 shares, representing no more than 1% of the Company's current total share capital in aggregate.

The purchase price of the shares under the Employee Stock Ownership Plan, which are held in the Company's special securities account for repurchase, is RMB21.30 per share.

The total number of all valid shares held under the Company's Employee Stock Ownership Plan shall not in aggregate exceed 10% of the total share capital of the Company, and the total number of shares corresponding to the equity interests granted to any individual employee shall not in aggregate exceed 1% of the total share capital of the Company. The total number of shares held by the Employee Stock Ownership Plan does not include the shares acquired by employees before the Company's initial public offering and listing, purchased personally through the secondary market, or acquired through equity incentives.

After the Employee Stock Ownership Plan (Draft) is approved by the general meeting, the Employee Stock Ownership Plan may acquire the Company's shares held in the special securities account for repurchase through non-trading transfer or other means permitted by laws and regulations.

Article 6 Duration, lock-up period, modification and termination of the Employee Stock Ownership Plan

(I) Duration of the Employee Stock Ownership Plan

1. The duration of the Employee Stock Ownership Plan is 72 months, commencing from the date on which the Company announces that the last tranche of the underlying shares has been transferred to the Employee Stock Ownership Plan. The Employee Stock Ownership Plan may be terminated early, and the duration may be extended in accordance with relevant regulatory requirements upon its expiration. If the Shanghai Stock Exchange suspends trading due to force majeure, including but not limited to wars and natural disasters, the duration of the Employee Stock Ownership Plan shall be automatically extended for a period equal to the duration of such suspension. During the suspension of the Shanghai Stock Exchange, the interests held by the Holders under the Employee Stock Ownership Plan shall not be withdrawn, transferred, pledged, used as security, or used for repayment of debts.

2. The duration of the Employee Stock Ownership Plan may be terminated early or extended within one month before the expiration of the duration, subject to the consent of the Holders holding more than two-thirds (exclusive) of the total interests and attending the Holders' Meeting, and the consideration and approval of the board of directors of the Company.

3. Where the shares in the Company held under the Employee Stock Ownership Plan cannot be fully realized before the expiration of the duration due to a trading suspension of the Company's shares or a window period, the duration of the Employee Stock Ownership Plan may be extended with the consent of more than two-thirds (exclusive) of the Holders attending the Holders' Meeting and the approval of the board of directors of the Company.

(II) Lock-up period for share held under the Employee Stock Ownership Plan

1. The lock-up period of the Employee Stock Ownership Plan is 12 months, commencing from the date on which it is considered and approved by the general meeting and the Company announces that the last tranche of the underlying Shares has been transferred to the Employee Stock Ownership Plan.

2. The Employee Stock Ownership Plan shall strictly abide by market trading rules and the regulations of the CSRC and Shanghai Stock Exchange on stock trading. No dealings in Shares of the Company are allowed during the following periods:

(1) within 15 days before the announcement of the Company's annual report and interim report;

(2) within 5 days before the announcement of the Company's quarterly report, performance forecast and brief performance report;

(3) from the date of a major event that may have a significant impact on the trading price of securities and its derivatives of the Company or during the decision-making process, until the date of disclosure of the same in accordance with the law;

(4) other periods specified by the CSRC and the Shanghai Stock Exchange.

The trading restrictions on the Employee Stock Ownership Plan shall be implemented in accordance with the latest revised relevant regulations of the CSRC and the Shanghai Stock Exchange.

CHAPTER 3 MANAGEMENT OF THE EMPLOYEE STOCK OWNERSHIP PLAN

Article 7 Management model of the Employee Stock Ownership Plan

(I) Management model

The highest authority for the internal management of this Employee Stock Ownership Plan shall be the Holders' meeting. The Management Committee is established to oversee the day-to-day management of the Employee Stock Ownership Plan and to exercise the right of the shareholders on behalf of the Holders or authorize a management institution to exercise such rights. The board of directors of the Company is responsible for preparing and revising the Draft Plan, and shall handle other matters relating to the Employee Stock Ownership Plan within the scope of authority granted by the general meeting.

(II) Matters authorized by the general meeting to the board of directors

1. to authorize the Board to handle all matters necessary for the establishment and implementation of the Employee Stock Ownership Plan, including but not limited to submitting an application to the Shanghai Stock Exchange and applying to the Shanghai Branch of China Securities Depository and Clearing Corporation Limited for relevant registration and settlement businesses;

2. to authorize the Board to decide on the amendments to and changes in the Employee Stock Ownership Plan, including but not limited to the changes in the source of shares, source of funds and management model as stipulated in the Draft Plan, as well as the addition of Holders, basis for determining the Holders, the standard number of shares to be subscribed by Holders and the early termination of the Employee Stock Ownership Plan;

3. to authorize the Board to decide on the extension or shortening of the duration and lock-up period of the Employee Stock Ownership Plan;

4. to authorize the Board to consider the resolutions passed and submitted at the Holders' Meeting of the Employee Stock Ownership Plan;

5. after the Employee Stock Ownership Plan is approved by the shareholders' general meeting, if relevant laws, regulations or policies change during the implementation period, to authorize the Board of the Company to make corresponding adjustments to the Employee Stock Ownership Plan in accordance with the new policies;

6. to authorize the Board to interpret the 2026 A Share Employee Stock Ownership Plan (Draft);

7. to authorize the Board to change the participants and basis for determining the participants of the Employee Stock Ownership Plan;

8. to authorize the Board to delegate to the Management Committee the authority to handle all matters related to the unlocking and sale of shares under the Employee Stock Ownership Plan;

9. to authorize the Board the right to nominate candidates for the members of the Management Committee of the Employee Stock Ownership Plan;

10. to the extent permitted by laws, regulations, relevant normative documents, and the Articles of Association, to handle other matters related to the Employee Stock Ownership Plan, except for the rights required to be exercised by the shareholders' general meeting as specified by relevant documents.

Article 8 Holders' interests under the Employee Stock Ownership Plan

(I) To optimize the talent structure and enhance its efforts to attract talents in "globalization, digitalization and decarbonization", the vesting of equity interests in the underlying shares under the Company's 2026 A Share Employee Stock Ownership Plan will be divided into two parts:

1. For employees under the salary-based remuneration system, the share interests shall be vested to the Holders over five calendar years, being 2027, 2028, 2029, 2030 and 2031, with 20% of the share interests vested to the Holders each year;

2. For employees under the share-based remuneration system, the share interests shall be vested to the Holders over two calendar years, being 2027 and 2028, with 50% of the share interests vested to the Holders each year;

Upon the expiry of the lock-up period of the Employee Stock Ownership Plan and after the end of each vesting year, the Management Committee shall arrange for the distribution at an opportune time based on market conditions.

(II) The Employee Stock Ownership Plan does not impose any performance assessment targets on the Holders.

(III) During the term of the Employee Stock Ownership Plan, unless otherwise provided by laws, administrative regulations or departmental rules or considered and approved by the Holders' meeting, the shares held by the Holders under the Employee Stock Ownership Plan may not be withdrawn, pledged, guaranteed or used for debt repayment.

(IV) During the term of the Plan, the rights and interests of the Employee Stock Ownership Plan held by Holders shall not be transferred without the consent of the Management Committee. Any unauthorized transfer without consent shall be invalid.

(V) If the Holders engage in unethical or dishonest conduct, such as embezzlement, bribery, or acts that harm the Company's interests, the Holders' eligibility to participate in the Plan will be revoked. The Management Committee reserves the right to compulsorily repurchase the Holders' shares under the Employee Stock Ownership Plan without compensation for the year in which the unethical or dishonest conduct occurred, as well as for all subsequent years. Any returns corresponding to the repurchased shares shall accrue to the Company.

Specific circumstances include, but are not limited to, the following:

(1) Misappropriation of company property. Using methods such as fabricating facts or concealing the truth to unlawfully appropriate the Company's property for his/her own use.

(2) Misappropriation of company funds. Taking advantage of his/her position to misappropriate company funds for personal use or to lend to others.

(3) Accepting or soliciting bribes. Taking advantage of his/her position to accept property from others or directly solicit property or benefits from others for his/her own personal gain.

(4) Bribery. Providing benefits to company personnel, business-related personnel and their relatives.

(5) Acts that cause loss to the Company's interests by taking advantage of one's position, engaging in malfeasance, abusing authority, fabricating information, or neglecting one's duties.

(6) Other acts that cause the Company to suffer losses due to willful misconduct or negligence. Specifically: acts of willful misconduct that cause the Company to suffer losses of RMB500,000 or above; acts of negligence that cause the Company to suffer losses of RMB1 million or above.

(7) Falsifying personal resume. Falsifying documents such as academic transcripts, degree certificates, employment termination certificates, work experience, and work performance records in order to meet the requirements for employment, promotion or other purposes.

(8) Disclosing or transferring the Company's trade secrets. Disclosing or making unauthorized copies of non-public company information, such as business information, personnel information, technical information and operational information to individuals who do not have access to such information.

(9) Maliciously compromising the Company's information security. Engaging in illegal activities such as hacking the Company's network and information systems; creating, collecting or distributing viruses and hacking software within the Company.

(10) Concealing, covering up or failing to report, as required, major incidents or violations that have occurred, thereby causing material adverse effects on the Company.

(11) Acts that damage the Company's reputation, such as malicious sabotage or defamation of the Company's image.

(12) Violating the *Management System for Staff Incentives and Integrity* and other relevant systems of the Company, and engaging in unethical or dishonest conduct as listed in such systems.

(13) Other circumstances as determined by the Management Committee.

(VI) If a Holder ceases to be employed by the Company for any reason, the Holder's participation qualification shall be revoked. The Management Committee shall have the right to recover, on a mandatory basis and without consideration, the undistributed interests held by such Holder under the Employee Stock Ownership Plan. Any gains corresponding to the recovered interests shall vest in the Company.

Specific circumstances include, but are not limited to, the following:

(1) The Holder has resigned;

(2) The Holder refuses to renew the labor contract with the Company or its subsidiaries upon expiration of the labor contract;

(3) The Holder refuses to enter into a re-employment agreement with the Company or its subsidiaries after reaching the retirement age stipulated by national regulations;

(4) The Company or its subsidiary does not renew the labor contract with the Holder upon expiration of his/her labor contract;

(5) Termination or cancellation of labor contract by the Company or its subsidiaries due to personal reasons of a Holder (including being dismissed or removed by the Company);

(6) The Holder fails the performance evaluation or is deemed by the Company to be incompetent for his/her job;

(7) The Holder has died;

(8) Other circumstances as determined by the Management Committee.

(VII) The Holder's interests shall remain unchanged under the following circumstances.

(1) Within the duration, the Holder's position changes but he/she remains eligible to participate in the Employee Stock Ownership Plan;

(2) Within the duration, the Holder reaches the retirement age stipulated by national regulations and maintains employment with the Company by entering into a re-employment agreement with the Company;

(3) Within the duration, the Holder reaches the retirement age stipulated by national regulations and the Company does not offer to enter into a re-employment agreement;

(4) Other circumstances as determined by the Management Committee.

(VIII) Disposal of Holders' interests during the lock-up period.

(1) Within the lock-up period, the Holders shall not request the distribution of interests of the Employee Stock Ownership Plan.

(2) During the lock-up period, when the Company converts capital reserve into share capital and distributes bonus shares, the newly acquired shares under the Employee Stock Ownership Plan due to the holding of shares of the Company shall be locked up together and shall not be sold in the secondary market or otherwise transferred. The unlocking period of such shares is the same as the corresponding shares.

(3) During the lock-up period, when the Company distributes dividends, the cash dividends received under the Employee Stock Ownership Plan due to the holding of the shares of the Company shall be included in the monetary assets of the Employee Stock Ownership Plan, and no distribution will be made.

(4) After the lock-up period and during the duration of the Employee Stock Ownership Plan, when the Company distributes dividends, the cash dividends received under the Employee Stock Ownership Plan due to the holding of the shares of the Company shall be included in the monetary assets of the Employee Stock Ownership Plan.

(IX) The Management Committee of the Employee Stock Ownership Plan is responsible for handling matters related to the revocation of Holders' eligibility, as well as the disposal of shares held by Holder whose eligibility has been revoked.

Article 9 Taxes and Fees Payable Regarding the Employee Stock Ownership Plan

Securities transaction fees regarding the Employee Stock Ownership Plan, including commissions and stamp duties, shall be accrued at the time of occurrence of the investment or transaction and paid in accordance with the relevant requirements. In addition to commissions and stamp duties, other expenses including asset management fees and custodial fees shall be borne by the participants in accordance with relevant laws, regulations and corresponding agreements. With respect to personal income taxes or other contingent taxes payable by the participants due to their participation in the Employee Stock Ownership Plan, the Company shall be obliged to withhold and pay such taxes on their behalf. After the shares are sold, the taxes shall be deducted from the income in the name of the participants before redeeming it to the participants.

All taxpayers involved in the Employee Stock Ownership Plan shall perform their tax obligations in accordance with national tax laws and regulations. For the Company's financial and accounting treatment of the Employee Stock Ownership Plan as well as its taxation and other issues, they shall be implemented in accordance with relevant financial policies, accounting standards and tax systems.

CHAPTER 4 SUPPLEMENTARY PROVISIONS

Article 10 The measures are formulated and have been considered and approved by the board of directors of the Company, and shall become effective subject to consideration and approval of the 2026 A-Share Employee Stock Ownership Plan (Draft) of SANY Heavy Industry at the general meeting of the Company.

Article 11 The consideration and approval of the measures by the board of directors of the Company does not imply that a Holder enjoys the right to continue to hold his/her position in the Company, and does not constitute a commitment by the Company to the period of employment of an employee, and the employment between the Company and the employee shall still be governed by the employment contract entered into between the Company and the Holder.

Article 12 The financial, accounting treatment and taxation issues related to the implementation of the Employee Stock Ownership Plan shall be handled in accordance with the provisions of the relevant financial system, accounting standards and taxation regulations. Employees shall bear all related taxes incurred due to their participation in the Employee Stock Ownership Plan.

Article 13 There is no concerted action arrangement, nor is there any concerted action plan, between the Employee Stock Ownership Plan and the directors, senior management, controlling shareholders and the actual controller of the Company. During the duration, shares held under the Employee Stock Ownership Plan do not confer any voting rights at the general meetings.

Article 14 The right of interpretation of the measures shall belong to the board of directors.

Board of Directors of SANY Heavy Industry Co., Ltd.
June 2026

SANY HEAVY INDUSTRY CO., LTD.
三一重工股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6031)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the first extraordinary general meeting of SANY Heavy Industry Co., Ltd. (the "**Company**") for 2026 (the "**EGM**") will be held at 10:00 a.m. on Tuesday, July 14, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC, to deal with the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal regarding the adoption of the 2026 A Share Employee Stock Ownership Plan.

2. To consider and approve the proposal regarding the adoption of the Administrative Measures for the 2026 A Share Employee Stock Ownership Plan.

3. To consider and approve the proposal regarding the authorization to the Board to handle matters related to the 2026 A Share Employee Stock Ownership Plan.

4. To consider and approve the proposal regarding the 2026 Remuneration and Evaluation Plan for Directors.

5. To consider and approve the proposal regarding the termination of the appointment of the H Share Financial Report Auditor.

By order of the Board
SANY Heavy Industry Co., Ltd.
XIANG Wenbo
Executive Director and Chairman of the Board

Hong Kong, the PRC
June 24, 2026

Notes:

1. Eligibility for attending the EGM and date of registration of members for H Shares

   The register of members of H Shares of the Company will be closed from Thursday, July 9, 2026 to Tuesday, July 14, 2026 (both days inclusive), during which time no share transfers of H Shares will be effected. Purchasers of H Shares who have submitted their share transfer documents to the Company's H Share Registrar and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on Wednesday, July 8, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. The record date for determining the identity of the Shareholders who are entitled to attend and vote at the EGM is Tuesday, July 14, 2026.

   In order to attend the EGM, holders of H Shares should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on Wednesday, July 8, 2026.

2. Proxy

   Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote on his/her/their behalf. The proxy need not be a Shareholder of the Company.

   (i) The form of proxy appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If the form of proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

   (ii) To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time appointed for the EGM (i.e. before 10:00 a.m. on Monday, July 13, 2026).

3. Registration procedures for attending the EGM

   A Shareholder or his/her proxy should present proof of identity when attending the EGM. If a Shareholder is a legal person, its legal representative or other person authorized by the Board of Directors or other governing body of such Shareholder may attend the EGM by providing a copy of the resolution of the Board of Directors or other governing body of such Shareholder appointing such person to attend the meeting.

4. Voting by poll

   According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. For the avoidance of doubt and for the purposes of the Hong Kong Listing Rules, holders of treasury Shares are required to abstain from voting on the matters to be approved by Shareholders at the shareholders' meetings of the Company.

5. Miscellaneous

   The EGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

   The registered office of the Company:

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

   Contact department: Securities Investment Office of the Company
   Telephone: 0731–84031555
   Email: xiaoh62@sany.com.cn
   Contact person: Xiao Hao

As at the date of this notice, the Board comprises: (i) Mr. XIANG Wenbo and Mr. YU Hongfu as executive directors; (ii) Mr. LIANG Wengen, Mr. LIANG Zaizhong and Mr. LIU Daojun as non-executive directors and (iii) Mr. WU Zhongxin, Ms. XI Qing and Mr. LAM Yuk Kun Lawrence as independent non-executive directors.