SUMMARY

This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this Document. You should read the entire Document before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any investment. Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are the world's third-largest and China's largest dozer manufacturer in terms of sales volume in 2025, according to Frost & Sullivan. We ranked fifth among Chinese construction machinery companies in the world in terms of the global revenue of construction machinery product in 2025, according to the same source. We enjoy a 10.2% global market share and a 63.0% Chinese market share in the dozer sector, and a 0.9% global market share in the construction machinery industry in 2025, according to Frost & Sullivan. While dozers represented approximately 4% of global construction machinery revenue in 2025, this segment represents one of the most technically advanced and indispensable categories in the industry, serving as a cornerstone for large-scale infrastructure and earthmoving projects. We are dedicated to the R&D, manufacturing, sales and servicing of a comprehensive range of construction machinery, including dozers, excavators, loaders, road machinery, mining trucks and concrete machinery, as well as spare parts. We are also committed to becoming a leader in smart construction solutions. We have held the No. 1 position in China's dozer sector for 22 consecutive years since 2004 in terms of sales volume, which translated into a market share constantly above 60% from 2010 to 2025, according to Frost & Sullivan.

Our roots trace back to 1952. We have actively participated in and jointly driven the advancement of China's construction machinery industry toward greater self-reliance, high-end development, intelligentization and internationalization. Since inception, we have focused on localizing high-horsepower dozers in China, marking the end of reliance on imports and filling the domestic gap for dozers above 180 horsepower, according to Frost & Sullivan. We have led several industry breakthroughs, including the development of China's most powerful dozer, China's first autonomous dozer, the world's first pure electric dozer and the world's first AI-powered dozer, according to the same source. Leveraging the technical capabilities we accumulated in the horsepower escalation and premiumization of dozers while capitalizing on the established leadership of the "Golden Industrial Chain" of Shandong Heavy Industry, our Controlling Shareholder, we have established a comprehensive industrial value chain, encompassing a full suite of construction machinery and spare parts. We are also an early mover in China's smart construction solutions. We provide our end users with an intelligent solution that deeply integrates intelligent construction machinery, smart platforms and manufacturing processes and production techniques, leading the industry in commercialization of smart construction solutions. We actively embrace the opportunities presented by internationalization. As of December 31, 2025, we have established 13 overseas subsidiaries worldwide, with our sales and service network covering over 160 countries and regions. In 2025, overseas revenue accounted for 59.8% of our total revenue, positioning us as a leading Chinese construction machinery company in global expansion.

Renowned for our outstanding quality and technology, we have participated in numerous landmark projects in China and overseas, including the Three Gorges Dam, West-East Gas Pipeline, South-to-North Water Diversion, Beijing-Shanghai High-Speed Railway and Daxing Airport, as well as several major transportation and mining initiatives in Belt and Road countries such as Kazakhstan, Uzbekistan, Saudi Arabia, Indonesia and Malaysia.

The following chart highlights our remarkable achievements:

(1) According to Frost & Sullivan, in terms of sales volume, with the global dozer market accounting for approximately 4% of the global construction machinery industry in terms of sales revenue in 2025.

(2) According to Frost & Sullivan, in terms of global revenue from construction machinery product.

(3) According to Frost & Sullivan.

(4) As of the Latest Practicable Date.

(5) Provincial or ministerial level scientific research results as of December 31, 2025.

(6) Industry leaders refer to individuals who have received one of the following honors, including: State Council Special Allowance Expert, Shandong Chief Technician, Shandong Outstanding Contribution Technician, and Mount Taishan Industrial Leading Talent.

Our Business

We offer customers a full suite of construction machinery and spare parts:

- ***Construction Machinery.*** We focus on the R&D, manufacturing, sales and servicing of construction machinery, including dozers, excavators, loaders, road machinery, mining trucks and concrete machinery, which are widely applied across a broad range of scenarios, such as urban development, infrastructure construction, road and bridge construction and maintenance, farmland and water conservancy development, as well as mine, port and terminal construction. Through our deep integration with the "Golden Industrial Chain" of Shandong Heavy Industry, our Controlling Shareholder, we are among the top manufacturers in China's construction machinery industry with vertical integration across the entire industrial value chain, according to Frost & Sullivan. We have achieved proprietary control over spare parts, covering engines, electric control systems, hydraulic systems, transmission systems and crawler-type undercarriage parts. This enables our construction machinery to excel in intelligence, productivity, fuel efficiency and reliability.

  We are an early mover in advancing the concept of "smart construction solutions" within China's construction machinery industry. We led early R&D efforts in this field, drove its practical applications, and successfully achieved commercialization. Our smart construction solutions achieve deep integration of intelligent construction machinery, smart platforms and manufacturing processes and production techniques. For three of the most valuable construction scenarios, namely, mining, earthworks and roadworks, we developed three targeted smart platforms, namely, Kunlun (昆侖), Pangu (盤古) and Xuanyuan (軒轅) smart construction platforms. These platforms help our customers address key pain points during construction, such as high construction costs, low efficiency and complex management, effectively reducing construction expenses, improving construction quality and significantly lowering the risk of construction-related accidents, thereby delivering tangible value to all parties involved.

- ***Spare Parts.*** In addition to our construction machinery offerings, we have achieved independent R&D and production capabilities for spare parts such as crawler-type undercarriage parts, electronic control unit and transmission parts. We possess China's top-tier "four rollers and one track" undercarriage assembly products, featuring a complete model range, advanced underlying technologies, stable quality and outstanding wear and compression resistance, compatible with various crawler-type construction machinery, including excavators ranging from 0.8 to 350 tons and dozers ranging from 80 to 900 horsepower level. Our independently developed vehicle control unit has excellent scalability and can be quickly customized according to specific construction scenarios and usage needs to efficiently match various models. We are also recognized as a leading R&D and manufacturing base for key transmission parts in China's construction machinery industry. Our hydraulic torque converter and gearbox are praised for their high transmission efficiency, broad power coverage and strong reliability. Owing to the high quality of our spare parts, we have been invited to participate in the formulation and revision of multiple industry standards, and hold 247 patents as of December 31, 2025. The recognition also reinforces our position as a long-term premium supplier to leading construction machinery manufacturers.

As of December 31, 2025, we have developed a rich product portfolio consisting of (i) over 930 Configurations of construction machinery across six major series, including dozers, excavators, loaders, road machinery, mining trucks and concrete machinery, (ii) proprietary spare parts, and (iii) industry-leading smart construction solutions.

Our Market Opportunities

According to Frost & Sullivan, driven by recovering global infrastructure investment, growth in mining investment, equipment replacement cycles, and accelerating electrification and intelligentization, the global construction machinery market reached a total size of US$222.0 billion in 2025 and is expected to reach US$298.5 billion by 2030, representing a CAGR of 6.1% from 2025 to 2030.

In terms of regional distribution, the overseas construction machinery market is substantial in size. According to Frost & Sullivan, the overseas construction machinery market reached US$194.0 billion in 2025, accounting for 87.4% of the global market, and is projected to reach US$241.2 billion in 2030, representing 80.8% of the global market, with a CAGR of 4.5% from 2025 to 2030. Meanwhile, the Chinese construction machinery market has also shown strong growth resilience. Supported by favorable policies and robust demand, China's construction machinery market is expected to grow from US$28.0 billion in 2025 to US$57.3 billion in 2030, accounting for 19.2% of the global market, with a CAGR of 15.4% from 2025 to 2030.

Moreover, intelligentization and electrification are becoming prominent trends in the construction machinery industry. Smart construction solutions, which combine intelligent construction machinery with smart systems, are growing rapidly due to their significant advantages in improving construction efficiency and controlling construction costs. According to Frost & Sullivan, the global smart construction industry is expected to grow from US$17.6 billion in 2025 to US$57.8 billion in 2030, with a CAGR of 26.9%. In China, the smart construction industry is projected to grow from US$4.7 billion in 2025 to US$20.6 billion in 2030, with a CAGR of 34.1%. Meanwhile, the penetration of new energy construction machinery driven by electrification is also accelerating, and the global market size for new energy construction machinery is expected to grow from US$6.4 billion in 2025 to US$28.3 billion in 2030, with the penetration rate of new energy construction machinery rising from 2.9% to 9.5% over the same period.

Our Financial Performance

During the Track Record Period, we demonstrated solid performance. In 2023, 2024 and 2025, our revenue was RMB11,364.4 million, RMB14,218.6 million and RMB14,620.2 million, respectively. From 2023 to 2025, our revenue grew at a CAGR of 13.4%, significantly outperforming the industry average CAGR of -1.2% from 2023 to 2025, according to Frost & Sullivan. The share of our overseas revenue increased from 51.7% in 2023 to 52.1% in 2024, and further increased to 59.8% in 2025, maintaining a leading position in the industry. With sound cost control and ongoing optimization of operating expenses, our gross profit margin steadily improved through the Track Record Period, while our selling and marketing expenses and administrative expenses as percentages to our total revenue steadily optimized. As a result, our net profit increased rapidly from RMB795.8 million in 2023 to RMB1,215.3 million in 2025. Our net profit margin increased from 7.0% in 2023 to 8.3% in 2025, and our return on equity increased from 13.5% in 2023 to 21.2% in 2025, both outperforming the 2025 industry average of 7.8% and 8.3%, respectively, according to Frost & Sullivan.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths position us well to capitalize on future opportunities and deliver continued growth: (i) leader in global dozer sector, driving the premiumization, intelligentization and internationalization process of china's construction machinery industry; (ii) strategic industrial chain advantage through vertical integration with proprietary control, offering customers a high-quality and diversified product portfolio; (iii) first mover of smart construction solutions, faithfully fulfilling the mission of "making construction easier"; (iv) an industry-leading intelligent manufacturing system and data-driven agile production capabilities, building a solid foundation for customer satisfaction; (v) building technological barriers and leading industry innovation through customer-driven R&D; (vi) global sales and service network, delivering exceptional user experience; and (vii) deeply rooted corporate culture cultivating an industry-leading management team with strong strategy execution capabilities. See "Business—Our Competitive Strengths."

OUR BUSINESS GROWTH STRATEGIES

We plan to pursue the following strategies: (i) leveraging proprietary strengths across core industrial chain to expand product portfolio and market share; (ii) guided by the AI strategy, deepening smart construction solution deployment and advancing intelligentization; (iii) strengthening global presence and maintaining international leadership; and (iv) continuously upgrading our business model to build a closed-loop business ecosystem centered on the full lifecycle of construction machinery. See "Business—Our Business Growth Strategies."

RESEARCH AND DEVELOPMENT

Outstanding R&D capabilities are central to reinforcing our competitive advantages and driving industry leadership. Over the course of more than 70 years of development, we have built a deep reservoir of technological expertise and established a market-driven, agile and responsive forward-design R&D system. Our product development process is led by project managers who form cross-functional teams involving the marketing, sales, production and R&D departments. This structure ensures that product development is guided by market demand, enabling targeted and efficient innovation. See "Business—Research and Development."

CUSTOMERS AND SUPPLIERS

We primarily sell our products to distribution partners and direct sales customers. Our direct sale customers mainly comprise construction machinery manufacturers and downstream enterprises in sectors such as construction and mining. Revenue from our five largest customers amounted to RMB3,377.0 million, RMB4,241.0 million and RMB3,999.6 million in 2023, 2024 and 2025, respectively, representing 29.7%, 29.8% and 27.4% of our total revenue for the respective years. Revenue from our largest customer accounted for 18.5%, 17.6% and 12.9% of our total revenue in 2023, 2024 and 2025, respectively. See "Business—Our Customers."

Our suppliers primarily comprise suppliers for raw materials, components and indirect materials. Purchases from our five largest suppliers amounted to RMB2,269.9 million, RMB3,172.3 million and RMB3,741.1 million in 2023, 2024 and 2025, respectively, representing 25.6%, 29.2% and 29.3% of our total purchases for the respective years. Purchases from our largest supplier accounted for 15.4%, 19.7% and 19.5% of our total purchases in 2023, 2024 and 2025, respectively. See "Business—Our Suppliers."

PRODUCTION

Our comprehensive and advanced production capabilities are the foundation of our business. Leveraging our superior manufacturing technologies and large-scale production capacity, we ensure the consistent high quality of our products and stay agile in response to changes in market demands. As of the Latest Practicable Date, we operate 15 production facilities for our construction machinery and spare parts, which are mainly located in Jining, Linyi and Jinan in Shandong Province. See "Business—Our Production."

COMPETITION

The markets we operate in are highly competitive with domestic and international construction machinery companies. Principal competitive factors include product features, price and performance, quality and reliability, design innovation, brands, marketing and distribution capability and customer service. We believe our brand recognition, technological capabilities, integrated sales and distribution network and production and quality control capabilities position us competitively within the industry. See "Industry Overview" and "Risk Factors—Risks Relating to Our Business and Industry."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors." You should carefully read that section in its entirety before you decide to [**REDACTED**] in our H Shares. We believe the most significant risks we face include but are not limited to the following: (i) if the market demand for our products and solutions changes or the construction machinery market fails to achieve the anticipated growth or lacks growth momentum, our sales and profitability may be materially and adversely affected; (ii) we compete with both domestic and international companies in construction machinery industry. If we fail to adapt to competing successfully with existing or new competitors, our business, financial condition and results of operations would be adversely affected; (iii) we may not be able to launch new products, upgrade existing products or continuously provide a full range of product portfolio in a cost-effective manner to keep the latest market need and technological advancements in the construction machinery industry, which could materially and adversely affect our business, financial condition and results of operations; (iv) our business and long-term competitiveness rely on ongoing investment in R&D, access to advanced technologies and the development of innovation capabilities. Our continuous investments in research and development may not generate the results as expected and may negatively affect our business, financial condition and results of operations; and (v) any failure to successfully execute production capacity expansion plans or effectively utilize our production bases may materially and adversely affect our business, financial condition and results of operations.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our financial information during the Track Record Period, extracted from the Accountants' Report as set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS. See "Financial Information."

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our results of operations in absolute amounts and as percentages of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Revenue	**11,364,392**	**100.0**	**14,218,639**	**100.0**	**14,620,170**	**100.0**
Cost of sales	(9,234,738)	(81.3)	(11,466,786)	(80.6)	(11,592,774)	(79.3)
Gross profit	**2,129,654**	**18.7**	**2,751,853**	**19.4**	**3,027,396**	**20.7**
Other income and gains	245,793	2.2	261,069	1.8	170,103	1.2
Selling and marketing expenses	(380,936)	(3.4)	(591,630)	(4.2)	(621,265)	(4.2)
Administrative expenses	(520,874)	(4.6)	(509,459)	(3.6)	(493,990)	(3.4)
Research and development costs	(558,386)	(4.9)	(541,863)	(3.8)	(574,885)	(3.9)
Foreign exchange gains, net	1,623	0.0	39,143	0.3	(18,269)	(0.1)
Impairment losses on financial instruments and contract assets, net	(28,466)	(0.3)	(147,297)	(1.0)	(101,256)	(0.7)
Other expenses	(21,377)	(0.2)	(36,592)	(0.3)	(29,138)	(0.2)
Finance costs	(75,941)	(0.7)	(67,368)	(0.5)	(100,793)	(0.7)
Share of profits and losses of associates	43,322	0.4	52,761	0.4	27,588	0.2
Profit before tax	**834,412**	**7.3**	**1,210,617**	**8.5**	**1,285,491**	**8.8**
Income tax expense	(38,621)	(0.3)	(96,539)	(0.7)	(70,236)	(0.5)
Profit for the year	**795,791**	**7.0**	**1,114,078**	**7.8**	**1,215,255**	**8.3**

Revenue

Our revenue was RMB11,364.4 million, RMB14,218.6 million and RMB14,620.2 million in 2023, 2024 and 2025, respectively.

Revenue by Product Category

During the Track Record Period, we primarily generated revenue from the sales of (i) construction machinery, mainly including dozers, excavators, loaders, road machinery, mining trucks and concrete machinery; and (ii) spare parts, mainly including crawler-type undercarriage parts and transmission parts. The following table sets forth a breakdown of our revenue by product category in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Construction machinery	7,940,544	69.9	9,990,475	70.3	10,950,090	74.9
Dozers	*3,376,697*	*29.7*	*3,951,362*	*27.8*	*3,481,619*	*23.8*
Excavators	*2,117,497*	*18.7*	*3,021,728*	*21.3*	*3,935,700*	*26.9*
Loaders	*1,119,394*	*9.9*	*1,252,741*	*8.8*	*1,647,682*	*11.3*
Road machinery	*486,185*	*4.3*	*798,272*	*5.6*	*1,059,998*	*7.3*
Mining trucks	*153,154*	*1.3*	*274,676*	*1.9*	*89,332*	*0.6*
Concrete machinery	*458,276*	*4.0*	*464,621*	*3.3*	*459,700*	*3.1*
Other construction machinery	*229,341*	*2.0*	*227,075*	*1.6*	*276,059*	*1.9*
Spare parts	2,186,107	19.2	2,918,058	20.5	2,667,607	18.2
Crawler-type undercarriage parts	*1,064,752*	*9.4*	*1,246,470*	*8.8*	*1,402,486*	*9.6*
Transmission parts	*125,253*	*1.1*	*155,581*	*1.1*	*165,954*	*1.1*
Other spare parts	*996,102*	*8.8*	*1,516,007*	*10.7*	*1,099,167*	*7.5*
Others[(1)]	1,237,741	10.9	1,310,106	9.2	1,002,473	6.9
Total	**11,364,392**	**100.0**	**14,218,639**	**100.0**	**14,620,170**	**100.0**

(1) Mainly include income from sales of materials and rental income.

The following table sets forth a breakdown of our revenue from the sales of construction machinery by intelligent or conventional construction machinery in absolute amounts and as percentages of our revenue from the sales of construction machinery for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Conventional construction machinery	7,935,366	99.9	9,839,554	98.5	10,892,112	99.5
Intelligent construction machinery	5,178	0.1	150,921	1.5	57,978	0.5
Total	**7,940,544**	**100.0**	**9,990,475**	**100.0**	**10,950,090**	**100.0**

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical region both in absolute amounts and as percentages of total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Chinese Mainland	5,486,190	48.3	6,807,302	47.9	5,878,913	40.2
Overseas	5,878,202	51.7	7,411,337	52.1	8,741,257	59.8
– Africa	*1,177,313*	*10.4*	*1,944,302*	*13.7*	*2,846,410*	*19.5*
– Asia	*1,818,599*	*16.0*	*2,048,296*	*14.4*	*2,940,715*	*20.1*
– Europe	*2,383,147*	*21.0*	*2,926,578*	*20.6*	*2,316,598*	*15.8*
– the Americas	*499,143*	*4.3*	*492,161*	*3.4*	*637,534*	*4.4*
Total	**11,364,392**	**100.0**	**14,218,639**	**100.0**	**14,620,170**	**100.0**

Revenue by Sales Channel

During the Track Record Period, we generated revenue from sales through distribution partners and direct sales. We have established extensive domestic and international sales and distribution network to provide products and solutions across over 160 countries and regions worldwide as of December 31, 2025. During the Track Record Period, a majority of our revenue was generated from sales through distribution partners, which amounted to RMB6,094.0 million, RMB8,017.2 million and RMB7,548.0 million in 2023, 2024 and 2025, respectively, accounting for 53.6%, 56.4% and 51.6% of our total revenue in the same respective years. See "Business—Sales, Marketing and Customer Service." The following table sets forth a breakdown of our revenue from the sales of construction machinery and spare parts by sales channel in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Construction machinery and spare parts						
Distribution partners	6,094,000	53.6	8,017,160	56.4	7,547,975	51.6
– Chinese Mainland	*1,722,462*	*15.2*	*2,627,906*	*18.5*	*2,246,410*	*15.4*
– Overseas	*4,371,538*	*38.4*	*5,389,254*	*37.9*	*5,301,565*	*36.2*
Direct sales	4,032,651	35.5	4,891,373	34.4	6,069,722	41.5
– Chinese Mainland	*2,525,987*	*22.2*	*2,869,290*	*20.2*	*2,630,030*	*18.0*
– Overseas	*1,506,664*	*13.3*	*2,022,083*	*14.2*	*3,439,692*	*23.5*
Others(1)	1,237,741	10.9	1,310,106	9.2	1,002,473	6.9
Total	**11,364,392**	**100.0**	**14,218,639**	**100.0**	**14,620,170**	**100.0**

(1) Mainly including income from sales of materials and rental income.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	*GPM*	*Gross profit*	*GPM*	*Gross profit*	*GPM*
	(RMB in thousands, except for GPM in percentages)					
Construction machinery	1,769,858	22.3	2,277,640	22.8	2,715,754	24.8
Dozers	*1,359,942*	*40.3*	*1,519,891*	*38.5*	*1,317,233*	*37.8*
Excavators	*241,394*	*11.4*	*518,831*	*17.2*	*1,092,315*	*27.8*
Loaders	*17,694*	*1.6*	*38,149*	*3.0*	*51,883*	*3.1*
Road machinery	*32,038*	*6.6*	*78,953*	*9.9*	*141,070*	*13.3*
Mining trucks	*10,271*	*6.7*	*29,965*	*10.9*	*5,884*	*6.6*
Concrete machinery	*76,266*	*16.6*	*71,215*	*15.3*	*84,402*	*18.4*
Other construction machinery	*32,253*	*14.1*	*20,636*	*9.1*	*22,967*	*8.3*
Spare parts	244,446	11.2	340,311	11.7	241,167	9.0
Crawler-type undercarriage parts	*163,940*	*15.4*	*216,673*	*17.4*	*168,983*	*12.0*
Transmission parts	*10,420*	*8.3*	*15,360*	*9.9*	*23,072*	*13.9*
Other spare parts	*70,085*	*7.0*	*108,279*	*7.1*	*49,112*	*4.5*
Others(1)	115,350	9.3	133,902	10.2	70,475	7.0
Total	**2,129,654**	**18.7**	**2,751,853**	**19.4**	**3,027,396**	**20.7**

(1)

Mainly include income from sales of materials, mainly steel, and rental income.

The following table sets forth a breakdown of our gross profit and gross profit margin of construction machinery by intelligent or conventional products for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	*GPM*	*Gross profit*	*GPM*	*Gross profit*	*GPM*
	(RMB in thousands, except for GPM in percentages)					
Conventional construction machinery	1,769,841	22.3	2,229,971	22.7	2,702,847	24.8
Intelligent construction machinery	17	0.3	47,669	31.6	12,908	22.3
Total	**1,769,858**	**22.3**	**2,277,640**	**22.8**	**2,715,755**	**24.8**

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical region for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	*GPM*	*Gross profit*	*GPM*	*Gross profit*	*GPM*
	(RMB in thousands, except for GPM in percentages)					
Chinese Mainland	490,739	8.9	725,132	10.7	567,146	9.6
Overseas	1,638,915	27.9	2,026,721	27.3	2,460,250	28.1
Total	**2,129,654**	**18.7**	**2,751,853**	**19.4**	**3,027,396**	**20.7**

Profit for the Year

Our profit for the year increased by 40.0% from RMB795.8 million in 2023 to RMB1,114.1 million in 2024, and further by 9.1% to RMB1,215.3 million in 2025.

Summary of Consolidated Statements of Financial Position

The following table sets forth the components of our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Non-current assets	3,852,886	4,220,599	4,566,274
Current assets	11,756,555	14,067,898	14,490,332
Total assets	**15,609,441**	**18,288,497**	**19,056,606**
Total current liabilities	8,738,115	11,027,470	11,285,313
Total non-current liabilities	371,365	1,725,578	1,300,312
Total liabilities	**9,109,480**	**12,753,048**	**12,585,625**
Net current assets	**3,018,440**	**3,040,428**	**3,205,019**
Net asset	**6,499,961**	**5,535,449**	**6,470,981**

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from operating activities	376,832	515,124	781,122
Net cash flows from/(used in) investing activities	122,450	124,422	(310,030)
Net cash flows used in financing activities	(474,464)	(1,117,636)	(659,826)
Net increase/(decrease) in cash and cash equivalents	**24,818**	**(478,090)**	**(188,734)**
Cash and cash equivalents at end of year	**1,715,861**	**1,246,736**	**1,076,789**

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years indicated:

	As of/for the year ended December 31,		
	2023	2024	2025
Gross profit margin (%)	18.7	19.4	20.7
Net profit margin (%)	7.0	7.8	8.3
Current ratio *(times)*	1.3	1.3	1.3
Return on equity (%)	13.5	19.4	21.2

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since January 22, 1997, our A Shares have been listed on the Shenzhen Stock Exchange. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we had no instance of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Our PRC Legal Advisor is of the view that the confirmation of our Directors above with regard to our compliance records is accurate and reasonable. Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would cause it to cast doubt on our Directors' confirmation with regard to the compliance record of our Company on the Shenzhen Stock Exchange in any material respect.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (i) Shandong Heavy Industry, which was ultimately owned as to 90.00% by Shandong SASAC and 10.00% by Shandong Provincial Department of Finance, directly held approximately 24.29% of our A Shares, and (ii) Weichai Power, which was an indirect non-wholly owned subsidiary of Shandong Heavy Industry through its wholly-owned subsidiary, Weichai Holdings, directly held approximately 15.78% of our A Shares.

Pursuant to the Listing Rules and Chapter 1.1C of the Guide for New Listing Applicants, Shandong Heavy Industry, Weichai Holdings and Weichai Power constitute our Controlling Shareholders, holding in aggregate approximately 40.07% of our total issued Shares as of the Latest Practicable Date. Immediately following completion of the [**REDACTED**], our Controlling Shareholders will in aggregate hold approximately [**REDACTED**]% of our Shares (assuming the [**REDACTED**] is not exercised and there is no other changes made to the issued share capital of our Company between the Latest Practicable Date and the [**REDACTED**]). Therefore, upon

[**REDACTED**], Shandong Heavy Industry, Weichai Holdings and Weichai Power will continue to be our Controlling Shareholders as defined under the Listing Rules. For further details about our Controlling Shareholders and our relationship therewith, please refer to "Relationship with Our Controlling Shareholders" in this Document.

As of the Latest Practicable Date, apart from our Group, our Controlling Shareholders are also engaged in excavator, loader and wide-body mining truck related business (the "**Excluded Businesses**") through two subsidiaries. Our Directors are of the view that the level of competition between our business and the Excluded Business is not material and any conflict of interests can be effectively managed. Nothing has come to the Sole Sponsor's attention that would cause it to disagree with the Directors' view. For further details about such competition with our Controlling Shareholders, please refer to "Relationship with Our Controlling Shareholders— Excluded Businesses of Our Controlling Shareholders" in this Document.

In addition, we expect certain connected transactions of our Group with our Controlling Shareholders and/or their respective associates will continue after the [**REDACTED**], details of which are set out in "Connected Transactions" in this Document.

[**REDACTED**]

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**], after deducting estimated [**REDACTED**], [**REDACTED**] and expenses payable by us in connection with the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range), and assuming the [**REDACTED**] is not exercised. (i) Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be allocated to research and development to strengthen our technology layout in the fields of intelligence, new energy and high-end manufacturing; (ii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for the high-quality expansion of our global sales and service network; (iii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used for comprehensive digital and intelligent upgrades of our management and operations; (iv) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to repay existing bank borrowings; and (v) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], will be used to supplement our working capital and for general corporate purposes. See "Future Plans and Use of [**REDACTED**]."

DIVIDEND

We declared dividends of RMB114.1 million, RMB270.1 million and RMB142.1 million and paid dividend to equity shareholders of RMB113.1 million, RMB224.1 million and RMB141.2 million in 2023, 2024 and 2025, respectively. See Note 11 of the Accountants' Report in Appendix I to this Document. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future. Any future determination of dividends distribution, as well as the amount will be made at the discretion of our Board of Directors which will be subject to the corporate shareholder approval processes and may be based on a number of factors, including but not limited to our future operations and earnings, capital requirements and surplus, cash flows and general financial condition, contractual restrictions, taxation and other factors from time to time that the Board of Directors may deem relevant, and will also be subject to our Articles of Association and constitutional documents, as well as applicable laws and regulations. We shall distribute cash dividends once per financial year, provided that (i) the applicable conditions for cash dividend distribution are fulfilled; and (ii) there are no material investment plans or significant capital expenditure arrangements. In general, the total distributed cash dividends for three consecutive years shall no less than 30% of the average annual distributable profits in the consolidated financial statements over those three years. Interim dividends may also be distributed at discretion of our Board when circumstances permit. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

At the annual general meeting held on April 10, 2026, our Shareholders considered and approved the resolution in relation to the proposed payment of a final dividend for 2025 totalling RMB148.5 million.

The Directors confirm that, up to the date of this Document, there had been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this Document, and there is no other event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this Document.

[REDACTED]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. Assuming the [**REDACTED**] is not exercised and based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range), [**REDACTED**] to be borne by us are estimated to be approximately RMB[**REDACTED**] (HK$[**REDACTED**]), comprising: (i) [**REDACTED**] of RMB[**REDACTED**] (HK$[**REDACTED**]); and (ii) [**REDACTED**] of RMB[**REDACTED**] (HK$[**REDACTED**]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of RMB[**REDACTED**] (HK$[**REDACTED**]); and (b) other fees and expenses of RMB[**REDACTED**] (HK$[**REDACTED**]), approximately RMB[**REDACTED**] (HK$[**REDACTED**]) of which was charged or is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] (HK$[**REDACTED**]) of which is expected to be deducted from equity upon the completion of the [**REDACTED**]. The [**REDACTED**] are expected to represent approximately [**REDACTED**]% of the gross [**REDACTED**] of the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and that the [**REDACTED**] is not exercised. The [**REDACTED**] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.