

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from the F&S Report, a market research report prepared by Frost & Sullivan, an independent global consulting firm that was commissioned by us, and from various official government publications and available resources from public market research. We engaged Frost & Sullivan to prepare the F&S Report in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. See “Risk Factors—Risks Relating to Our Business and Industry” in this Document.

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on the global construction machinery industry for the use in this Document (the “**F&S Report**”), which was commissioned by us for a fee of RMB450,000. In compiling and preparing the F&S Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) government policies on the global construction machinery market will remain consistent during the forecast period, (iii) the construction machinery market will be driven by the factors which are stated in the F&S Report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the F&S Report. The F&S Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

Frost & Sullivan is an independent global consulting firm founded in 1961 in New York and its services include, among others, industry consulting, market strategic consulting and corporate training. Frost & Sullivan conducted (i) primary research, which involved discussing the status of the industry with certain leading industry participants, and interviews with industry experts on a best-effort basis to collect information in aiding in-depth analysis; and (ii) secondary research, which involved reviewing company reports, independent research reports and data based on its own research database.

Our Directors confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the F&S Report prepared by Frost & Sullivan which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

OVERVIEW OF THE CONSTRUCTION MACHINERY MARKET

Definition and Classification of the Construction Machinery

Construction machinery serves as the core technical equipment supporting modern industrial systems, primarily utilized in construction, infrastructure development, mining, roadworks, ports, urban development and other construction operations scenarios. It is a pivotal force driving global industrialization. With the rapid economic growth and the continuous deepening of urbanization, the industry continues to innovate technologically to meet diverse construction needs and application scenarios. Product-wise, the global construction machinery market can be categorized into dozer, excavators, loaders, road machinery, mining trucks, concrete machinery and others.

Definition and Classification of Core Components of the Construction Machinery

The core components of the construction machinery mainly include traveling system, power system, transmission system, hydraulic system, braking system, electrical equipment, frame and attached systems, etc.

The undercarriage parts serve as the core traveling system of construction machinery and the central system enabling their movement. For crawler-type construction machinery, the undercarriage parts primarily comprise the “four rollers and one track,” which refers to the carrier

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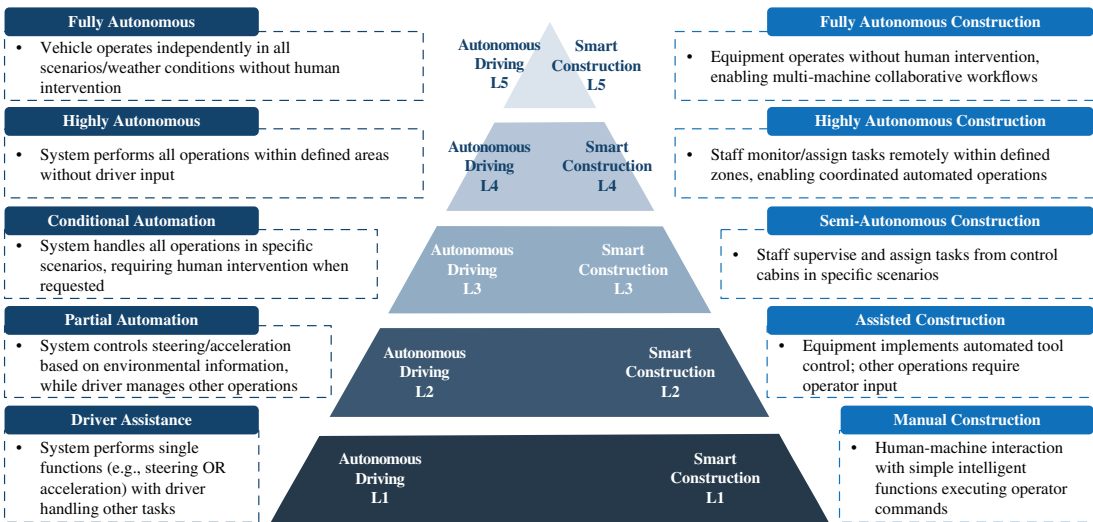
roller, sprocket, track roller, idler roller and track assembly. The track assembly typically consists of the track chain, track pad and connectors. The carrier roller supports the upper section of the track to prevent sag; the sprocket transmits power to propel the machinery; the track roller bears the machine’s weight; the idler roller provides guidance and regulates track tension; the track assembly directly contacts the ground to transmit traction force. In 2025, the market size of undercarriage parts of crawler-type construction machinery in China was US\$1.9 billion, projected to grow to US \$3.8 billion by 2030, with a CAGR of 14.9%. Globally, the market size is expected to increase from US\$10.2 billion in 2025 to US\$11.7billion by 2030, with a CAGR of 2.8%. As an established manufacturer of crawler-type undercarriage construction machinery in China, we hold a solid position in China’s construction machinery industry in terms of cumulative number of OEM customers served, cumulative sales volume of crawler-type undercarriage products, number of compatible models and number of patents as of December 31, 2025.

Definition of Smart Construction Solutions

Smart construction machinery solutions integrate cutting-edge technologies such as the Internet of Things (IoT), artificial intelligence (AI), 5G, big data, cloud computing, intelligent driving and unmanned operation. These solutions aim to empower engineering machinery and equipment with intelligent, automated and unmanned operation while optimizing full-chain construction or workflow management. Primarily applied in closed or semi-closed scenarios, they enhance construction quality, safety and efficiency through functions like assisted operation, remote control, intelligent scheduling, precision work and predictive maintenance, while reducing resource waste and costs. Smart construction solutions mainly consist of two components: smart hardware and smart software platforms.

Based on the development process of intelligent driving in automobiles, the development path of smart construction solutions can also be divided into the following five stages:

Comparison of Vehicle Autonomous Driving vs. Smart Construction



Source: Frost & Sullivan

Definition of New Energy Construction Machinery

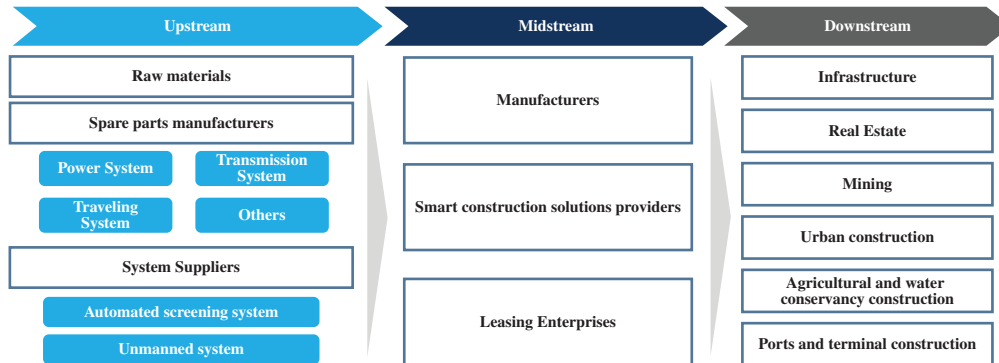
New energy construction machinery refers to engineering equipment that primarily or exclusively uses non-traditional fossil fuels as power sources, including pure electric, hybrid and hydrogen fuel cell drive systems. It encompasses traditional machinery types such as dozers, excavators and loaders, with the core objective of replacing conventional fuel-powered systems to achieve lower carbon emissions, reduced environmental pollution, quieter operation and higher energy efficiency. This aligns with the global energy transition and carbon neutrality strategy, representing a critical direction for the green and sustainable development of the construction machinery industry.

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Industry Chain of the Construction Machinery

The upstream of construction machinery market consists of raw materials, spare parts manufacturers and system suppliers, etc. Steel, iron and other non-ferrous metals are important raw materials of the production of construction machinery. Spare parts mainly include power system, transmission system, traveling system and others. As construction machinery undergoes an intellectualization and electrification trend, the importance of upstream system suppliers has increased. The midstream of construction machinery market consists of manufacturers, smart construction solutions providers and leasing enterprises. Most of the leading manufacturers are able to produce various types of construction machinery. The downstream includes infrastructure construction, real estate, mining excavation, urban development, agricultural and water conservancy construction, port and terminal construction, and other scenarios.

Industry Value Chain of Construction Machinery Market



Source: Frost & Sullivan

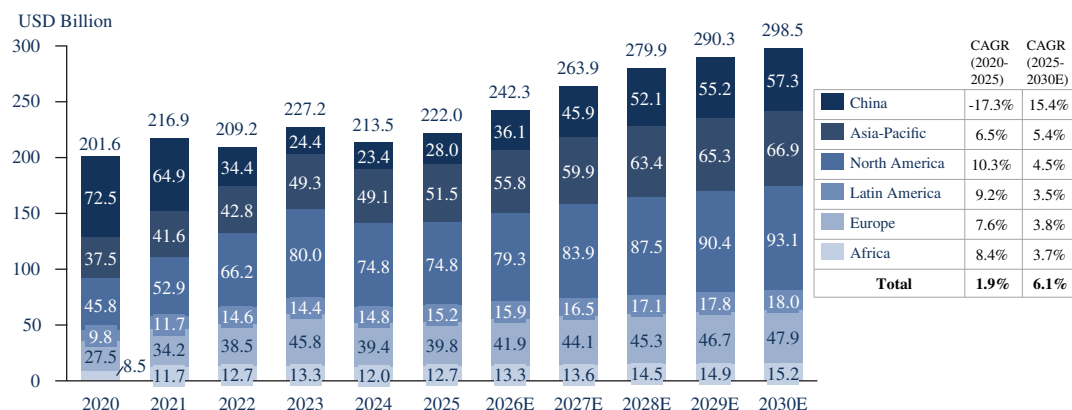
ANALYSIS OF GLOBAL CONSTRUCTION MACHINERY MARKET

Market Size of the Global Construction Machinery Market

The global construction machinery market is showing a relatively steady growth trend, with its core growth drivers mainly including the following: the expansion of infrastructure investment scale, especially the accelerated implementation of national strategic projects in energy, electricity, transportation and other fields; the in-depth empowerment of intelligent technologies in construction scenarios, such as autonomous driving construction machinery and smart construction solutions, which promote the improvement of construction efficiency and the optimization of operating costs; and the upgrading of environmental protection policies, which accelerates the iteration of green technologies, drives the increase in the penetration rate of electric equipment and the popularization of low-carbon construction models. The overall market size reached US\$222.0 billion in 2025 and is expected to increase to US\$298.5 billion in 2030, representing a CAGR of 6.1% from 2025 to 2030.

Breakdown by Regions

Total Revenue of Construction Machinery Market (by region), Global, 2020-2030E



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Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

China

In 2025, the size of China’s construction machinery market was US\$28.0 billion, and it is expected to grow to US\$57.3 billion by 2030, with a compound annual growth rate of 15.4%, making it the fastest-growing market in the global construction machinery market.

Asia

The Asia market, as defined in this document, increased from US\$37.5 billion in 2020 to US\$51.5 billion in 2025, with a CAGR of 6.5%. Driven by the accelerated urbanization and industrialization, coupled with infrastructure investments in Kazakhstan, Uzbekistan, Indonesia, Malaysia and the Middle East, the Asia market is expected to reach US\$66.9 billion in 2030. For example, Indonesia’s National Strategic Project focuses on upgrading transportation networks and energy infrastructure, and Kazakhstan’s National Infrastructure Plan to 2029 aims to build robust national infrastructure frameworks (including energy, transportation, utilities, digital infrastructure). These policies not only promoted infrastructure construction, but also boosted market demand for construction machinery. At the same time, given the lack of nickel resources in China, the rich nickel ore resources in Indonesia have attracted companies from China go abroad to Indonesia for investment and development, which will also promote the growth of demand for construction machinery in the Asia region. The Middle East region, represented by Saudi Arabia, is accelerating infrastructure development and economic diversification under strategic initiatives like “Vision 2030.” This progress, particularly in smart cities and renewable energy sectors, presents significant growth potential for the construction machinery industry. Additionally, it is anticipated that in the future technological upgrades and the widespread adoption of intelligent equipment are driving the transformation and expansion of the Asia market, making it a notable growth engine for the global construction machinery industry.

North America

The North American market is the largest construction machinery market globally, which market size reaching US\$74.8 billion in 2025, accounting for 33.7% of the global market, and expected to reach US\$93.1 billion by 2030, with a CAGR of 4.5%. Growth in the North American market is mainly driven by equipment renewal and equipment electrification, and the development of intelligent construction technologies. As the world’s largest economy, the U.S. has a strong demand for advanced equipment in the construction, mining and other sectors.

Latin America

The size of the Latin American market reached US\$15.2 billion in 2025, and it is expected to reach US\$18.0 billion by 2030, with a CAGR of 3.5%. The Latin American market is mainly driven by mining machinery demand, with a resurgence of demand for metal mineral resources in countries such as Brazil, Chile and Argentina being the main driving force. For example, relying on plans such as the National Mining Plan and the Infrastructure Investment Partnership Plan, the Brazilian government is promoting the processes of mineral development and infrastructure construction, which directly drives the continuous release of demand for construction machinery procurement.

Europe

The size of the European market reached US\$39.8 billion in 2025, accounting for 17.9% of the global market, and it is expected to reach US\$47.9 billion by 2030, with a CAGR of 3.8%. The European construction machinery market is mainly driven by policies such as the EU Recovery Plan and carbon emission regulations. With substantial capital injected into infrastructure construction projects including renewable energy facilities and transportation network upgrades, as well as support for green energy transition and low-carbon construction, the European market will accelerate its transformation towards intelligence and electrification.

Africa

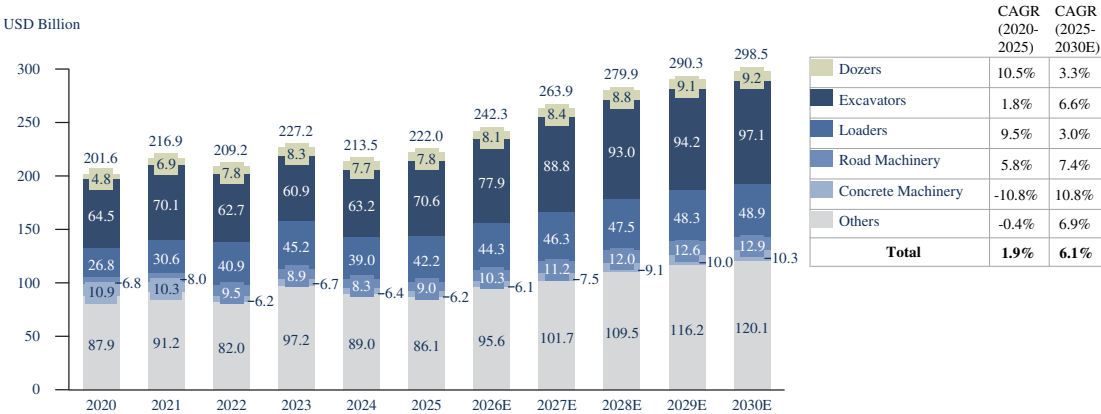
The size of the Africa market is projected to grow from US\$12.7 billion in 2025 to US\$15.2 billion by 2030, with a CAGR of 3.7%. This growth is primarily driven by demand in mining and infrastructure sectors. For instance, South Africa’s “2025 Budget Review” plans to invest over

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ZAR1 trillion in infrastructure projects over the next three years, focusing on transportation, energy, and water sanitation. In addition, Africa is rich in lithium ore resources. With the increasing investment in mining, it will directly promote the growth of demand for construction machinery and equipment in Africa.

Breakdown by Products

Total Revenue of Construction Machinery Market (by product), Global, 2020-2030E



Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

Dozer

The size of the global dozer market increased from US\$4.8 billion in 2020 to US\$7.8 billion in 2025, representing a CAGR of 10.5%. It is expected to reach US\$9.2 billion in 2030, with a CAGR of 3.3% from 2025 to 2030. The dozer market’s expansion is largely driven by accelerating global infrastructure development and growth in the global mining sector. Primarily employed for bulldozing, leveling, transporting and mining operations, dozers see widespread use in diverse scenarios like mining, water conservancy projects, railway construction, port development, agriculture and forestry. The global dozer market is projected for steady expansion, fueled by rapid urbanization in developing countries, rising mining activity, agricultural modernization, land development and other applications.

Excavator

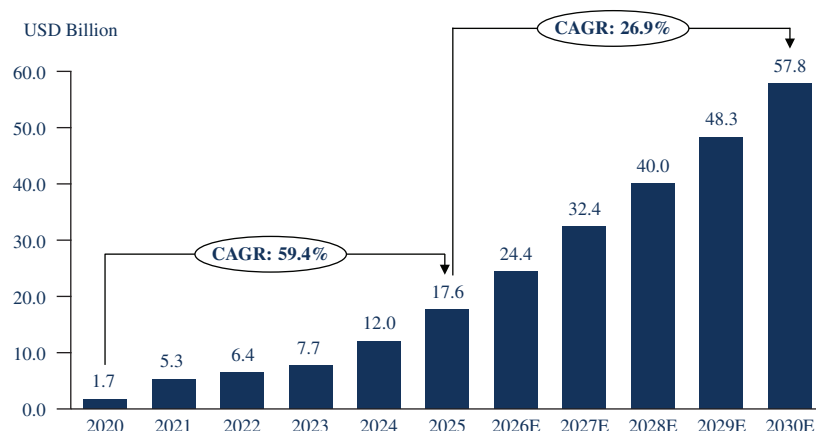
The size of the global excavator market reached US\$70.6 billion in 2025. This market is projected to reach US\$97.1 billion in 2030, with a CAGR of 6.6%. Excavators are widely used in infrastructure construction, mining operations and urban development. The expansion of their market is mainly driven by factors such as the continuous expansion of global downstream application scenarios and the development of new energy technologies.

Analysis of the Global Smart Construction Solutions Market

In 2025, the market size of smart construction solutions reached US\$17.6 billion globally. With continuous breakthroughs in AI technology, these solutions have progressively enhanced capabilities in real-time monitoring, risk warning and resource optimization. Additionally, national and local governments promote the application of smart construction technologies through policy frameworks and fiscal incentives. Meanwhile, the advantages of smart construction solutions in operational efficiency and safety levels are significant, driving sustained market demand growth. By 2030, the market size is projected to reach US\$57.8 billion globally, with a CAGR of 26.9% from 2025 to 2030.

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Market size of Smart Construction Solutions (by revenue), Global, 2020-2030E



Source: Frost & Sullivan

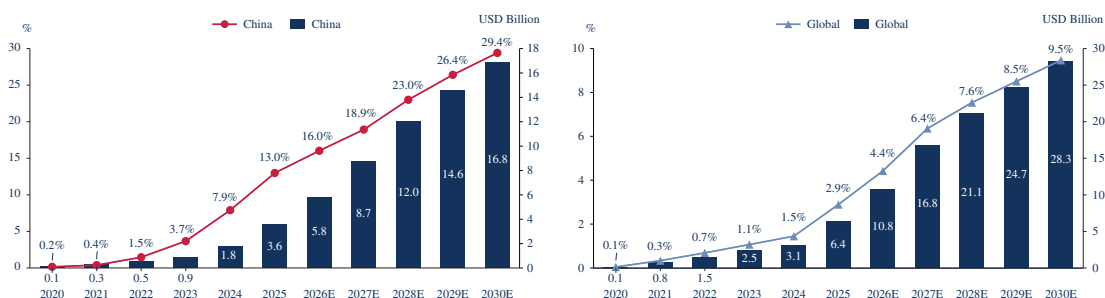
Analysis of the Global New Energy Construction Machinery Market

The penetration rate of new energy construction machinery equipment is climbing. From the global perspective, its revenue share in the overall market is projected to rise from 2.9% in 2025 to over 9.5% by 2030.

China's new energy construction machinery penetration rate exceeds the global average, driven by a combination of policy support, supply chain advantages, market demand, technological innovation, cost competitiveness, consumer acceptance and international competition and collaboration. The penetration rate is projected to rise from 13.0% in 2025 to 29.4% by 2030. This surge reflects the industry's prioritization of environmental protection and sustainable development, while opening new market opportunities for manufacturers.

The rapid growth of the new energy construction machinery market serves as a new growth engine for the entire industry, driving its green transformation and technological upgrading. It has prompted traditional manufacturers to actively invest in R&D and expand their product portfolio of new energy products, which is conducive to the long-term development of the entire industrial sector. Moreover, a complementary relationship is emerging between new energy and conventional construction machinery. In enclosed or semi-enclosed environments with relatively fixed operational sites, which simplifies the centralized construction of charging infrastructure and lowers the barrier to charging facility implementation, new energy machinery holds strong appeal due to its zero emissions, low noise, and lower operating costs. On the other hand, in extreme conditions, remote areas with limited power access, or applications demanding high-intensity and continuous operation, conventional construction machinery remains irreplaceable due to its reliability and energy resilience. This balance between the two is fostering a more diverse, efficient, and demand-responsive ecosystem in the modern construction machinery market.

Penetration Rate of New Energy Construction Machinery Market* (by revenue), Global and China, 2020-2030E



Source: Frost & Sullivan

* Excluding High-Altitude Platform

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Market Drivers and Development Trends of Global Construction Machinery Market

- **Smart Upgrade Empowerment.** Intelligentization is a core driver of global construction machinery market growth, primarily fueled by smart components integrated with IoT/internet connectivity, delivering significant operational efficiency gains. Modern equipment enables real-time data collection, remote monitoring and fault diagnosis, substantially improving utilization rates. Applications also include automated precision control, path planning and obstacle avoidance. Future development will focus on unmanned operation, collaborative work systems and full lifecycle management, unlocking greater productivity and cost benefits.
- **New Energy Green Transition.** Governments worldwide are implementing regulations and subsidies to combat climate change, accelerating adoption of electrified/hybrid solutions. Meanwhile, falling battery costs and grid infrastructure improvements enhance the cost-effectiveness of electric machinery, offering lower fuel expenses, stable energy pricing and reduced lifecycle costs compared to traditional fuel-powered equipment.
- **Increasing Downstream Demand.** Infrastructure construction, real estate, energy and resource sectors remain the key demand drivers for the construction machinery industry. Short-term growth will be supported by the post-pandemic recovery of global infrastructure investments, particularly in public works and energy projects. Long-term market expansion hinges on accelerated industrialization and urbanization, manifested through rising investments in housing, bridges, railways, highways, ports and airports. Regions like Southeast Asia, the Middle East, Africa and South Africa are poised to lead this growth, driven by their urgent infrastructure modernization needs and rapid urban population influx.
- **Policy Support Worldwide.** In China, the Mechanical Industry Stable Growth Work Plan (2025-2026) (《機械行業穩增長工作方案(2025-2026年)》) emphasizes strengthening major technological upgrades and large-scale equipment renewal in the manufacturing sector, while promoting initiatives for digital transformation and modernization. These will drive the demand for the replacement of construction machinery. In overseas markets, in Europe, Regulation (EU) 2019/1242 set the initial EU CO2 emission standards for heavy-duty vehicles, mandating a 15% reduction by 2025 and a 30% reduction by 2030 compared to a 2019/2020 baseline, creating opportunities for the intelligent and new energy transition of the construction machinery. Indonesia’s National Strategic Projects (PSN) focus on infrastructure development and boost the construction machinery sector. The government has announced it has finalized 195 projects worth IDR 1,519 trillion during the 2016 to 2024 period. Similarly, the Kazakh government has adopted National Infrastructure Plan until 2029, which includes 204 projects in energy, transport, digital, and water infrastructure sectors worth nearly 40 trillion tenge (approximately US\$81.8billion). South Africa’s 2025 Budget Review plans to invest over ZAR1trillion in infrastructure over the next three years, focusing on transportation, energy, and water sanitation sectors, which will drive the development of the construction machinery industry. The Infrastructure Investment and Jobs Act (IIJA), passed in the U.S. in 2021, authorizes US\$1.2 trillion for transportation and infrastructure, with \$550 billion allocated to new investments and programs. Brazil’s National Mining Plan 2030 and the Infrastructure Investment Partnerships Program are revitalizing demand for mining and infrastructure equipment. These favorable policies and investments collectively form a solid foundation for the sustained prosperity of the construction machinery market.

ANALYSIS OF CHINA’S CONSTRUCTION MACHINERY MARKET

Market Size of China’s Construction Machinery Market

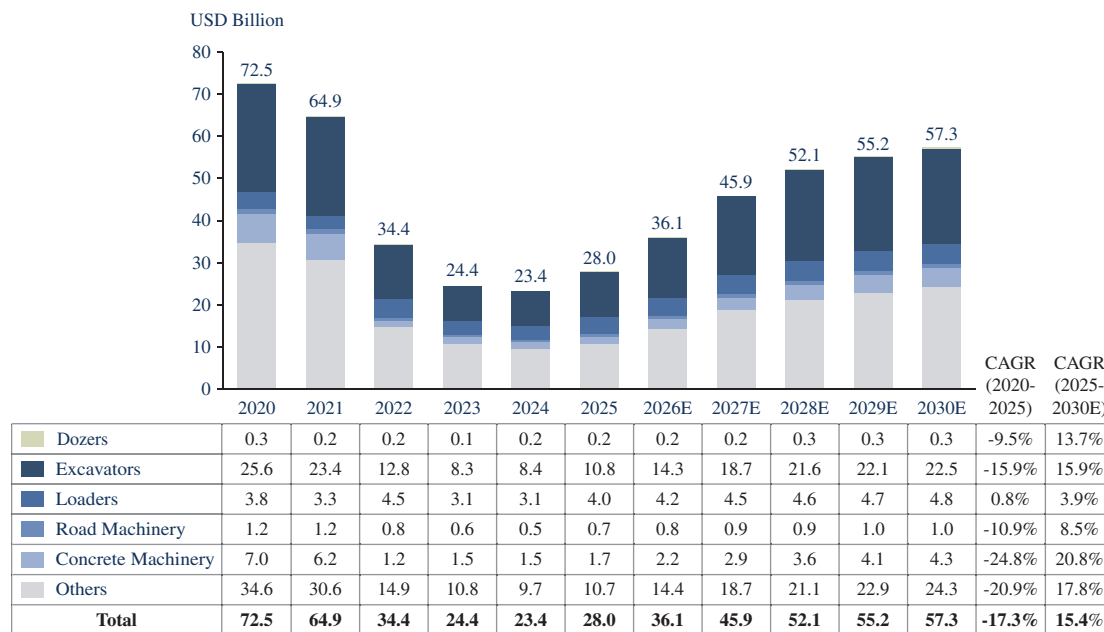
China’s construction machinery industry is characterized by strong cyclicity. The previous industry cycle began in 2015, reaching its peak in 2020 to 2021, with market sizes of US\$72.5 billion and US\$64.9 billion, respectively. Subsequently, market demand decreased in 2022 and 2023, principally owing to the downturn in the real estate market sector, a deceleration in infrastructure investment, and heightened global economic uncertainty. This resulted in the overall market size declining to US\$23.4 billion in 2024, marking the onset of an adjustment period. However, through the government’s implementation of multiple growth-stabilizing policies and enhanced infrastructure investment, market demand recovered during the latter half of 2024. China’s construction machinery sector is expected to rebound into a new upcycle from 2025 to 2030, fueled by several positive drivers. This shift is anticipated to result in a positive CAGR from 2025 to 2030, contrasting sharply with the negative growth of the previous downcycle from 2020 to 2024.

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For example, China’s 2024 Government Work Report proposed that starting from 2024, ultra-long-term special treasury bonds are planned to be issued for several consecutive years, specifically for the implementation of national major strategies and the construction of security capabilities in key areas, promoting the implementation of infrastructure construction and major projects. In addition, the hydropower project on the lower reaches of the Yarlung Zangbo River is currently China’s largest clean energy infrastructure project, with a total investment of approximately RMB1.2 trillion and a construction period of about 10 to 15 years, bringing continuous equipment demand. Furthermore, the rapid growth of China’s construction machinery market in 2020 and 2021 has resulted in a substantial base of existing equipment in the industry. This sets the stage for a significant wave of replacements, which is expected to stimulate growth in China’s construction machinery market. The Action Plan for Promoting Large-Scale Equipment Renewal and the Exchange of Old Consumer Goods for New (《推動大規模設備更新和消費品以舊換新行動方案》), passed by the State Council executive meeting on March 1, 2024, aims to support the large-scale equipment renewal and promote the production and application of advanced equipment. The equipment renewal is guided by the elevation of technical, energy consumption, and emission standards. Against this backdrop, construction machinery meeting the National I and II emission standards is expected to be phased out at an accelerated pace, thereby expanding the overall domestic replacement demand within the industry. In terms of sales value, the share of replacement demand from existing products in the total market is projected to increase from 54.3% in 2025 to 68.1% by 2030, establishing it as one of the key drivers of market growth. As such, the industry is expected to enter a new upward cycle in 2025. The size of China’s construction machinery market is projected to grow from US\$28.0 billion in 2025 to US\$57.3 billion by 2030, representing a CAGR of 15.4% from 2025 to 2030, entering a recovery path.

Breakdown by Products

Total Revenue of Construction Machinery Market (by product), China, 2020-2030E



Source: Interviews with Industry Experts, China Construction Machinery Industry Yearbook, Frost & Sullivan

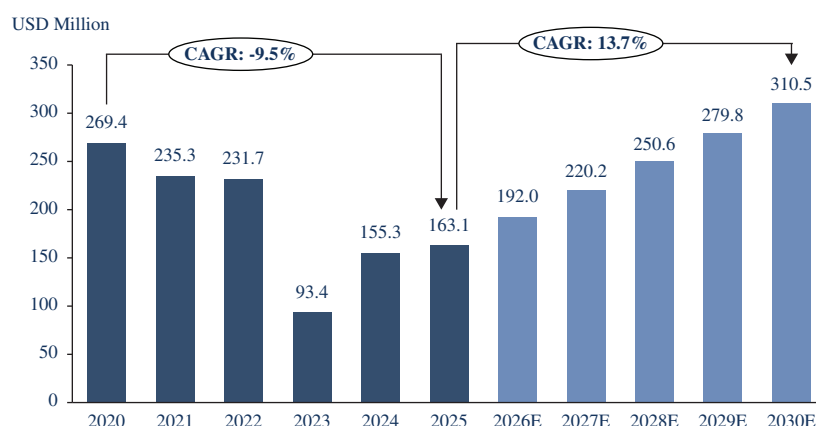
Analysis of China’s Dozer Market

Dozer

From 2020 to 2025, China’s dozer market size decreased from US\$269.4 million to US\$163.1 million, driven by slumping real estate development investment, insufficient infrastructure project initiation and the transition to stricter emission standards. However, with the advancement of domestic large-scale equipment renewal policies, alongside steady growth in infrastructure demand and mining industry investments, the market is projected to rebound to US\$310.5 million by 2030, achieving a 13.7% CAGR from 2025 to 2030.

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Total Revenue of Dozer Market, China, 2020-2030E



Source: Interviews with Industry Experts, China Construction Machinery Industry Yearbook, Frost & Sullivan

Analysis of Other Construction Machinery Market in China

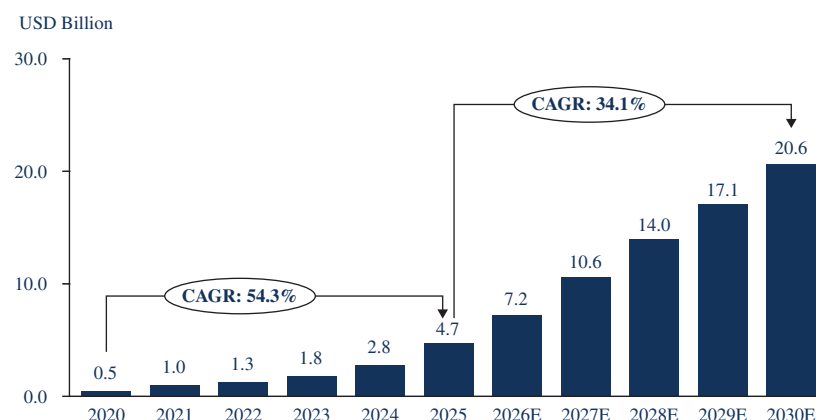
Excavator

The market experienced a cyclical downturn from 2020 to 2023, with its size decreasing to US\$8.3 billion in 2023. However, driven by various factors including the replacement of existing machinery and the deeper application of emerging technologies in the industry, the market size is anticipated to increase from 2024, and reach US\$22.5 billion in 2030, with an overall CAGR of 15.9% from 2025 to 2030.

Overview of China’s Smart Construction Solutions Market

In 2025, the market size of smart construction solutions reached US\$4.7 billion in China. Currently, the smart construction solutions market is still in its early stage of development, and construction machinery companies are proactively developing such business. The Company is one of industry pioneers to apply smart construction solutions to actual construction projects. With continuous breakthroughs in AI technology and the supportive policies, such as the Technical Guideline for Intelligent Construction (Trial Implementation) (《智能建造技術導則(試行)》), by 2030, the market size is projected to reach US\$20.6 billion in China, with a CAGR of 34.1% from 2025 to 2030.

Market size of Smart Construction Solutions (by revenue), China, 2020-2030E



Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

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Market Drivers and Development Trends of China’s Construction Machinery Market

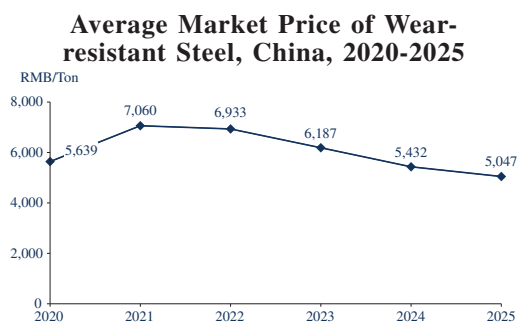
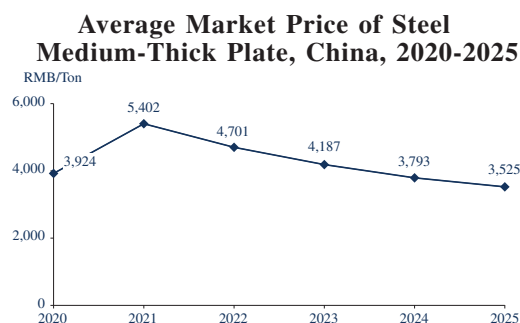
- **Intelligent and New Energy Technology Drive.** China’s leadership in intelligent and new energy technologies has created a robust industrial ripple effect, accelerating the transformation of sectors like construction machinery. This technological edge not only fuels rapid development of intelligent and electrified equipment but also reshapes industry standards and competitive dynamics, emerging as a core driver of China’s construction machinery market growth. The integration of AI algorithms, big data analytics and IoT into machinery is propelling equipment toward higher efficiency, safety and sustainability.
- **Diversified Downstream Demand.** Sustained fixed-asset investments in China’s infrastructure remain pivotal. Major transportation projects (e.g., high-speed rail, urban transit) and energy infrastructure (e.g., UHV grids, smart distribution networks, energy storage) will significantly boost demand for diverse machinery. Urban initiatives like subsidized housing renovations further drive adoption of road machinery and other equipment. Additionally, the recovery of global commodity markets and green mining initiatives spur demand for intelligent and electrified solutions. These large-scale, multi-sector investments not only accelerate smart and green transitions but also promote the steady growth of the market.
- **Equipment Renewal Accelerates, Replacement Market Leads Demand.** As China’s construction machinery industry transitions to maturity, market expansion is progressing from new equipment sales toward existing product renewal. By sales revenue, replacement demand accounted for 54.3% of total market demand in 2025, with projections indicating a rise to 68.1% by 2030. This positions renewal as the core growth engine for the market. Equipment procured between 2015 and 2021 is now approaching peak replacement phase, driving sustained replacement demand for core machinery over the next five to ten years. Renewal cycles vary by equipment lifespan: dozers typically require renewal every six to eight years, excavators every eight to ten years, and loaders every ten to 12 years. As units reach scrapping thresholds or maintenance costs exceed economic viability, demand surges for efficient and intelligent replacements.

Raw Material Price Analysis of China’s Construction Machinery Industry

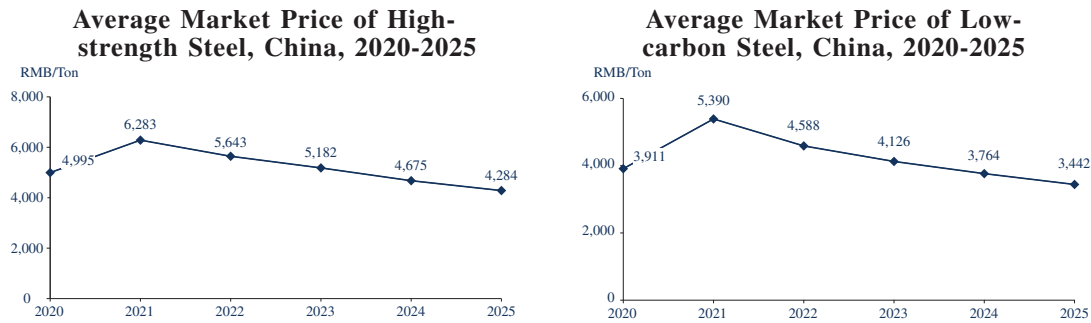
Steel constitutes one of the fundamental raw materials in the construction machinery sector, serving as an essential component for structural, load-bearing and functional parts. Key applications include undercarriage, frames, body shells, attachments devices and other critical components. Steel expenses typically represent 20%-30% of total production costs across equipment categories, which is a predominant driver of product cost volatility and gross margin performance within the industry.

The construction machinery industry uses a variety of steels. In terms of product forms, medium and thick plates are widely used; in terms of steel materials, wear-resistant steel, high-strength steel and low-carbon steel are included. Fluctuations in steel prices significantly affect the gross profit margin of construction machinery manufacturers.

Medium and thick plates averaged RMB3,924/ton in 2020, surged 38% to RMB5,402/ton in 2021, then declined to RMB3,525/ton in 2025. The price changes of wear-resistant steel, high-strength steel and low-carbon steel are similar to those of medium-thick plates, which increased from RMB5,639/ton, RMB4,995/ton and RMB3,911/ton in 2020 to RMB7,060/ton, RMB6,283/ton and RMB5,390/ton in 2021, respectively, and decreased to RMB5,047/ton, RMB4,284/ton, RMB3,442/ton in 2025, respectively.



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Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

GLOBAL CONSTRUCTION MACHINERY MARKET COMPETITION ANALYSIS

Leading construction machinery manufacturers in China are rapidly catching up to their international competitors. Leading construction machinery manufacturers in China are aggressively expanding overseas business to meet future demand growth. The market share of China’s construction machinery manufacturers is expected to gradually increase as their products gain recognition from overseas customers. China’s leading construction machinery manufacturers have a more comprehensive business layout and have covered all major construction machinery products, which can meet the needs of a wide range of customers based on diverse product portfolio.

In 2025, the global construction machinery market reached USD 222.0 billion in revenue, with the top five manufacturers contributing 43.4% of the total. Our Company reported revenue of USD 2.0 billion, ranking among the top 30 in the global construction machinery market and representing a 0.9% global market share. In China, the market size was USD 28.0 billion in revenue, with the top five players accounting for 69.1%. Our Company recorded revenue of USD 0.8 billion, ranking among the top 10 in the Chinese construction machinery market and securing a 2.9% market share.

Ranking of Construction Machinery Manufacturers by Revenue, Global, 2025

Rank	Company Name	Revenue (USD Bn)	Market Share
1	Company E	35.1	15.8%
2	Company F	24.4	11.0%
3	Company A	14.5	6.5%
4	Company B	12.3	5.5%
5	Company G	10.0	4.5%
	Others	125.6	56.6%
	Total	222.0	100%
	Our Company	2.0	0.9%

Ranking of Construction Machinery Manufacturers by Revenue, China, 2025

Rank	Company Name	Revenue (USD Bn)	Market Share
1	Company A	7.7	27.7%
2	Company B	4.9	17.4%
3	Company C	2.7	9.6%
4	Company D	2.3	8.0%
5	Company E	1.8	6.3%
	Others	8.7	30.9%
	Total	28.0	100%
	Our Company	0.8	2.9%

Company A established in 1993 is a company listed on SZSE and headquartered in Jiangsu, China, and main products include excavators, concrete machinery and hoisting machinery.

Company B established in 1994 is a company listed on SSE and headquartered in Hunan, China, and main products include excavators, concrete machinery and hoisting machinery.

Company C established in 1999 is a company listed on SZSE and headquartered in Hunan, China, and main products include concrete machinery, hoisting machinery, road machinery and agricultural equipment.

Company D established in 1993 is a company listed on SZSE and headquartered in Guangxi, China, and main products include loaders, excavators, dozers, motor graders and forklifts.

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Company E established in 1925 is a company listed on NYSE and headquartered in Illinois, the U.S., and main products include excavators, piling machinery, loaders and off-highway trucks.

Company F established in 1921 is a company listed on TSE and headquartered in Tokyo, Japan, and main products include excavators, pavement machinery and loaders.

Company G established in 1958 is a company listed on NYSE and headquartered in Illinois, the U.S., and main products include construction machinery and agricultural machinery.

Source: Public Information, Frost & Sullivan

In 2025, the sales volume of the global dozer market reached at 39.3 thousand units. The top five dozer manufacturers, in terms of sales volume, accounted for 66.0% market share of the global dozer market in 2025. We sold approximately 4.0 thousand dozers, making our Group the 3rd largest dozer manufacturer in global, with an 10.2% global market share. In 2025, in terms of sales volume, we were also the largest electric dozer manufacturer globally.

In 2025, the revenue of the global dozer market reached at USD 7.8 billion. The top five dozer manufacturers, in terms of revenue, accounted for 70.4% market share of the global dozer market in 2025. Our Company achieved USD 0.5 billion in dozer revenue, making us the 3rd largest dozer manufacturer in global, with a 6.2% global market share.

**Ranking of Dozer Companies by
Sales Volume, Global, 2025**

Rank	Company Name	Sales Volume (thousand units)	Market Share
1	Company E	10.7	27.3%
2	Company F	7.6	19.4%
3	Our Company	4.0	10.2%
4	Company G	2.1	5.4%
5	Company H	1.4	3.6%
	Others	13.4	34.0%
	Total	39.3	100%

**Ranking of Dozer Companies by
Sales Revenue, Global, 2025**

Rank	Company Name	Revenue (USD Bn)	Market Share
1	Company E	2.6	33.3%
2	Company F	1.7	21.8%
3	Our Company	0.5	6.2%
4	Company G	0.4	5.5%
5	Company H	0.3	3.6%
	Others	2.3	29.6%
	Total	7.8	100%

Company H established in 1949 is a company headquartered in Fribourg, Switzerland, and main products include concrete machinery and hoisting machinery.

Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

In 2025, the sales volume of Chinese dozer market reached at 1,358 units. The top five dozer manufacturers, in terms of sales volume, accounted for 94.5% market share of the Chinese dozer market in 2025. We sold 855 dozers, making our Group the largest dozer manufacturer in China, with a 63.0% Chinese market share. In 2025, in terms of sales volume, we were also the largest electric dozer manufacturer in China.

INDUSTRY OVERVIEW

Ranking of Dozer Companies by Sales Volume, China, 2025

Rank	Company Name	Sales Volume (units)	Market Share
1	Our Company	855	63.0%
2	Company D	195	14.4%
3	Company I	140	10.3%
4	Company C	61	4.5%
5	Company A	32	2.4%
	Others	75	5.5%
	Total	1,358	100%

Company I established in 2016 is a company headquartered in Shandong, China, and main products include loaders, dozers and road machinery.

Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

In 2025, the sales volume of the global excavator market reached at 650.5 thousand units. The top five excavator manufacturers, in terms of sales volume, accounted for 39.9% market share of the global excavator market in 2025. Our Company sold approximately 10.1 thousand excavators, with a 1.6% global market share.

In 2025, the revenue of the global excavator market reached at USD 70.6 billion. The top five excavator manufacturers, in terms of excavator revenue, accounted for 72.1% market share of the global excavator market in 2025. Our Company generated revenue of US\$0.5 billion, with a 0.8% global market share.

Ranking of Excavator Companies by Sales Volume, Global, 2025

Rank	Company Name	Sales Volume (thousand units)	Market Share
1	Company E	62.7	9.6%
2	Company B	61.0	9.4%
3	Company A	48.5	7.5%
4	Company J	46.0	7.1%
5	Company K	41.1	6.3%
	Others	391.2	60.1%
	Total	650.5	100%
	Our Company	10.1	1.6%

Ranking of Excavator Companies by Sales Revenue, Global, 2025

Rank	Company Name	Revenue (USD Bn)	Market Share
1	Company E	16.7	23.7%
2	Company F	13.9	19.7%
3	Company L	10.4	14.7%
4	Company K	5.1	7.2%
5	Company B	4.9	6.9%
	Others	19.7	27.9%
	Total	70.6	100%
	Our Company	0.5	0.8%

Note: Company J established in 1990 is a company listed on TSE and headquartered in Osaka, Japan, and main products include tractors, agricultural machinery, construction equipment, engines, and water treatment systems.

Company K established in 1995 is a company headquartered in Vastra Gotaland, Sweden, and main products include excavators, pavement machinery, and loaders.

INDUSTRY OVERVIEW

Company L established in 1970 is a company listed on TSE and headquartered in Tokyo, Japan, and main products excavators, wheel loaders, and rigid dump trucks.

Source: Interviews with Industry Experts, Public Information, Frost & Sullivan

Entry Barriers of the Global Construction Machinery Market

Technology Barrier

The construction machinery industry exhibits high technological intensity, where enterprises' market positioning and sustainable competitiveness heavily depend on R&D capabilities and technological innovation. Amid accelerating intelligence, electrification and digitalization trends, technical thresholds persistently elevate. Leading firms fortify technological moats through sustained R&D investment and frontier technology deployment (e.g., autonomous driving, remote control, AI, data analysis), creating substantial entry barriers for newcomers.

Brand Barrier

Brand recognition and industry reputation critically influence customer procurement decisions. Established leaders cultivate robust customer trust via long-term market presence, consistent product quality and service excellence, strengthening their resilience against cyclical downturns. New entrants face significant hurdles in building comparable brand equity rapidly, impeding customer acquisition.

Channel Barrier

Developing sales networks demands substantial capital and time yet remains essential for market penetration efficiency. Global leaders possess mature dealer systems and stable partnerships, enabling prompt customer responsiveness. Replicating such global distribution depth presents operational bottlenecks for new players during initial expansion phases.

Capital Barrier

The sector necessitates massive capital investment with extended payback periods, particularly in product design, production line setup and raw material procurement — all requiring significant working capital. Capital-constrained entrants encounter steep initial investment pressure and heightened financial risks, constraining market entry velocity.

Advanced Manufacturing Capacity and Industry Expertise Barrier

Advanced manufacturing proficiency and domain expertise constitute core competitive advantages. Incumbents operate highly automated production lines with integrated quality control systems, enabling rapid customization response and consistent product delivery. New entrants struggle to match such operational efficiency and cost control capabilities within feasible timeframes.

Supply Chain Barrier

Construction machinery relies on numerous components (e.g., power systems, hydraulic systems, transmission systems and undercarriage systems), necessitating ultra-stable supply chains. Leaders maintain long-term collaborations with global suppliers, establishing high-efficiency procurement ecosystems. Newcomers lacking supply chain infrastructure and risk mitigation experience face prolonged system-development cycles and inflated costs.