OVERVIEW

Our history can be traced back to 1952, when our predecessor, Yantai Industrial Corporation Machinery Manufacturing Factory (煙臺市實業公司機器製造廠, later known as Shandong Yantai Machinery Factory (山東煙臺機器廠)) was established in Yantai, Shandong Province. In 1966, the factory was relocated to Jining, Shandong Province and renamed Jining Machinery Factory (濟寧機器廠). In 1980, it merged with Jining General Machinery Factory (濟寧通用機械廠) and Jining Power Machinery Factory (濟寧動力機械廠) to form Shandong Dozer General Factory (山東推土機總廠). Following a corporate restructuring of Shandong Dozer General Factory in 1993, our Company was formally established as a joint stock limited company under the laws of the PRC on December 14, 1993.

In January 1997, we completed our initial public offering of shares to the public and our A Shares were listed on the Shenzhen Stock Exchange (stock code: 000680). As of the Latest Practicable Date, our Controlling Shareholders held in aggregate approximately 40.07% of our A Shares.

With decades of operations, we have become 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. As of the Latest Practicable Date, our Company had 26 subsidiaries globally. Details of our global presence are set out in "Business."

KEY MILESTONES

The following is a summary of our key corporate and business development milestones:

Year	Event
1952	Yantai Industrial Corporation Machinery Manufacturing Factory was established
1980	To fill the domestic gap for dozers above 180 horsepower, the former First Ministry of Machine-Building Industry organized the establishment of Shandong Dozer General Factory
1990	Shantui TY220 dozer was awarded the National Gold Quality Medal and ranked first in the domestic peer industry in the 1,000-hour bulldozing performance test
1993	Our Company was established
1997	Our A Shares were listed on the Shenzhen Stock Exchange (stock code: 000680)
2004	The "Shantui" trademark was recognized as a China Well-Known Trademark
2013	SD90-5, our 900-horsepower-level dozer, won the China Construction Machinery Annual Product TOP50 (2013) Technical Innovation Gold Award
2020	We launched the world's first pure electric dozer
	Pioneering the industry, we introduced one of the first smart construction solutions in China, offering our end users a fully integrated and commercialized system that deeply combines intelligent construction machinery, smart platforms and advanced construction methodologies

Year	Event
2022	We completed the acquisition of Shandong Degong and Dezhou Degong, thereby strengthened our strategic position in the loader field
2024	We completed the acquisition of Strong Construction Machinery, thereby continuously built a complete business landscape
	We ranked 29th globally in the construction machinery sector by revenue according to Yellow Table ranking published by International Construction
2025	We held a global launch event for our new brand and AI strategy, marking the official delivery of the world's first AI-powered dozer
	Our Shantui High-Horsepower Dozer Intelligent Manufacturing Demonstration Factory received a national honor "Excellence-Level Intelligent Factory" (卓越級智能工廠) from the Ministry of Industry and Information Technology
	We received the award for China Construction Machinery Annual Product TOP50 (1250 Excavator), and Gold Award for New Energy Application Practice – China Construction Machinery Annual Product TOP50 (LE80-X5 Pure Electric Loader)

MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation during the Track Record Period:

Name of subsidiary	Date and jurisdiction of establishment	Equity interest attributable to our Group	Principal business activities
Strong Construction Machinery	March 2, 1999 PRC	100%	Research and development, production and sale of construction machinery and its components
Shantui Import & Export	May 25, 1999 PRC	100%	Trading
Shantui Dezhou	January 28, 2002 PRC	100%	Production and sale of construction machinery and its components
Shantui Janeoo	June 30, 1994 PRC	51%	Industrial production

As of the Latest Practicable Date, our Company had 26 subsidiaries globally. For details on recent changes in their share capitals, please refer to the section headed "Statutory and General Information—Further Information about Our Group—Changes in Share Capital of Our Subsidiaries" in Appendix VII to this Document.

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

Early Development

Our history can be traced back to 1952, when our predecessor, Yantai Industrial Corporation Machinery Manufacturing Factory (煙臺市實業公司機器製造廠, later known as Shandong Yantai Machinery Factory (山東煙臺機器廠)) was established in Yantai, Shandong Province. In 1966, the factory was relocated to Jining, Shandong Province and renamed Jining Machinery Factory. In 1980, it merged with Jining General Machinery Factory and Jining Power Machinery Factory to form Shandong Dozer General Factory. Following a corporate restructuring of Shandong Dozer General Factory in 1993, our Company was formally established as a joint stock limited company under the laws of the PRC on December 14, 1993.

Listing of A Shares in 1997

On January 22, 1997, we completed the Listing of A Shares on the Shenzhen Stock Exchange (stock code: 000680), pursuant to which we issued a total of 88,600,000 new A Shares, representing approximately 37.61% of our then share capital.

Stock Placements in 2004 and 2008

To support our business development, in June 2004, we placed 54,396,000 A Shares to our then public shareholders at an issue price of RMB7.32 per share. In January 2008, we placed a total of 66,644,338 A Shares to our then Shareholders at an issue price of RMB7.62 per share.

Bonus Issue and Capitalization Issue

In August 1997, our Company issued 47,120,000 new A Shares to our then existing Shareholders in proportion to their respective shareholdings by way of bonus issue for the purpose of dividend distribution.

In June 2004, our Company issued an aggregate of 202,269,600 new A Shares to our then existing Shareholders in proportion to their respective shareholdings by way of bonus issue for the purpose of dividend distribution and capitalizing the capital reserve of our Company.

In May 2006, our Company issued 37,714,560 new A Shares to our then existing holders of tradable A Shares in proportion to their respective shareholdings by capitalizing the capital reserve of our Company.

In June 2007, our Company issued 115,420,032 new A Shares to our then existing Shareholders in proportion to their respective shareholdings by way of bonus issue the for the purpose of dividend distribution.

In June 2012, our Company issued 379,582,265 new A Shares to our then existing Shareholders in proportion to their respective shareholdings by way of bonus issue the for the purpose of dividend distribution.

Non-compensatory Administrative Transfer in 2012

In October 2012, with the approval of Shandong SASAC, our then controlling shareholder, Shandong Construction Machinery Group Co., Ltd. (山東工程機械集團有限公司, a wholly-owned enterprise of Shandong SASAC) was dissolved and liquidated following its absorption and merger by Shandong Heavy Industry. The 240,282,760 A Shares originally held by Shandong Construction Machinery Group Co., Ltd. were transferred to Shandong Heavy Industry at nil consideration through a non-compensatory administrative transfer. Upon completion of the aforesaid non-compensatory administrative transfer, Shandong Heavy Industry became our Shareholder holding 21.10% of our then share capital.

Non-public Issuance of A Shares in 2013

On September 3, 2013, we completed the non-public issuance of A Shares to enhance our liquidity position, pursuant to which, we issued 102,040,816 new A Shares at an issue price of RMB3.92 per A Share to Shandong Heavy Industry. Immediately upon completion of the aforesaid non-public issuance, the equity interest of Shandong Heavy Industry in our Company increased from 21.10% to 27.59%.

Restricted Stock Incentive Plan in 2020

In December 2020, as part of our efforts to reward employee contributions and enhance motivation, we adopted a restricted stock incentive plan and granted a total of 25,270,000 restricted A Shares to 72 eligible employees, at an issue price of RMB1.81 per A Share. As of the Latest Practicable Date, all the restricted A Shares granted to the eligible employees have been unlocked and no further restricted A Shares will be granted under such restricted stock incentive plan.

Non-public Issuance of A Shares in 2021

On April 19, 2021, we completed the non-public issuance of 236,705,601 new A Shares at an issue price of RMB2.88 per A Share to Weichai Power to support the development of the high-end high-horsepower dozer. Upon completion of the aforesaid non-public issuance, Weichai Power became our Shareholder, holding approximately 15.75% of our then share capital, and the total equity interest of Shandong Heavy Industry (directly and indirectly through Weichai Power) in our Company increased to approximately 40% of the then total share capital of our Company.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition and merger of Shandong Degong

In March 2022, we acquired (i) 100% equity interest in Shandong Degong Machinery Co., Ltd. (山東德工機械有限公司, "**Shandong Degong**") and (ii) 56.64% equity interest in Dezhou Degong (the remaining equity interest of which was held by Shandong Degong) from Shandong Heavy Industry for an adjusted total cash consideration of RMB371.91 million in accordance with the terms of the relevant equity transfer agreements. The consideration was determined through arm's length negotiation between the parties based on the valuations of the total shareholders' equity of the target companies by an independent professional appraiser. Following the above acquisitions, which were completed on March 25, 2022, both Shandong Degong and Dezhou Degong became our wholly-owned subsidiaries.

Shandong Degong and Dezhou Degong are primarily engaged in the loader business. This acquisition strengthens our strategic positioning in the loader segment, enhances profitability, promotes deeper industry integration, supports high-quality development and enables synergies and economies of scale.

In December 2022, Shantui Dezhou completed a merger by absorption of Shandong Degong, resulting in the deregistration of Shandong Degong's independent legal entity. As the surviving entity, Shantui Dezhou continues to manage the consolidated assets and operations of Shantui Dezhou and Shandong Degong.

Acquisition of Strong Construction Machinery

In December 2024, we acquired 100% equity interest in Strong Construction Machinery from Linyi Shanzhong Construction Machinery Co., Ltd. (臨沂山重工程機械有限公司), a wholly-owned subsidiary of Shandong Heavy Industry, for a cash consideration of RMB1,841.13 million. The consideration was determined through arm's length negotiation between the parties based on the valuations of the total shareholders' equity of the target company by an independent professional appraiser. Following this acquisition, which was completed on December 13, 2024, Strong Construction Machinery became our wholly-owned subsidiary.

Strong Construction Machinery is primarily engaged in hydraulic excavator business. This acquisition broadens our construction machinery product portfolio and supports the refinement of our industrial footprint. It aligns with our long-term strategy to reinforce and expand our core business, while also contributing to the more effective utilization and allocation of state-owned assets.

Divestment in Komatsu Shantui

In January 2022, we divested our entire interest in Komatsu Shantui Construction Machinery Co., Ltd. (小松機械製造有限公司, later known as Komatsu Shantui Construction (Shandong) Machinery Co., Ltd. (小松機械製造(山東)有限公司), "**Komatsu Shantui**") through a share repurchase conducted by Komatsu Shantui for a cash consideration of RMB750.41 million. The consideration was determined through arm's length negotiation between the parties based on the valuations of the total shareholders' equity of the target company by an independent professional appraiser.

Komatsu Shantui, primarily engaged in hydraulic excavator business, was previously our joint venture, in which we held 30% equity interest. This divestment reflects our strategic focus on optimizing our business structure and concentrating resources on core operations.

As advised by our PRC Legal Advisor, each of the above transactions has been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

The applicable percentage ratios under Chapter 14 of the Listing Rules for each of the above acquisitions were all below 25%, and accordingly none of them constitutes a major acquisition under Rule 4.05A of the Listing Rules. For the sake of completeness, since Shandong Degong, Dezhou Degong and Strong Construction Machinery and our Group were under common control of Shandong Heavy Industry before and after the acquisitions, such acquisitions are accounted for as merger accounting, i.e., the assets and liabilities of Shandong Degong, Dezhou Degong and Strong Construction Machinery are consolidated by our Group using the existing book values from the perspective of Shandong Heavy Industry, as if the current group structure had been in existence throughout the Track Record Period. See Note 41 of the Accountants' Report in Appendix I to this Document for further details.

Save as disclosed above, no other major acquisition or disposal took place during the Track Record Period and up to the Latest Practicable Date.

OUR LISTING OF A SHARES ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] OF H SHARES ON THE HONG KONG 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 Company seeks to be [**REDACTED**] on the Hong Kong Stock Exchange in order to advance our globalization strategy, establish an international capital operation platform, enhance operational transparency and corporate governance, and strengthen our overall competitiveness. Please refer to the sections headed "Business—Our Business Growth Strategies" and "Future Plans and Use of [**REDACTED**]" in this Document for details.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A(2)) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000. Based on an [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per H Share, being the low-end, mid-point and high-end of the [**REDACTED**] range respectively, the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Hong Kong Listing Rules would be approximately [**REDACTED**]%, [**REDACTED**]% or [**REDACTED**]%, being the percentage derived by dividing HK$3,000,000,000 by the total market value of the Company's total issued shares (excluding treasury shares) at the time of [**REDACTED**].

Our A Shares are listed on the Shenzhen Stock Exchange since 1997. Immediately upon completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and that there are no other changes to the issued share capital of our Company between the Latest Practicable Date and [**REDACTED**]), to the best knowledge of our Company, the total number of the [**REDACTED**] expected to be held by the public represents approximately [**REDACTED**] of the total [**REDACTED**] of our Company (excluding [**REDACTED**]), which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Hong Kong Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A(2)) of the Hong Kong Listing Rules.

Satisfaction of the Free Float Requirement

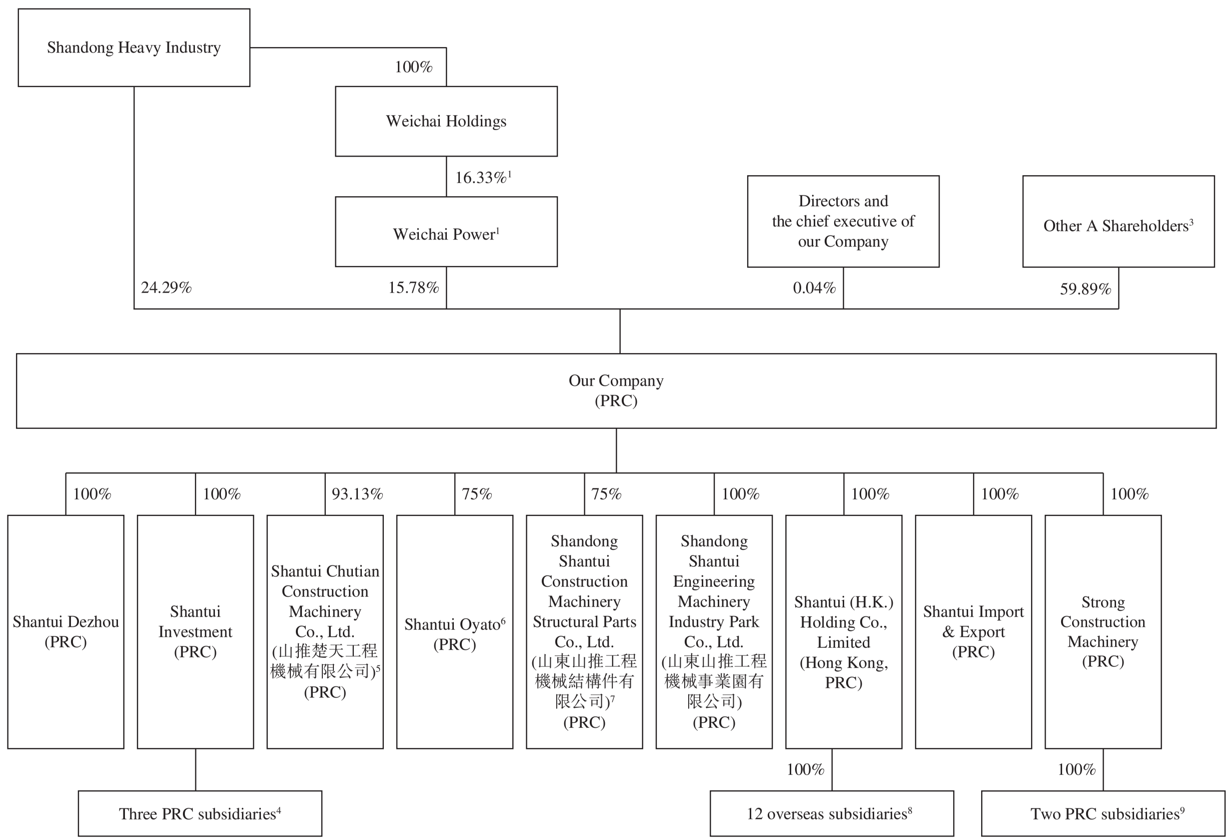
Rule 8.08A (as amended and replaced by Rule 19A.13C(2)) of the Hong Kong Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Hong Kong Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

[Each of the [**REDACTED**] has agreed to a [**REDACTED**] period of six months following the [**REDACTED**]. As such, the [**REDACTED**] held by the [**REDACTED**] shall not be counted towards the free float of the H Shares of our Company at the time of [**REDACTED**].] Based on an [**REDACTED**] of HK$[**REDACTED**], being the lower end of the indicated [**REDACTED**], our Company will satisfy the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C(2)) of the Hong Kong Listing Rules.

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and corporate structure immediately before the [REDACTED]

The following chart depicts a simplified shareholding and beneficial ownership structure of our Group immediately prior to the completion of the [**REDACTED**] (assuming that there are no changes to the issued share capital of our Group between the Latest Practicable Date and [**REDACTED**]):



Notes:

(1) As of the Latest Practicable Date, Weichai Power, a company listed on the Hong Kong Stock Exchange (stock code: 2338) and the Shenzhen Stock Exchange (stock code: 000338). Based on public information, as of December 31, 2025, Weichai Power, was an indirect non-wholly owned subsidiary of Shandong Heavy Industry through its wholly-owned subsidiary, Weichai Holdings, which directly held 16.33% of the total issued shares of Weichai Power.

(2) As of the Latest Practicable Date, (a) Mr. Li Shizhen, our executive Director and the Chairman of the Board, held 50,000 A Shares; and (b) Mr. Zhang Min, our executive Director and general manager, held 660,000 A Shares, representing an aggregate of approximately 0.04% of our A Shares.

(3) Other A Shareholders' shareholdings were relatively diversified, and none of them held 5% or more of the A Shares as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, the three PRC subsidiaries included (a) Shantui Janeoo, which was owned as to 51% by Shantui Investment, a wholly-owned subsidiary of our Company, approximately 40.62% by Jinan State-owned Assets Operation and Management Group Co. Ltd. (濟南國有資產運營管理集團有限公司), and an aggregate of approximately 8.38% by other minority shareholders; (b) Shantui Yankuang Construction Machinery Co. Ltd. (山推兗礦工程機械有限公司), which was owned as to 51% by Shantui Investment and 49% by Shandong Energy Group Co., Ltd. (山東能源集團有限公司); and (c) Shandong Shantui Intelligent Construction Technology Co., Ltd. (山東山推智慧工程科技有限公司), a wholly-owned subsidiary of our Company. Jinan State-owned Assets Operation and Management Group Co. Ltd. is a connected person of our Company at the subsidiary level by virtue of holding more than 10% equity interest in Shantui Janeoo, while other shareholders of these subsidiaries are Independent Third Parties.

(5) As of the Latest Practicable Date, Shantui Chutian Construction Machinery Co. Ltd. (山推楚天工程機械有限公司) was owned as to an aggregate of approximately 93.13%, directly and indirectly, by our Company and approximately 6.87% by Wuhan Zhongnan Construction Machinery Equipment Co. Ltd. (武漢中南工程機械設備有限責任公司), an Independent Third Party.

(6) As of the Latest Practicable Date, Shantui Oyato was owned as to 75% by our Company and 25% by AVIC International Kairong Limited (中航國際凱融有限公司), an Independent Third Party.

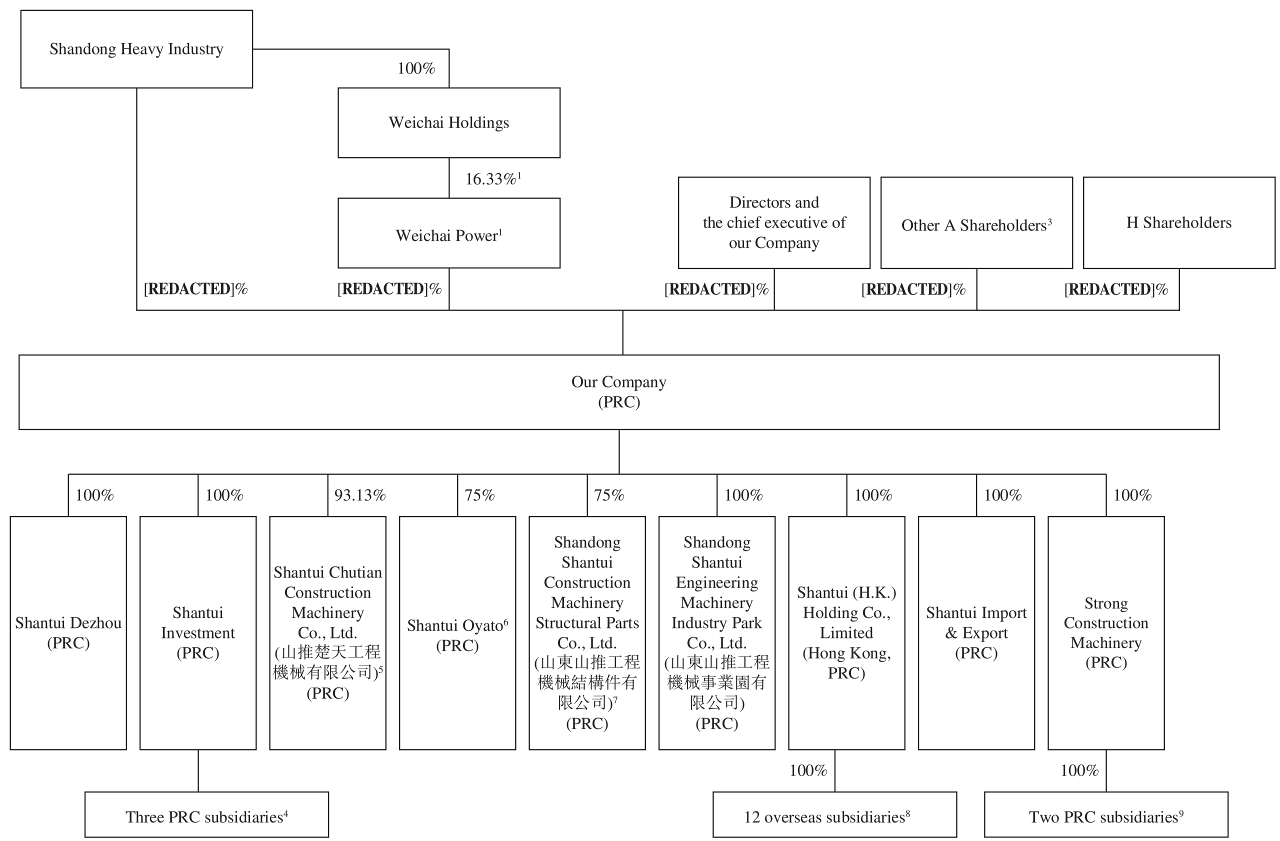
(7) As of the Latest Practicable Date, Shandong Shantui Construction Machinery Parts Co. Ltd. (山東山推工程機械結構件有限公司) was owned as to 75% by our Company and 25% by Komatsu Ltd. (日本株式會社小松製作所), an Independent Third Party.

(8) As of the Latest Practicable Date, the 12 overseas subsidiaries together with Shantui (H.K.) Holding Co., Limited were wholly owned by our Company.

(9) As of the Latest Practicable Date, the two PRC subsidiaries included Strong Construction Machinery (Jining) Co., Ltd. (山重建機(濟寧)有限公司) and Linyi Strong Excavator Co., Ltd. (臨沂山重挖掘機有限公司), each of which was wholly owned by our Company.

Shareholding and corporate structure immediately following the [REDACTED]

The following chart depicts the shareholding and beneficial ownership structure of our Group immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and that there are no other changes to the issued share capital of our Group between the Latest Practicable Date and [**REDACTED**]):



Notes (1) to (9): Please refer to the details contained in the preceding page.