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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.

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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 advantages 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 systems, thereby enabling 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

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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 held 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.



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Our Market Opportunities

According to Frost & Sullivan, driven by multiple favorable factors, including the recovery of global infrastructure investment, continued growth in mining investment and equipment replacement cycles, coupled with the acceleration of 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 compound annual growth rate 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 compound annual growth rate 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 compound annual growth rate of 15.4% from 2025 to 2030, according to the same source.

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 compound annual growth rate 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 compound annual growth rate 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, according to the same source.

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 compound annual growth rate of 13.4%, significantly outperforming the industry average of 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

Leader in Global Dozer Sector, Driving the Premiumization, Intelligentization and Internationalization Process of China’s Construction Machinery Industry

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. Our leading position in the dozer segment has laid a solid

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foundation for our technological strength and growth potential in the construction machinery industry. 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 history can be traced back to 1952. We have participated in and driving the self-sufficiency, premiumization, intelligentization and internationalization of the construction machinery industry in China.

- **Premiumization.** We developed China’s first most powerful dozer, China’s first autonomous dozer, the world’s first 5G remote control dozer and the world’s first pure electric dozer. Our 900-horsepower-level dozer put an end to overseas brands’ dominating position in terms of ultra-high-power dozers. Meanwhile, capitalizing on our vertical integration advantages with the “Golden Industrial Chain” of Shandong Heavy Industry, our Controlling Shareholder, we have achieved proprietary control over spare parts, covering engines, electronic control systems, hydraulic systems, transmission systems and crawler-type undercarriage systems, thereby enabling our construction machinery to excel in intelligence, productivity, fuel efficiency and reliability. Our broad product lineup matches top global brands in performance and user experience.
- **Intelligentization.** We are an early mover in promoting the concept of “smart construction solutions” in China’s construction machinery industry. We focused on core scenarios such as mining, earthworks and roadworks and developed three targeted smart platforms, namely, Kunlun, Pangu and Xuanyuan. These platforms achieve deep integration of intelligent construction machinery, smart platforms and manufacturing processes and production techniques, addressing pain points such as high costs, low efficiency and complex management. As of December 31, 2025, we have developed and mass-produced approximately 40 Configurations of intelligent construction machinery. As of the Latest Practicable Date, we have completed over 90 smart construction projects.
- **Internationalization.** As of December 31, 2025, our sales network spans over 160 countries and regions, with 151 overseas distribution partners and over 520 overseas end outlets, supported by our 13 overseas subsidiaries serving as sales and service hubs. In 2023, 2024 and 2025, our overseas revenue was RMB5,878.2 million, RMB7,411.3 million and RMB8,741.3 million, respectively, accounting for 51.7%, 52.1% and 59.8% of total revenue in each year, with a compound annual growth rate of 21.9% from 2023 to 2025. Our overseas growth rate and revenue share are among the highest in China’s construction machinery manufacturers, according to Frost & Sullivan.

Renowned for our outstanding quality and high reliability, we are the only player in China’s construction machinery industry that were awarded the “Gold Medal (金質獎章)” by the National Quality Award Committee (國家質量獎審定委員會), according to Frost & Sullivan. We were also awarded the national “Manufacturing Champion” (國家級製造業單項冠軍) by the Ministry of Industry and Information Technology (工業與信息化部) and the China Federation of Industrial Economics (中國工業經濟聯合會). We have contributed to the compilation of 56 national standards and 35 industry standards, and achievement of 34 provincial or ministerial level scientific research results, as of December 31, 2025, and held 1,833 patents in Chinese Mainland and two patents overseas as of the Latest Practicable Date. We have participated in numerous landmark national projects, including the Three Gorges Dam, West-East Gas Pipeline, South-to-North Water Diversion, FAST Telescope, Beijing — Shanghai High-Speed Railway and Daxing Airport. Notably, the critical final push to close the Three Gorges Dam project was completed by our dozer, a testament to our product’s top-tier performance and reliability. We have also actively contributed to major infrastructure projects in Belt and Road countries such as Kazakhstan, Uzbekistan, Saudi Arabia, Indonesia and Malaysia, further demonstrating the global influence of our full product lineup.

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Strategic Industrial Chain Advantage through Vertical Integration with Proprietary Control, Offering Customers a High-Quality and Diversified Product Portfolio

Together with Shandong Heavy Industry, our Controlling Shareholder, we have achieved a leading advantage in the industry featuring vertically integrated full industrial chain with proprietary control. Shandong Heavy Industry is an industrial equipment multinational group with global influence encompassing well-known domestic and overseas listed companies including Weichai Power (000338.SZ and 02338.HK), Sinotruk (Hong Kong) Limited (03808.HK) and Germany-based KION Group (KGX), operating seven major business segments, namely, powertrain systems, commercial vehicles, construction machinery, agricultural machinery, intelligent logistics, marine transport equipment and energy & power solutions. Leveraging this vertical integration, we have established close global R&D and technical collaboration with Shandong Heavy Industry in key areas such as engines, electric control systems, hydraulic systems, axles and gearboxes. Combined with our industry-leading “Shantui Dual Transmission” system and “four rollers and one track” undercarriage part system, we have achieved proprietary control over spare parts, covering engines, electric control systems, hydraulic systems, transmission systems and crawler-type undercarriage systems. Through deep technical integration and optimization, our construction machinery can reduce fuel consumption by 15% at the same efficiency level, delivering a distinct advantage in intelligence, productivity, fuel efficiency and reliability. Based on these strengths, we have built a rich product portfolio:

- **Dozers.** Dozers represent our flagship product line, having set multiple industry records. In October 2012, we launched SD90-5 dozer, China’s first 900-horsepower-level dozer, putting an end to overseas brands’ dominating position in terms of ultra-high-power dozers. We subsequently introduced industry-first models, including 5G remote control, autonomous, pure electric and the most powerful hydrostatic dozers. In June 2025, we launched and delivered the world’s first AI-powered dozer. Our dozer portfolio currently includes mechanical, hydrodynamic, full-hydraulic, pure electric and intelligent models, with 798 patents and leadership in compiling 17 national and industry standards as of December 31, 2025. Our dozer portfolio includes 44 Platforms, 112 Variants and 260 Configurations, covering power ranges from 80 to 900 horsepower level, as of December 31, 2025. Since dozers are known for having the highest technical barriers, the highest number of components, and the most complex manufacturing processes in the construction machinery industry, our deep expertise relating to dozers has laid a solid foundation for expanding into other machinery categories.
- **Excavators.** Our excavators offer strong power, energy efficiency and comfortable operation, achieving 15% fuel savings at the same efficiency level. As of December 31, 2025, our excavator portfolio includes 66 Platforms, 69 Variants and 153 Configurations, covering the full range from one to 200 tons. Backed by our deep technical foundation from the dozer business, strong differentiation and robust sales network, our excavator business has grown rapidly, with a compound annual growth rate of 36.3% from 2023 to 2025, and a year-on-year increase of 30.2% in 2025.
- **Loaders.** Our loader portfolio features high performance, fuel efficiency and a wide variety of models. We also developed and commercialized hydrostatic transmission loaders, which offer advantages such as improved automation, reduced noise levels and smoother driving performance, and can achieve over 20% fuel savings compared to conventional models under same output efficiency. For overseas markets, we offer customized edition engineered to perform reliably in extreme environments, including severe cold, high temperatures and desert terrains. As of December 31, 2025, we offer 101 Configurations covering one to nine tons, offering customers a broader range of choices.
- **Road Machinery, Mining Trucks and Other Machinery.** We offer a full range of road machinery with notable fuel efficiency advantages that supports the entire process from subgrade to pavement construction. We are also actively expanding our mining truck portfolio, covering 70 to 220 tons with fuel, hybrid and pure electric models. Our concrete batching plants enjoy leading position in terms of sales volume in China for 12 consecutive years from 2014 to 2025, according to Frost & Sullivan.

Leveraging Shandong Heavy Industry’s advanced three electric system (三電系統), our new energy models, including electric versions of dozers, excavators, loaders, rollers, wide-body mining trucks and truck mixers, offer efficiency, endurance, intelligence and comfort. Our pure electric dozer is the global first, with 17 patents and two industry standards as of December 31, 2025. We

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are also among the earliest manufacturers to commercialize pure electric loaders, according to Frost & Sullivan. LE56-X, our first pure electric loader, won the First Prize of the Shandong Machinery Industry Science and Technology Award (山東機械工業科學技術一等獎). We also continue to develop electric variants tailored to different working conditions, achieving coverage across all tonnage and scenarios for electric loaders.

As of December 31, 2025, we have established a full suite of construction machinery product portfolio, with 342 Platforms, 580 Variants and 934 Configurations, offering customers comprehensive solutions for diverse construction scenarios and working conditions.

Early Mover of Smart Construction Solutions, Faithfully Fulfilling the Mission of “Making Construction Easier”

We are an early mover in smart construction solutions within China’s construction machinery industry. We led early R&D efforts in this field, drove its practical applications, and successfully achieve commercialization. In 2017, we began developing remote control technologies and intelligent construction machinery and we achieved mass production of DH17 hydrostatic remote control dozer, SD52 high-powered remote control dozer and SD90 5G smart remote control dozer equipped with the world’s first “4D Light Field” and “Glasses-free 3D” technologies. Drawing on extensive experience from frontline construction sites, we have built a comprehensive smart construction system, developing integrated hardware and software solutions for key scenarios. Underpinned by our self-developed nine core intelligent systems including the power optimization system, construction safety system, assisted control system and collaborative construction system, we provide large-scale construction projects with integrated solutions combining intelligent construction machinery, smart platforms and manufacturing processes and production techniques.

We strategically selected three of the most valuable construction scenarios, namely, mining, earthworks and roadworks, and developed three targeted smart platforms, namely, Kunlun mining smart construction service platform (昆侖礦山智慧施工服務平台), Pangu earthworks smart construction service platform (盤古土方智慧施工服務平台) and Xuanyuan road smart construction service platform (軒轅道路智慧施工服務平台). These platforms help our customers improve site management, boost construction efficiency and reduce costs. These platforms have been successfully applied in dozens of large-scale projects worldwide, including:

- ***Smart Construction Case in a Mining Project in Saudi Arabia.*** For a mining customer in Saudi Arabia, we deployed the Kunlun smart construction platform. By integrating with the customer’s construction processes, we developed new workflows based on intelligent construction machinery and smart platforms, improving efficiency and reducing costs. On one hand, the platform, enabled automated tracking of mining truck trips, real-time monitoring of overspeed and idling, precise fuel management, automated reporting of work hours, cost per unit and parts logistics, as well as one-click access to data on cost, workload, fuel consumption and maintenance. This greatly improved construction management efficiency. On the other hand, the platform enabled remote control of dozers, along with blade auto-control, intelligent sensing and active safety features, enhancing operational efficiency, quality and comfort while reducing the risk of injury to personnel and equipment. The implementation of the Kunlun platform led to cost reduction and a 10% increase in overall efficiency upon project delivery in August 2024, earning high praise from the customer.
- ***Smart Construction Case in a Chinese High-Speed Rail Subgrade Project.*** In another case using our earthworks platform, a major state-owned construction enterprise used our Pangu smart construction platform for intelligent site management. It addressed complex issues in the areas of personnel and vehicle management, progress feedback, lack of dashboards, report generation cycles and quality assessments. Compared to pre-platform operations, the project saw improvements in equipment utilization, idling supervision, fuel and refueling accuracy, oil theft alerts, asset tracking and site entry/exit accuracy, while reducing construction costs. Meanwhile, the high-speed rail subgrade fleet, equipped with our proprietary “Smart Grading System,” could monitor construction data in real time and automatically adjust parameters to ensure precision and efficiency. Operators used smart displays to clearly understand site conditions and easily handle complex terrain, meeting the high standards of high-speed rail subgrade construction. The platform helped the customer improve efficiency and reduce costs upon project delivery in December 2024, earning widespread recognition from both the project team and the project owner.

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As of December 31, 2025, we have established a full-lifecycle product management framework centered on the SSC technology platform. Smart construction capabilities are positioned as advanced configuration options within our standard product offerings. We have defined nine major functional modules, and our development approach has transitioned from “construction machinery projects” to a “module-based R&D model.” As of the Latest Practicable Date, we have successfully implemented over 90 projects, and achieved cumulative sales of over 180 intelligent construction machinery during the Track Record Period. In June 2025, we released our AI strategy and technology roadmap globally, outlining progress from L1 (partial assistance) to L5 (fully automated operations). We also delivered the world’s first AI-powered dozers, marking a key step in our transformation and commitment to “Making Construction Easier.”

An Industry-leading Intelligent Manufacturing System and Data-driven Agile Production Capabilities, Building a Solid Foundation for Customer Satisfaction

We fully recognize that manufacturing is the foundation of our product quality and technology, as well as the starting point for our customer satisfaction. We have built an industry-leading high-end intelligent factory and established a data-driven agile manufacturing system at its core.

- In the dozer manufacturing sector, we established China’s first AGV-based flexible assembly line for dozers. By integrating advanced technologies such as 5G communications and the IoT, we achieved automation, flexibility and visualization in the assembly process, ultimately shortening assembly cycle time by over 10% compared to conventional method. We also introduced the internationally advanced large module gear technology, and established the central transmission test bench, breaking the bottleneck of the core technology of high-horsepower dozers. We have also independently built the industry-leading intelligent welding production line in China’s dozer industry, according to Frost & Sullivan, incorporating technologies such as automated transportation, welding, flipping and material handling. The line supports simultaneous welding of 12 different models, with fully digitalized and visualized welding parameters and production data throughout the entire process.
- In the excavator manufacturing sector, we have established an industry-leading cleanroom for hydraulic component assembly. This setup ensures that key components such as main control valves meet the Class 100,000 cleanliness standard. In addition, we introduced the industry-leading intelligent assembly line for large excavators, according to Frost & Sullivan. This line features an RGV-based main line integrated with automated workstations such as the track roller assembly station, enabling data collection and product traceability while significantly improving product consistency.
- In the roller manufacturing sector, we independently developed China’s industry-leading fully automated welding line for roller steel drums, according to Frost & Sullivan. This line enables automatic welding of small inner drums, full automation of vibration chamber assembly and welding, and air tightness testing, which increased the automation rate by 20% compared to the level before implementation.
- In rigid mining truck manufacturing, we have built the world’s first flexible and intelligent full-process assembly line for mining trucks, utilizing 3D digital twinning and AI algorithms to empower smart management, which has doubled the assembly efficiency. We have also introduced a 60-ton robotic welding workstation, which has increased welding efficiency by 25%, overcoming bottlenecks in welding of large structural components.
- In spare parts manufacturing, we have industry-leading automated lines for track link forging, idler assembly and welding, aluminum wheel machining and flexible operator cabin assembly, according to Frost & Sullivan. Our automated forging line for track links, based on Germany-originated advanced technology, features full robotic handling, real-time visual monitoring, and automated residual heat quenching. It achieves full-process automation from round steel cutting to spiral forging and quenching, with a forging cycle time of 3.7 seconds, significantly ahead of the industry average, according to Frost & Sullivan.

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Centered on consistent data-driven strategy, we have built a fully digitalized system allowing customers to configure core features of a construction machinery in a “menu-style” format and instantly synchronize with factory production scheduling.

We focused on process control to continuously enhance our quality assurance capabilities. In 2013, we obtained CNAS laboratory accreditation, which we have maintained to this day. This accreditation has enabled us to comprehensively monitor key quality control points. Through full-process digitalization in manufacturing, we have established a “one machine, one file” quality archive for construction machineries, enabling traceability throughout the entire lifecycle.

We have also built a lean manufacturing system supported by a strong management framework. Centered on continuous improvement and employee involvement, the system is built around automation and just-in-time production. 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 in 2025. It stands as a model for the transformation from “Made in China” to “Intelligent Manufacturing in China” in the construction machinery industry.

Building Technological Barriers and Leading Industry Innovation through Customer-Driven R&D

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.

We operate one of the most advanced R&D centers and innovation platforms in China’s construction machinery industry, according to Frost & Sullivan. As of December 31, 2025, we had established more than ten provincial or ministerial level or higher research platforms. Our Shandong Provincial Key Laboratory for Intelligent Construction Technologies in Earthmoving Machinery focuses on critical technical challenges such as motion control for unmanned earthmoving machinery, perception fusion and terrain recognition in complex environments, and intelligent task scheduling for multi-scenario equipment clusters. We have also established a robust industry-academia-research collaboration framework, partnering with 25 top-tier universities and research institutions, including Huazhong University of Science and Technology and Shandong University. We have participated in 17 national, provincial or ministerial level research projects as of December 31, 2025. By aligning Weichai Power’s engine systems and Weichai hydraulic components with our transmission systems, we have jointly developed an integrated “Golden Core” powertrain system. This close collaboration has enabled us to reduce R&D cycles and lower customers’ total cost of ownership through optimized system integration.

We have also established an industry-leading comprehensive R&D testing center. Our testing center integrates world-class hardware testing facilities, a Test Data Management system and a robust quality management framework, providing full-lifecycle verification support. Our components laboratories provides robust support for performance testing, optimization, and commercialization of research outcomes for our spare parts. Our professional validation team brings global perspectives and extensive experience in complex overseas working conditions, allowing us to respond swiftly to international market demands.

Our continued investment in R&D has yielded substantial results and further reinforced our market leadership. As of the Latest Practicable Date, we held a total of 1,833 patents in Chinese Mainland, including 319 invention patents, 1,352 utility model patents and 162 design patents, as well as two patents overseas. Our representative construction machinery products and major technological achievements have received numerous provincial or ministerial level awards. As of December 31, 2025, we had been granted 23 China Machinery Industry Science and Technology Awards and 12 Shandong Provincial Science and Technology Awards. Leveraging our outstanding industry position, we have also played a leading role in the formulation of industry standards. As of December 31, 2025, we had led or participated in the development of 56 national standards, 35 industry standards and 2,153 corporate standards in the construction machinery sector.

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Global Sales and Service Network, Delivering Exceptional User Experience

We have built a comprehensive sales network globally. As of December 31, 2025, our products have reached over 160 countries and regions worldwide. Our global distribution partnership network consisted of 371 high-quality distribution partners for both domestic and overseas markets. In China, we had 220 distribution partners and over 500 end outlets. We had 13 overseas subsidiaries overseeing 151 distribution partners and over 520 end outlets. We also provide large customers customized products designed for specific working scenarios, along with comprehensive sales and service solutions, fostering close strategic collaborations. We have maintained over 20 years of deep cooperation with major state-owned construction enterprises such as China Railway Group and China Railway Construction Corporation, actively participating in their overseas projects and earning trust in global infrastructure initiatives through low failure rates and rapid response. We also focus on mining scenarios, supporting central and local mining groups with specialized products and leading smart mining solutions, breaking the long-standing dominance of international brands in high-horsepower construction machinery.

We have also built a robust after-sales service mechanism and network. We have established a dedicated Application Engineering Department to serve as a bridge between our customers and R&D teams, ensuring timely and accurate responses to customers’ demands. We uphold an industry-leading service standard of “responding within 15 minutes, arriving within two hours and resolving within 24 hours.” A 24-hour hotline ensures immediate response, while platforms such as “Shantui e-Path APP” and the “Shantui Voice Hub (山推客戶傾聽中心)” mini-program enable smart services such as equipment tracking, intelligent alerts, one-click repair and maintenance requests and automated dispatching. Our global service network ensures arrival within two hours and efficient technical support. As of December 31, 2025, we operate 369 domestic and 383 overseas service outlets. Through close cooperation with distribution partners, we promote the establishment of component depots to ensure timely supply. As of December 31, 2025, we and our distribution partners maintain approximately 180 domestic and approximately 160 overseas component depots.

Beyond our responsive “passive service,” we also launched proactive service initiatives such as “Customer Care Tour (客戶關愛行)”. Our “Customer Care Tour” has run continuously for 15 years since 2011, covering over 30 provinces in 2025, visiting more than 950 customers, inspecting over 1,300 machines, resolving over 180 issues and collecting over 140 suggestions for quality improvement; we visited 86 overseas countries in 2025, covering nearly 390 customers, inspecting over 3,300 machines, resolving over 550 issues and collecting over 90 suggestions for quality improvement.

Deeply Rooted Corporate Culture Cultivating an Industry-leading Management Team with Strong Strategy Execution Capabilities

Over the past 70 years, we have focused on the continuous development of our core business, shaping the distinctive “Shantui Culture” centered on “Integrity All the Way (一路厚道),” which has been translated into both market competitiveness and internal cohesion.

On one hand, we have translated our “integrity” DNA into brand credibility, occupying customer mindshare and enhancing market competitiveness. During the 2008 Wenchuan earthquake, we urgently deployed SD13 dozers to assist in the Tangjia Mountain barrier lake emergency response. Our solid product quality and meticulous maintenance service passed the rigorous test of the rescue mission, earning the title of “Meritorious Product (功勳產品)” from the state and high praise as “Shantui people, integrity all the way (山推人, 一路厚道).” In 2017, we became one of the first enterprises authorized by the Shandong Provincial Publicity Department (山東省委宣傳部) to use the “Integrated Shandong Enterprise (厚道魯商)” trademark. On the other hand, our philosophy of “treating employees with integrity (厚道待員工)” has fostered strong internal cohesion. We have established differentiated compensation systems across management, R&D and technical tracks, and launched a restricted stock incentive plan in 2020 to enhance employees’ sense of belonging and achievement. Thanks to our strong cultural appeal and nurturing, we have a stable and highly experienced core workforce. As of December 31, 2025, our employees had an average tenure of approximately 14.4 years, with 60.8% of them having served us for over ten years, while our frontline core staff have received honors such as “Shandong Chief Technician (山東省首席技師),” “Qilu Chief Technician (齊魯首席技師)” and “Shandong Outstanding Contribution Technician (山東省有突出貢獻技師).”

Our outstanding corporate culture has also helped us attract and cultivate an industry-leading management team. Our core management team members have worked in the construction machinery and relevant industry for an average of over 25 years, actively participating in China’s

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transformation from international technical cooperation to independent innovation. From early-stage learning of top-tier global practices to integrating international management with local execution, our team has led milestone reforms in China’s construction machinery industry. Our core management team has received honors such as “Mount Taishan Industrial Leading Talent (泰山產業領軍人才)” and “State Council Special Allowance Expert (國務院特殊津貼專家).”

Driven by cultural cohesion and strong leadership, we have built consistent strategic execution capabilities, completing multiple key transformations. From developing China’s first 180-horsepower dozer to mass-producing the world’s most powerful model; from pioneering unmanned and electric technologies to launching smart construction solutions and a global AI strategy; from completing A-share listing, to key private placements, further to acquiring Dezhou Degong and Strong Construction Machinery to expand our business map, our solid execution has provided strong support for sustainable growth. Meanwhile, our strategic execution has empowered us to “serve national strategic needs with integrity (厚道報國).” We firmly believe our culture and leadership will continue to guide us in addressing critical bottlenecks in high-end equipment manufacturing, advancing domestic substitution and contributing to the nation’s journey toward industrial strength.

OUR BUSINESS GROWTH STRATEGIES

We will continue to upgrade our products and services, striving to become a leader in smart construction solutions. We are also committed to becoming a world-class construction machinery manufacturer and service provider.

Leveraging Proprietary Strengths across Core Industrial Chain to Expand Product Portfolio and Market Share

We will capitalize on the proprietary strengths across the core industrial chain, guided by technology and customer needs, to continuously enrich our machinery portfolio across dozers, excavators, loaders, road machinery, mining equipment and concrete machinery, with a focus on the following strategic product areas:

- ***Further consolidating dozer market leadership.*** We will continue to consolidate our global leadership in the dozer sector by enhancing our competitive edge in high-horsepower high-end models, while comprehensively advancing intelligent and green transformation across our product lines. By closely tracking global customer needs and industry trends, we will continuously introduce new configurations tailored to diverse construction scenarios, further expanding our worldwide market share.
- ***Committed to expanding excavator market share.*** We are committed to expanding the global market share of our excavator business and establishing a new growth trajectory. Leveraging the vertically integrated capabilities of the “Golden Industrial Chain” of Shandong Heavy Industry, our Controlling Shareholder, we will continue to build differentiated product advantages. Combined with our well-established global sales and service network, we aim to further increase excavator sales across domestic and international markets.
- ***Enrich mining truck portfolio.*** We will seize opportunities in the mining equipment market, expanding our mining truck lineup and increasing market share in high-end segments. This includes developing 100-ton, and 300-ton rigid mining trucks. We will continue to expand our portfolio of mining equipment models, including mining graders and mining loaders. We aim to develop more customized mining equipment solutions tailored to the specific needs of our mining customers.
- ***Proactively developing new energy machinery.*** We accurately grasp the major trend of new energy transformation in construction machinery as the industry’s development has shifted from being solely policy-driven to a new paradigm driven by market demand, economic benefits and technological innovation. We will continue to expand our new energy product lineup, achieving coordinated deployment across all categories including loaders, dozers, excavators and road machinery. Leveraging our integrated supply chain advantages, we will deeply integrate our intelligent capabilities to enhance equipment operational efficiency, optimize energy consumption metrics and solidify our competitive advantage in full life-cycle cost.

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Guided by the AI Strategy, Deepening Smart Construction Solution Deployment and Advancing Intelligentization

With the launch of our new AI strategy, we will continue to deepen our smart construction solution business layout, accelerating our transformation toward premium and intelligent development. Specifically:

- ***Focus on breakthroughs in frontier technologies for smart construction.*** Powered by continuous innovation and R&D, we will prioritize advancements in key frontier technologies within the smart construction domain, with targeted investment in proprietary AI models for construction machinery, autonomous driving and highly automated construction technologies.
- ***Continuously enhance the capabilities of our smart construction platform.*** Our platform serves as a crucial part of our integrated smart construction business. Driven by AI, we will improve the usability and stability of nine core intelligent systems, including power optimization, assisted control, autonomous travel, collaborative construction, safety, intelligent maintenance and interactive systems. In addition, we will focus on strengthening applications in mining, earthworks and roadworks, while expanding into new scenarios such as ports and airports, driving progress toward L4 (highly autonomous construction) and ultimately L5 (fully autonomous operations).
- ***Continuously expand the product matrix of intelligent construction machinery.*** Based on different smart construction scenarios, we will expand the R&D and production of our intelligent construction machinery portfolio. This includes developing more intelligent models of dozers, excavators and mining trucks tailored to platform applications. We will also advance the development of electric intelligent construction machinery and deepen the integration between our intelligent construction machinery and AI assistant. Our goal is to build a distinctive smart construction product and service system unique to Shantui.

Strengthening Global Presence and Maintaining International Leadership

Internationalization is a key trend. We will enhance our global footprint to maintain leadership, including:

- ***Expanding Global Sales Network.*** We will continue expanding our global sales network coverage, including further development in Africa, South America, Southeast Asia and the Middle East, while steadily advancing channel development in markets like Europe and the Americas, as well as Brazil and Indonesia. We will keep growing our overseas sales team by recruiting more high-quality distribution partners, and simultaneously enhance our brand and market influence.
- ***Building Localized Service Systems.*** To support our expanding sales network, we will simultaneously develop localized service capabilities by establishing subsidiaries in key markets worldwide, optimizing the distribution of component depots across key markets worldwide and recruiting local sales and service teams to enhance responsiveness and service quality for our overseas operations.
- ***Deploying Overseas Production Capacity.*** We will align our plans with the scale and growth potential of key overseas markets through risk assessment, and establish localized production capacity in strategic regions when appropriate through self-construction, acquisition, or partnerships. As of the Latest Practicable Date, no specific partnerships, investments, or acquisition targets have been identified, nor have any related agreements been signed.

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Continuously Upgrading Our Business Model to Build a Closed-loop Business Ecosystem Centered on the Full Lifecycle of Construction Machinery

We will continue to advance new business models and patterns such as machinery leasing and remanufacturing of used machinery. Our goal is to build a full-lifecycle service ecosystem around construction machinery, encompassing “new machinery sales — used machinery buyback — refurbishment and remanufacturing — resale and leasing of remanufactured machinery.” Specifically, we aim to:

- **Expand Our Machinery Leasing Business.** We plan to actively develop our equipment leasing operations. These initiatives aim to diversify the business models available to our distribution partners, help them expand customer reach, and alleviate the financial burden on end users. Meanwhile, they provide more flexible and efficient pathways for our construction machinery to penetrate new markets and acquire new customers.
- **Develop Remanufacturing Business for Used Machinery.** We are also upgrading our aftermarket business model by actively exploring and expanding into the remanufacturing of used construction machinery. By forming a complete business loop covering used machinery buyback, remanufacturing and the resale or leasing of remanufactured products, such initiative will provide domestic and international end users with more diversified product choices and lower replacement costs, while also supporting the transformation of both us and our distribution partners to “full-lifecycle solution providers.”
- **Establish a comprehensive equipment maintenance and service system.** We will also develop a “service-as-a-product” digital maintenance system, creating an intelligent management platform for the entire lifecycle of equipment, which will enable real-time monitoring and predictive maintenance alerts, thereby upgrading traditional passive repairs to proactive and preventive support, and optimizing product design and manufacturing with maintenance services. Centered on the Total Cost of Ownership (TCO) concept, we will provide a range of standardized and customized maintenance service products covering warranty, extended warranty, maintenance, major overhauls and recycling, tailored to customer needs, aiming to form a value loop covering sales, use, maintenance, repurchase, remanufacturing and second-hand equipment circulation, achieving full-lifecycle asset management and maximizing value from equipment delivery to disposal, which will help us establish deep strategic cooperation with end customers.

OUR BUSINESS

We are dedicated to the R&D, manufacturing, sales and/or servicing of a comprehensive range of construction machinery, including dozers, excavators⁽¹⁾, 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.

- **Construction machinery:** consist of (i) dozers; (ii) excavators; (iii) loaders; (iv) road machinery, primarily rollers, motor graders, pavers and milling machines; (v) mining trucks, primarily rigid mining trucks and wide-body mining trucks; and (vi) concrete machinery, primarily concrete batching plant and concrete mixers. We also offer construction machinery models powered by new energy technologies. In addition, we provide smart construction solutions, which consist of (i) intelligent construction machinery with intelligent systems; and (ii) smart construction platforms, comprising Kunlun platform, Pangu platform and Xuanyuan platform.

(1) Prior to our acquisition of Strong Construction Machinery in December 2024, we procured excavators manufactured by Strong Construction Machinery to fulfill bundled procurement demands from certain construction machinery customers, who sought to purchase excavators alongside dozers and other construction machinery. This business was fully consolidated in our financial statements for the entire Track Record Period.

(2) During the Track Record Period, wide-body mining trucks we sold to customers were procured from third-party manufacturers to address customers’ demands for bundled procurement of wide-body mining trucks, alongside dozers and other construction machinery. Revenue generated from our wide-body mining truck sales amounted to RMB153.2 million, RMB274.7 million and RMB50.1 million in 2023, 2024 and 2025, respectively, accounting for 1.3%, 1.9% and 0.3% of our revenue for the respective years.

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- **Spare parts:** mainly consist of (i) crawler-type undercarriage parts, primarily carrier roller, sprocket, track roller, idler wheel and track assembly; and (ii) transmission parts, primarily torque converters and gearboxes.

The following diagram illustrates our product and solution portfolio:



We are one of the first Chinese construction machinery companies to establish a global presence, according to Frost & Sullivan. We have built a strong international business supported by advanced R&D capabilities, robust manufacturing capacity, an extensive sales and distribution network and steadily growing brand recognition. As of December 31, 2025, we sold products to customers across over 160 countries and regions worldwide.

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The table below sets forth our revenue by geographic regions during the Track Record Period:

	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

OUR PRODUCTS AND SOLUTIONS

We offer a comprehensive portfolio of construction machinery and spare parts, coupled with smart construction solutions, catering to varying customer needs and diverse construction scenarios covering urban development, infrastructure construction, road and bridge construction and maintenance, farmland and water conservancy development, as well as mine, port and terminal construction. 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 rental income and income from sales of materials, mainly representing steel.

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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	%
<i>(RMB in thousands, except for percentages)</i>						
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

Construction Machinery

Our comprehensive and high-quality construction machinery product portfolio comprises (i) dozers; (ii) excavators; (iii) loaders; (iv) road machinery; (v) mining trucks; and (vi) concrete machinery. We also offer all of our construction machinery models powered by new energy technologies.

Leveraging the technological capabilities and product strengths of Shandong Heavy Industry in powertrains and hydraulic spare parts, as well as our proprietary gearboxes, torque converters and undercarriage systems, we are able to offer construction machinery with high performance and low energy consumption. The core components such as engines from Weichai Power and hydraulic systems from Weichai Hydraulics we sourced were regarded as “Golden Core” for construction machinery. According to Frost & Sullivan, this enables our construction machinery such as dozers, excavators and loaders to achieve about 10-15% fuel savings compared with alternative offerings at equivalent efficiency levels.

Our construction machinery has earned widespread customer recognition in China and overseas markets. According to the Yellow Table ranking published by *International Construction*, a reputable industry publication, we ranked 29th globally in the construction machinery sector by revenue in 2024, two places up from 2023, marking our third consecutive year of improvement. Our construction machinery products have obtained full certifications in target markets, such as the EU CE Mark, and meet stringent emission standards, such as US EPA Tier-4f and EU Stage V. Demonstrating our strong commitment to social responsibility, our products have been deployed in landmark projects such as the closure of the Three Gorges Dam, the Wenchuan earthquake rescue efforts, South-to-North Water Diversion, West-to-East Gas Pipeline, Daxing Airport and Beijing-Shanghai High-Speed Railway.

Our revenue generated from construction machinery amounted to RMB7,940.5 million, RMB9,990.5 million and RMB10,950.1 million in 2023, 2024 and 2025, respectively, representing 69.9%, 70.3% and 74.9% of our total revenue in the respective years. The following table sets forth a breakdown of the sales volume of our major construction machinery for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(Units)</i>		
Dozers	3,672	4,299	4,026
Excavators	5,864	7,977	10,133
Loaders	4,061	4,638	5,741
Road machinery	1,975	2,432	2,993
Mining trucks	184	272	76
Concrete machinery	520	524	772
Total	16,276	20,142	23,741

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Dozers

We ranked third globally and first in China, in terms of sales volume of dozers, with a market share of 10.2% globally 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 have held the No. 1 position in China’s dozer sector in terms of market share for 22 consecutive years from 2004 to 2025 with a dominating market share of 63.0% in China in 2025, according to the same source.

Our dozers are available in 260 Configurations across a range of power systems as of December 31, 2025, including mechanical, hydraulic, hydrostatic and electric, covering power outputs from 80 to 900 horsepower level. Representing the most comprehensive portfolio in the industry, our dozers leveraging our proprietary undercarriage system engineered for notable stability and reliability, are widely used in, and consistently deliver high performance, diverse scenarios and demanding operating conditions, 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. To accommodate diverse operational scenarios, our dozers can be configured with a variety of implements, including straight tilt blades, semi-U blades, U blades, angle blades, coal dozer blades, rock blades, sanitation blades, rippers and towing frames, significantly enhancing adaptability and operational efficiency. As of December 31, 2025, we held 798 patents related to the R&D and manufacturing of dozers, and led the development of 17 national and industry standards related to dozers. Our revenue generated from dozers amounted to RMB3,376.7 million, RMB3,951.4 million and RMB3,481.6 million in 2023, 2024 and 2025, respectively, representing 29.7%, 27.8% and 23.8% of our total revenue in the respective years. The following table sets forth the main types of our dozers and their specifications and application scenarios:

Types of Dozers	Key Specifications				Main Application Scenarios
	Power (horsepower)	Overall weight (kg)	Track center distance (mm)	Ground contact length (mm)	
Small dozers 	Below 160	9,600-13,400	1,650-1,780	2,225-2,640	• Public infrastructure construction, earthworks, farmland and water conservancy development and port and terminal construction
Medium dozers 	160-299	16,280-23,450	1,880-2,000	2,430-2,730	• Public infrastructure development, earthworks, farmland and water conservancy development and port, terminal and airport construction
Large dozers 	300-400	39,700-56,200	2,140-2,260	3,150-3,532	• Mine, airport, highway and railway construction and earthworks

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Types of Dozers	Key Specifications				Main Application Scenarios
	Power (horsepower)	Overall weight (kg)	Track center distance (mm)	Ground contact length (mm)	
Mining dozers 	Above 400	70,600-106,260	2,500-2,770	3,840-4,520	• Large-scale mines
New energy dozers 	260	27,300	2,200	3,050	• Power plant operations and port construction

The following table sets forth key features of our representative dozer models:

Model	Key Features
Small Dozer: DH08 	(1) Power System. It is equipped with the “Golden Core” powertrain system, delivering strong performance and high energy efficiency through optimized matching and integration. (2) Transmission System. It adopts a hydrostatic transmission system with stepless speed regulation and intelligent control capabilities, offering smooth and responsive handling across diverse operating conditions. (3) Driving System. The cabin is designed based on ergonomic principles and includes a wide range of user-friendly configurations, significantly improving operator comfort and safety. (4) Design and Maintenance. It features modular design to support a wide range of working conditions and has externally designed maintenance points to ensure high reliability and ease of service.
Medium Dozer: SD24 	(1) Market Position and Recognition. As the only product in the construction machinery industry that has received the National Quality Gold Award (國家質量金獎), according to Frost & Sullivan, it has earned strong recognition from both users and the market for its reliability and performance. (2) Power System and Transmission System. It features “Golden Core” powertrain system seamlessly integrated with our in-house hydraulic transmission technology, delivering high-efficiency power transfer and notable reduction of fuel consumption. (3) Driving System. The cabin includes pressurization and sealed dust-proof features for low noise operation. Integrated heating and cooling systems with fresh air exchange functions further enhance operator comfort. (4) Undercarriage System. Built on a globally acclaimed proprietary undercarriage system, it incorporates a spacious maintenance layout, ensuring high reliability and ease of service.
Large Dozer: DH36 	(1) Power System and Transmission System. It is equipped with a hydrostatic transmission system and the highest engine power in its class. Combined with a fuel-efficient operating mode, it ensures strong performance while achieving fuel efficiency. (2) Intelligent Control System. It integrates an industry-leading intelligent control strategy that significantly enhances operational precision and handling performance. (3) Temperature Control System. It adopts a distributed cooling system that enables precise temperature regulation and delivers energy efficiency. (4) Driving System. It features an ergonomically designed operator cabin with soundproof interior trim and a suspension seat, providing a smart and comfortable driving experience. (5) Design. It features modular design to support a wide range of working conditions to ensure high reliability.

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Model	Key Features
Mining Dozer: SD90 	(1) Market Position and Recognition. As the most powerful dozer manufactured in China, it breaks the long-standing dominance of foreign brands in the high-horsepower segment. (2) Transmission System and Intelligent Control System. It integrates a fully self-developed transmission system and a proprietary intelligent control system, achieving an industry-leading transmission efficiency. (3) Driving System. Equipped with a premium intelligent climate control system, air suspension seat and fully electronic follow-up control system, the operator cabin offers a significantly enhanced driving experience in terms of comfort and responsiveness. (4) 5G Remote Operation and Smart Assistance. It supports 5G remote control and is equipped with an intelligent construction assistance system, improving both operational safety and convenience. (5) Implement. It comes standard with a rock-breaking ripper, enabling efficient rock stripping without the need for blasting.
New Energy Dozer: DE26 	(1) Market Position and Recognition. As the world's first pure electric dozer, it delivers zero emissions and low noise pollution. Its green power system supports energy conservation and environmental sustainability. (2) Transmission System. It adopts a wheel-end direct drive transmission system that offers rapid power response and strong torque output. Integrated load-adaptive technology enables stepless speed regulation for flexible and efficient operation. (3) Temperature Control System. The intelligent thermal control system ensures efficient cooling of the three electric systems. The high-voltage system features triple-layer safety protection and real-time monitoring of operational parameters to ensure overall machinery safety. (4) Overall Efficiency and Maintenance. Operating costs are reduced by over 60% compared to diesel-powered dozers. The battery and motor are maintenance-free, saving service time and minimizing maintenance requirements.

Excavators

Our excavator portfolio spans models ranging from one to 200 tons, widely deployed across diverse scenarios including mining operations, construction sites, road construction, water conservancy development, municipal engineering and agricultural and forestry applications. Our excavators are equipped with high-power engines and large-displacement main pumps, offering abundant flow delivered by the hydraulic system, low-speed high-torque performance and a broad economic fuel consumption range. Integrated with our proprietary Artificial Intelligence Operation Control (AIOC) technology, the system can automatically identify working conditions, enabling intelligent interaction and assisted control. Optional features include one-touch start, air suspension seats, 360-degree panoramic cameras and switchable control modes, all designed to enhance operator comfort, operational efficiency and ease of maintenance. Specially engineered for harsh environments such as mines, deserts, plateaus and extreme cold regions, our excavators offer versatility and durability, supporting a wide range of implements for flexible configuration and full-scenario coverage. As of December 31, 2025, we held 218 patents related to excavators, and have participated in the formulation of 27 national and industry standards. Our revenue generated from excavators amounted to RMB2,117.5 million, RMB3,021.7 million and RMB3,935.7 million in 2023, 2024 and 2025, respectively, representing 18.7%, 21.3% and 26.9% of our total revenue in the respective years. The following table sets forth the main types of our excavators and their specifications and application scenarios:

Types of Excavators	Key Specifications					Main Application Scenarios
	Overall weight	Bucket capacity	Track gauge	Tread width	Ground contact length	
	(ton)	(m ³)	(mm)	(mm)	(mm)	
Mini excavators 	Below 4.5	0.04-0.06	1,230-1,540	760-1,540	2,440-2,735	• Road construction, agriculture, forestry and water conservancy, environmental sanitation and urban development

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Types of Excavators	Key Specifications					Main Application Scenarios
	Overall weight	Bucket capacity	Track gauge	Tread width	Ground contact length	
	(ton)	(m ³)	(mm)	(mm)	(mm)	
Small excavators 	4.5-19.9	0.18-0.6	1,990-2,925	1,560-2,000	3,420-4,320	Municipal landscaping, farmland and fishponds, rural development and water conservancy development
Medium excavators 	20-29	1.1-1.3	3,460-3,845	2,380-2,590	4,920-5,345	Real estate development, farmland transformation, road construction, water conservancy, urban development, landscaping, small-scale mines and large-scale earthworks
Large excavators 	30-64	1.95-2.8	4,110-4,415	2,600-2,760	6,930-7,320	Small-scale mines, large-scale earthworks, water conservancy, urban development and road and bridge construction
Mining excavators 	65 and above	6.5-10	5,090	2,790-3,900	8,415-8,490	Large-scale metal, coal and other mines
New energy excavators 	22.9-101	1.05-6.5	3,460-5,090	2,380-3,550	4,920-8,415	Workshops, ports, terminals, tunnels and mines

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The following table sets forth key features of our representative excavator models:

Model	Key Features
Mini Excavator: SE27 	(1) Design and Components. It is configured with tail-swing-free rotation and boom swing functions, enabling worry-free operation in confined spaces. (2) Implement. It can be equipped with various implements such as auger drills, breakers and log grapples, enabling multi-functional operation. (3) Track Options. It offers multiple track options including steel tracks, rubber tracks and steel tracks with track pads. (4) Driving System. It features an operator cabin certified with FOPS and ROPS safety standards.
Small Excavator: SE135 	(1) Standard Configuration. It comes standard with reinforced boom, arm and bucket. (2) Power System. It is equipped with our jointly developed engine, offering high power and torque reserves, improving efficiency while reducing overall fuel consumption. (3) Hydraulic System. It adopts a high-flow hydraulic system with precise valve control, delivering smooth movements and superior operability. (4) Transmission System. It is paired with our self-developed undercarriage components, which are reliable, mature and stable.
Medium Excavator: SE260 	(1) Flow System and Control System. It adopts a positive flow system and our self-developed integrated optimization control system, delivering high efficiency and lower fuel consumption. (2) Driving System. It features a brand-new 10.1-inch intelligent touch screen with rich integrated functions, enhancing operator experience. It is equipped with a newly designed cabin, offering more spacious operator area and a direct-mounted high-power air conditioning system for improved comfort. (3) Overall Coordination. It optimizes valve structure, regeneration channels and control strategies to reduce pressure loss and improve overall machinery coordination.
Large Excavator: SE500 	(1) Power System. It is equipped with our jointly-developed high-power engine with ample torque reserves, eliminating the need for post-treatment, offering easier use and lower cost. (2) Design and Components. It features a large cross-section boom and arm, large-diameter slewing bearing and high-quality mining-grade undercarriage components, ensuring durable and reliable mining performance. (3) Driving System. It adopts a cabin with special-shaped tube frame structure and is equipped with premium air suspension seats for enhanced safety and comfort. (4) Maintenance. It features centralized lubrication to facilitate convenient and efficient maintenance.
Mining Excavator: SE1250 	(1) Power System. It is equipped with our jointly-developed high-power engine and large-displacement main pump, delivering strong power and high operational efficiency. (2) Design and Components. It is fitted with high-strength structural components suitable for extreme cold conditions. (3) Driving System. It features a spacious new cabin, high-power air conditioning system and ergonomically designed seat to reduce operator fatigue. (4) Maintenance. It comes standard with reverse-blowing air filter and automatic centralized lubrication system for easy maintenance. (5) Overall Machinery Monitoring. It is equipped with multiple signal acquisition devices, enabling comprehensive monitoring, early warning and intelligent fault detection of the entire machine.

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Model	Key Features
New Energy Excavator: EE215	 (1) Design and Components. It leverages three electric systems (battery, motor and electronic control), and self-controlled vehicle control units, delivering stable and reliable performance. (2) Control System. It features a high-reliability permanent magnet synchronous motor, and the proprietary Artificial Intelligence Operation Control (AIOC) matching technology. (3) Driving System. It is equipped with an independent electronically controlled cooling fan that activates on demand and precisely adjusts its speed. This design reduces cabin dynamic noise, enhancing both energy efficiency and operator comfort. (4) Safety Protection System. All high-voltage components feature enhanced protection ratings, supported by a comprehensive active safety system. Standard configurations include rear-view and right-side cameras, ensuring full visibility and eliminating safety blind spots. (5) Battery System. It is equipped with a high-performance lithium iron phosphate battery, offering maintenance-free operation and extended service life. It also supports dual-port direct current (DC) fast charging, ensuring operational flexibility and reduced downtime.

Loaders

We ranked top eight loader manufacturer in terms of sales volume of loaders in China in 2025, according to Frost & Sullivan. As of December 31, 2025, we had developed 101 Configurations of loaders in loading capacity ranging from one to nine tons, offering different configurations at the choice of our customers. We are among the first in the industry to offer full coverage across four technical routes: hydraulic transmission, hydrostatic drive, pure electric and hybrid systems. Powered by the “Golden Core” powertrain, our loaders feature high efficiency, high reliability and low maintenance cost and are extensively applicable for diverse working conditions, including sandstone, coal, rock, forestry, farmland, water conservancy projects, downhole and road snow removal. Our revenue generated from loaders amounted to RMB1,119.4 million, RMB1,252.7 million and RMB1,647.7 million in 2023, 2024 and 2025 respectively, representing 9.9%, 8.8% and 11.3% of our total revenue in the respective years. The following table sets forth the main types of our loaders and their specifications and application scenarios:

Types of Loaders	Key Specifications				Main Application Scenarios
	Rated loading capacity	Wheelbase	Tractive force	Breakout force	
	(ton)	(mm)	(kN)	(kN)	
Small loaders	Below 3	2,650-2,800	58-90	55-105	 Municipal sanitation, grain depot storage, livestock farming, sandstone plants, earthworks and infrastructure and road construction
Medium loaders	4-6	3,000-3,500	137-205	136-205	
Large loaders	7-8	3,550	220	215	

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Types of Loaders	Key Specifications				Main Application Scenarios
	Rated loading capacity	Wheelbase	Tractive force	Breakout force	
	(ton)	(mm)	(kN)	(kN)	
Mining loaders 	9	3,800	287	258	• mines and ports
New energy loaders 	2-8	2,300-3,650	50-200	55-205	• Sand and gravel plants, concrete batching plants, coal yards and power plants

The following table sets forth key features of our representative loader models:

Model	Key Features
Small Loader: L36K 	(1) Power System. It is equipped with tailor-made “Golden Core” powertrain, which is powerful and energy-efficient. (2) Transmission System. It features optimized transmission system matching, enabling faster job execution and improved transfer efficiency and flexibility. (3) Operational Efficiency. It has powerful feeding and excavation capabilities and high operational efficiency. (4) Adaptation to Working Conditions. It supports over 20 types of implements, which ensures broad adaptability across diverse working conditions.
Large Loader: L76 	(1) Power System. It is equipped with a low-speed, high-torque engine, delivering strong power output while achieving high overall operational efficiency. (2) Transmission System. Integrated with an electronically controlled automatic transmission and a high-ratio heavy-duty drive axle, it provides industry-leading traction output. (3) Hydraulic System. It integrates a fixed or variable hydraulic system with an ergonomic, consolidated control interface, enabling effortless operation and significantly improving work efficiency. (4) Driving System. It features an upgraded exterior and operator cabin, offering improved comfort, intuitive controls and low noise levels for a better driving experience.
Mining Loader: L98K 	(1) Power System. It is equipped with a high-torque engine, an automatic gearbox and a heavy-duty wet axle, designed to withstand the demanding conditions of mining operations. (2) Hydraulic System and Temperature Control System. It adopts a load-sensing variable hydraulic system and an independent temperature-controlled cooling fan, reducing energy consumption. (3) Stability and Reliability. It features a wide-span articulation joint and a tipping load capacity exceeding 20 tons, ensuring safe and reliable operation. It is equipped with a vertically mounted lift cylinder and a boom stabilization module, which delivers enhanced reliability and extended service life in demanding mining operations.

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Model	Key Features
New Energy Loader: LE60 	(1) Power System. It is powered by a pure electric drive system, delivering zero emissions and low noise levels. Operating costs are significantly reduced, with over 75% savings compared to traditional fuel-powered models. (2) Overall Machinery Safety. It features a three-level safety protection architecture, with real-time monitoring of operational parameters and fully enclosed dust-proof battery design, ensuring overall machinery safety. (3) Control and Driving System. It is equipped with proprietary control programs, featuring over-the-air remote upgrades, and multiple selectable driving modes to enhance operational efficiency and driving comfort.
New Energy Loader: LE70 	(1) Power System. It is powered by a fully electric drive system, delivering zero emissions, low noise. (2) Transmission System. It features a motor, equipped with proportion integration differentiation control technology, and electronically controlled shift fork transmission, paired with a heavy-duty drive axle, delivering exceptional load-bearing capacity. (3) Temperature Control System. It features an intelligent temperature-controlled cooling system, which enables zonal fan control, resulting in enhanced energy efficiency and noise reduction. (4) Hydraulic System. It adopts a variable or fixed displacement hydraulic system which enables compound actions of the working device, offering agile and responsive steering while ensuring high energy efficiency.

Road Machinery

We offer a variety of road machinery, primarily consisting of rollers, motor graders, pavers and milling machines. Our revenue generated from road machinery amounted to RMB486.2 million, RMB798.3 million and RMB1,060.0 million in 2023, 2024 and 2025, respectively, representing 4.3%, 5.6% and 7.3% of our total revenue in the respective years. The following table sets forth the main types of our road machinery and their specifications and application scenarios:

Types of Road Machinery	Key Specifications	Main Application Scenarios
Rollers 	• Overall weight: 4,300-36,000 kg • Compaction width: 1,380-3,160 mm • Vibration frequency (low/high): 26-53 Hz/31-60 Hz (not applicable for certain types of rollers)	• Compaction of materials for base, sub-base and embankment layers, applicable to high-grade railways, highways, airports, ports, dams and industrial construction. • Road maintenance, asphalt pavement compaction in municipal, rural and residential areas, and compaction in confined spaces such as around manholes, green belts and sidewalks. • Compaction of asphalt pavement, base soil, gravel and embankment materials, applicable to road construction, airport and plaza development. • Landfill rollers are used to landfill and level various loose waste materials. They can also serve as embankment rollers and high-speed rollers, primarily meeting the needs of large and medium-sized urban landfills.
Motor Graders. 	• Operating weight: 14,800-36,500 kg • Blade width: 3,660-4,270 mm	• High-load operations across scenarios including highways, railways, airports and open-pit mines, such as trenching, slope scraping, dozing, ripping, land clearing, snow removal, ground leveling, heavy-duty dozing and terrain reshaping.

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Types of Road Machinery	Key Specifications	Main Application Scenarios
Pavers 	• Productivity: 360-1,000 ton/hour • Paving width: 1.8-12.5 m • Maximum paving thickness: 0.28-0.55 m • Maximum paving speed: 20-25 m/min • Maximum travel speed: 2.2-3 km/h	• Construction of municipal non-motorized lanes, landscaping roads and rural roads, as well as various road maintenance tasks. • Cement-stabilized macadam base and asphalt paving for roads of all grades (including overseas roads) and expressways, with specific models particularly suitable for wide-width, thick-layer and variable-width paving operations.
Milling machines . . . 	• Overall weight: 28,500 kg • Maximum milling width: 500-2,000 mm • Maximum milling depth: 330 mm • Maximum travel speed: 100.0 m/min	• Removal and stripping of surface defects on expressways, asphalt pavements of all grades, airport runways and port terminals, as well as texturing of cement pavements. • Repair of pavement defects such as bulging, rutting and cracking patterns on urban and rural roads and infrastructure surfaces.

Rollers (壓路機)

Our roller products cover 53 Configurations in hydraulic single-drive, hydraulic double-drive and mechanical drive modes. Our roller products are applicable for the compacting operations of non-clayed soils, such as gravel, gravel and sand mixture, sandy soil and rock fill, in base course, subbase course and landfill projects and can be extensively applied in construction projects including high-grade highways, railways, airports, ports and dams. The following table sets forth key features of our representative roller models:

Model	Key Features
Single Drum Roller: SR36. 	(1) Power System. It integrates ECO mode with dynamic powertrain technology, reducing overall fuel consumption. (2) Hydraulic System. It is equipped with an industry-first high-tonnage independent hydraulic drive system, enhancing traction and escape capability under slippery conditions, according to Frost & Sullivan. (3) Maintenance. Maintenance filters are centrally arranged for easier servicing and improved maintenance efficiency. (4) Driving System. It features a spacious cabin without A-pillars which offers an unobstructed field of view. (5) Vibrating System. It adopts a non-impact vibration drum which minimizes vibration start-stop shock, ensuring superior compaction quality.
Double Drum Roller: SRD13. 	(1) Control System. It features high-precision electronic control and speed-frequency regulation, combined with patented soft start-stop technology, ensuring smooth and uniform compaction results. (2) Temperature Control System. It adopts a temperature-controlled fan system, delivering notable fuel savings through dynamic speed rotation. (3) Driving System. Innovatively designed with an ultra-wide-angle cabin and a bi-directional $\pm 90^\circ$ rotating control console, it enables comprehensive operational monitoring. (4) Maintenance. It features modular external maintenance points and a lubrication-free articulated system, reducing maintenance costs.

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Model	Key Features
Combination Roller: SRK05 	(1) Power System. Powered by an engine optimized for 4,000-meter plateau conditions under regular working conditions, delivering excellent fuel economy. (2) Compaction System. The front steel wheel and rear rubber tire composite compaction system, combined with dynamic load distribution technology, enables seamless adaptation to both asphalt and subgrade applications. (3) Driving System. Fewer blind spots and superior visibility. (4) Maintenance. Self-lubricating joints and maintenance-free vibration bearings enable a fully oil-free maintenance cycle throughout the machinery’s lifecycle.
Pneumatic Tire Roller: SRT30H 	(1) Power System. It utilizes high-pressure closed-loop Exhaust Gas Recirculation (EGR) technology without requiring urea. (2) Hydraulic System. It incorporates a hydraulic proportional stepless speed regulation system, enabling full-speed soft start-stop control and preventing material buildup during compaction. (3) Safety Protection System. It adopts millimeter-wave radar collision avoidance, four-level braking system, and ultra-high-definition 360° surround view, forming a comprehensive safety protection framework. (4) Design and Components. It adopts integrated high-molecular-weight rotational molding technology, achieving oil tank cleaning and elimination of rust risks. (5) Maintenance. Externally arranged maintenance points allow for quick replacement of lubricants and filters, significantly improving service convenience.
Landfill Compactor: SRC23 	(1) Power System. It is equipped with a dual-axle drive system that delivers robust traction and enhanced mobility. (2) Driving System. It features a FOPS and ROPS-certified cabin that ensures operator safety and protection. (3) Design and Components. It is equipped with specialized wear-resistant crushing teeth which efficiently break and compact waste materials, significantly improving operational efficiency. (4) Maintenance. It features large-angle engine hood opening and centralized maintenance layout which enables convenient servicing and reduced downtime.
New Energy Roller: RE22 	(1) Power System. It adopts a fully electric power system with zero emission and low noise. (2) Drive System. It features a direct-drive motor travel system, delivering strong power and high transmission efficiency. (3) Operating Costs. It offers low operating costs, with overall usage cost reduced by over 60% compared to fuel-powered rollers of the same tonnage. (4) Driving System. It maintains in-cabin noise levels as low as 78 dB, ensuring enhanced operator comfort.

BUSINESS

Motor Graders (平地機)

Our motor grader products, underpinned by industry-leading technologies including advanced traction matching technology, hydrostatic driving technology and single-handed multi-lever control technology, are in diversified models and configurations at choice. With power outputs ranging from 150 to 360 horsepower, they are extensively applied for roadbed construction, fine pavement leveling, hard soil ripping, airport leveling, farmland and water conservancy projects, ditching and slope scraping and road snow removal. The following table sets forth key features of our representative motor grader models:

Model	Key Features
Large Motor Grader: SG27. 	(1) Power System. It is equipped with tailor-made high-performance engine, paired with an automatic gearbox and a wet brake drive axle, delivering high power transmission efficiency. (2) Hydraulic System and Temperature Control System. It is equipped with a load-sensing hydraulic system and temperature-controlled fan, offering high precision, rapid response and improved energy efficiency. (3) Working Device. It is equipped with a heavy-duty slewing bearing working device that features smooth rotation without the need for adjustment and delivers higher reliability, and a widened blade with extended service life. (4) Driving System. It is equipped with a six-sided FOPS/ROPS-certified cabin providing a temperature-controlled driving environment with low noise levels as low as 76dB, ensuring enhanced safety and comfort. (5) Maintenance. It features a no-climb lubrication system, significantly improving service convenience and operational efficiency.
Large Motor Grader: GH36-C6 	(1) Power System. Integrated with power transmission and electronic control systems, it delivers powerful performance, with high transmission efficiency and low overall fuel consumption. Compared to competing models, it achieves a 10% reduction in overall fuel consumption and an 8% increase in traction, making it an industry-leading hydrostatic motor grader. (2) Control System. A brand-new intelligent control system with online self-diagnostic alerts and dual electronic control joysticks, which can reduce operators' workload by 70% compared to mechanical controls. (3) Driving System. With fully enclosed, pressurized cab with rollover and falling object protection, it offers excellent visibility and a comfortable and safe driving experience, with cabin noise level reduced to 71 dB(A). (4) Overall structure. Featuring a reinforced, impact-resistant design, it offers enhanced reliability.

Pavers (攤鋪機)

We offer a comprehensive range of pavers, spanning rated working widths from 4.5 to 12.5 meters, to meet diverse construction requirements across various project scales. The following table sets forth key features of our representative paver models:

Model	Key Features
Nine-meter Paver: SPS90 	(1) Power System. It is equipped with high-power engine which delivers strong power output and economically fuel consumption, paired with a one-to-five power distribution gearbox for efficient transmission and strong performance. (2) Travel System. It is equipped with a travel reducer which delivers high output torque, ensuring optimal traction and stable paving operations. (3) Material Feeding System. It is equipped with high-efficiency material feeding system combined with large-torque distribution blades which ensures superior paving quality and fast construction speed. (4) Working Device. It is equipped with a self-developed high-strength, torsion-resistant screed plate offering strong driving capability, high reliability and adaptability to diverse working conditions. (5) Maintenance. Filter valves are centrally located on both side doors, enabling convenient daily maintenance and servicing.

BUSINESS

Milling Machines (銑刨機)

Our milling machines are engineered for large-scale surface removal and texturing operations across a wide range of applications, including expressways, urban roads, asphalt pavements of all grades, airport runways and port terminals. They are also well-suited for concrete surface roughening, making them indispensable in modern pavement maintenance workflows. The following table sets forth key features of our representative milling machine models:

Model	Key Features
SM200M 2-meter Milling Machine 	(1) Power System. It is equipped with a high-power electronically controlled fuel injection engine which delivers strong performance and high construction efficiency. (2) Control System. One-touch operation and multi-group milling depth memory settings simplify control and improve operational convenience. (3) Design and Components. Large swing angle material conveyor enables wide receiving range and strong adaptability to diverse working conditions. It features proprietary quick-change cutter seat design which offers extended service life and easy replacement. (4) Safety Protection System. Integrated fault self-diagnosis and alert system ensures timely maintenance and reliable safety.

Mining Trucks

Our mining trucks primarily consist of rigid mining trucks and wide-body mining trucks, covering 70 to 220 ton payload range. Leveraging the core component synergies of Shandong Heavy Industry, including engines, gearboxes, axles and controllers, coupled with the electric-drive system for rigid mining trucks from CRRC National Converter Technology Center (中車國家變流中心), we have a diversified lineup of rigid mining trucks and wide-body mining trucks, which are tailored to meet the operational demands of different mining scenarios. Our revenue generated from mining trucks was RMB153.2 million, RMB274.7 million and RMB89.3 million in 2023, 2024 and 2025, respectively, representing 1.3%, 1.9% and 0.6% of our total revenue in the respective years. During the Track Record Period, wide-body mining trucks we sold to customers were procured from third-party manufacturers to address customers’ demands for bundled procurement of wide-body mining trucks, alongside dozers and other construction machinery. Revenue generated from our wide-body mining truck sales amounted to RMB153.2 million, RMB274.7 million and RMB50.1 million in 2023, 2024 and 2025, respectively, accounting for 1.3%, 1.9% and 0.3% of our revenue for the respective year. The following table sets forth the main types of our mining trucks and their specifications and application scenarios:

Types of Mining Trucks	Key Specifications			Main Application Scenarios
	Rated loading capacity	Struck capacity (平裝容積)	Struck capacity (堆裝容積)	
	(ton)	(m ³)	(m ³)	
Rigid mining trucks. 	138-220	60-105	78-142	• Various working conditions in medium- to large-scale open-pit mines
Wide-body mining trucks 	70-100	39-50	45-60	• Various working conditions in medium- to large-scale open-pit mines

BUSINESS

Rigid Mining Trucks (剛性礦卡)

Our rigid mining trucks, featuring proprietary high-reliability chassis which ensures high operational availability and localization of key powertrain components which further strengthens product competitiveness, are available in multiple power configurations, including single-engine hybrid and dual-engine hybrid systems. The hybrid mode reduces operating costs and improves operational economy and reliability. The following table sets forth key features of our representative rigid mining truck models:

Model	Key Features
Rigid Mining Truck: TEH160 	(1) Power System and Transmission System. It is equipped with a dual-engine hybrid system, delivering robust power and high operational efficiency. It adopts next-generation Alternating Current (AC) transmission technology, offering high reliability, low maintenance rates and large output torque. (2) Energy Management. It is equipped with an intelligent full-vehicle energy management system which improves energy utilization, supports downhill energy recovery, enhances fuel savings and reduces total cost of ownership during the lifetime operation. (3) Safety Protection System. It is equipped with proprietary safety control technologies, combined with industry-recognized front MacPherson and rear four-link suspension structure, and an integrally cast-welded high-strength chassis, providing high safety. (4) Driving System. It adopts ROPS and FOPS cabin with sound insulation and noise reduction features to ensure safe and comfortable driving.
Rigid Mining Truck: TEH260 	(1) Power System and Transmission System. It is equipped with a single-engine hybrid system, delivering strong power and excellent fuel economy. It adopts next-generation Alternating Current (AC) transmission technology, offering high reliability, low maintenance rates and large output torque. (2) Energy Management. It adopts intelligent machine-wide energy management system which improves energy utilization efficiency, supports downhill energy recovery, enhances fuel savings and reduces total cost of ownership. (3) Safety Protection System. It is equipped with proprietary safety control technologies, including front MacPherson and rear cone structures, and an integrally cast-welded high-strength chassis, providing high safety. (4) Driving System. It adopts ROPS and FOPS cabin with sound insulation and noise reduction features to ensure safe and comfortable driving.

Wide-body Mining Trucks (寬體礦卡)

The following table sets forth key features of the representative wide-body mining truck model:

Model	Key Features
Wide-body Mining Truck: SK135 	(1) Transmission System. It adopts the efficient and reliable power transmission systems (2) Chassis System. It is equipped with widened welded chassis frame, delivering high stability and strong reliability. (3) Rear Suspension System. The rear suspension system features a modular V-type thrust rod design with enhanced durability and stability. (4) Safety Redundancy Design. Emergency steering and hydraulic retarder systems are integrated to ensure operational safety and redundancy.

BUSINESS

Concrete Machinery (混凝土機械)

Our concrete machinery portfolio primarily consist of concrete batching plants and concrete mixers. We have developed a comprehensive full-scenario solution that serves energy infrastructure, urban construction and temporary projects. This solution leverages modular design, ultra-precise metering, high-efficiency mixing and intelligent automation in concrete batching plants, alongside innovations in concrete mixers, such as lightweight and high-strength steel structures and pure electric technologies. Collectively, these strengths position us as a benchmark brand in the concrete machinery sector, known for our commitment to efficiency, intelligence and sustainability. Our revenue generated from concrete machinery was RMB458.3 million, RMB464.6 million and RMB459.7 million in 2023, 2024 and 2025, respectively, representing 4.0%, 3.3% and 3.1% of our total revenue in the respective years.

Concrete Batching Plant (混凝土攪拌站)

The following table sets forth the main types of our concrete batching plant and their specifications and application scenarios:

Types of Concrete Batching Plant	Key Specifications			Main Application Scenarios
	Rated power	Overall weight	Installation dimensions	
	(kW)	(kg)	(length x width, mm)	
Concrete Batching Plant: HZS180 	185	65,000	47,000x24,000	• Railways, highways, water conservancy development and wind power generation
Concrete Batching Plant: HLS240 	360	135,000	104,000x28,000	• Urban commercial concrete plant

The following table sets forth key features of our representative concrete batching plant models:

Model	Key Features
Concrete Batching Plant: HZS180 	(1) Structure. It features a modular structure with belt conveyor feeding, enabling rapid relocation and flexible site configuration to suit various construction environments. (2) Weighing Mechanism. Equipped with both coarse and fine weighing mechanisms and advanced digital sensors that require no manual calibration and lower operational workload, it achieves measurement accuracy exceeding national standards by over 50%. (3) External Design. It features a container-style external enclosure that enhances safety, wind resistance and reusability. (4) Mixing Unit. It is equipped with an air-sealed shaft-end mixing unit that eliminates the need for grease lubrication, ensuring high concrete quality and reduced maintenance. (5) Installation and Commissioning. It adopts a distributed electronic control architecture with factory pre-installed wiring, enabling rapid installation and commissioning.

BUSINESS

Model	Key Features
Concrete Batching Plant: HLS240 	(1) Structure. It is equipped with top-mounted aggregate bins with seamless sand-stone feeding technology that enhances production efficiency. (2) Mixing Techniques and Device. It utilizes mortar-coated mixing techniques to ensure high homogeneity and consistency in concrete quality and high-speed dual-axle four-screw mixer to significantly reduce mixing time. (3) Environmentally Friendliness and Efficiency. It employs a dual-pulse reverse-blow segmented dust removal system, delivering superior dust collection performance. It is equipped with a wastewater reuse system that enables zero discharge of slurry water. (4) Intelligent Operation. It features dual-control and dual-machine operation capability, allowing a single operator to manage two stations simultaneously, reducing labor requirements.

Concrete Mixers (混凝土攪拌車)

The following table sets forth the main type of our concrete mixers and their specifications and application scenarios:

Types of Concrete Mixers	Key Specifications				Main Application Scenarios
	Rated engine power/rated speed	Overall weight	Overall dimensions	Charging/ discharging speed	
	(kW/rpm)	(kg)	(length x width x height, mm)	(m ³ /min)	
Concrete mixer: CD408 	270kW/2,000 rpm	13,500	10,200x2,520 x3,850	• Charging speed: above 5 m³/min • Discharging speed: above 3 m³/min	Urban development, road construction, airports and ports

The following table sets forth key features of our representative concrete mixer models:

Model	Key Features
CD408 	(1) Energy Consumption. It operates at an energy consumption rate of less than 1.2 kWh/km, which enhances operation efficiency. (2) Water Wading Capability. It meets IP6K9K high-pressure waterproof standards, withstanding 400kPa spray and verified for 1.4-meter water wading capability, ensuring reliable performance. (3) Electric System. It is equipped with a 352 kWh lithium iron phosphate battery and a 410 kW permanent magnet motor. (4) Driving System. It features a column-mounted gear selector, a 12.1-inch intelligent touchscreen control panel and a 360-degree surround view system. (5) Self-diagnosis. It supports onboard self-diagnosis and is integrated with a remote fault diagnostic platform. (6) Material Quality. The mixer drum is constructed from high-strength, wear-resistant materials and features dual concave helical blades, ensuring concrete mixing quality.

BUSINESS

Smart Construction Solutions (智慧施工解决方案)

In an effort to achieve “AI-empowered Smart Construction,” we focus on the research and development of key technologies in AI, autonomous driving, remote control and assisted operations. Our smart construction solutions consist of intelligent construction machinery and smart platforms. Our goal is to achieve deep integration of intelligent construction machinery, smart platforms and construction methodologies. We are expanding our portfolio of intelligent construction machinery, featuring but not limited to intelligent mining trucks, intelligent dozers and intelligent excavators. Our aim is to deliver smarter, more user-friendly AI-powered assistants that enhance productivity and ease of use for our customers.

In parallel, we have developed scenario-specific smart construction solutions tailored to the unique requirements of mining, earthwork and road construction operations. These solutions are supported by continuous iteration and upgrades of our intelligent systems, including our “Intelligent Driving System” and “Intelligent Interaction System.” These innovations enable a transformation in construction operations, from manual control to autonomous decision-making, addressing critical industry challenges such as high operational costs, complex management and labor shortages.

We were one of the first in the industry to transform the concept of “smart construction” into a practical, verifiable and value-driven solution that have been applied and commercialized on a scalable basis, according to Frost & Sullivan. We have completed a full-chain transformation from front-end product R&D to back-end construction application, which has positioned us as a pioneer in advancing the industry’s shift toward higher intelligence and integration.

Intelligent Construction Machinery

Our intelligent construction machinery portfolio primarily consists of intelligent dozers, intelligent loaders, intelligent motor graders, intelligent rollers and other auxiliary products. Our revenue generated from intelligent construction machinery amounted to RMB5.2 million, RMB150.9 million and RMB58.0 million in 2023, 2024 and 2025, respectively, representing 0.05%, 1.1% and 0.04% of our total revenue in the respective years. The following table sets forth the main types of our intelligent construction machinery and their specifications and application scenarios:

Types of Intelligent Construction Machinery	Key Specifications	Main Application Scenarios
Intelligent dozers 	• Power: 170-900 horsepower • Overall weight: 19,500-106,260 kg • Automatic operation accuracy: up to ±3cm • Base station coverage: up to 10km	• Road, mines, emergency rescue, airport and water conservancy infrastructure
Intelligent excavators . . 	• Overall weight: 21,020-197,600 kg • Bucket capacity: 0.82-12 m³ • Engine power: 129-900 kW • Wheelbase: 3,450-5,795 mm • Ground contact length: 4,255-10,360 mm	• Small-scale mining and large-scale earthmoving operations, stone quarry crushing and loading, water conservancy projects, urban infrastructure development and road construction

BUSINESS

Types of Intelligent Construction Machinery

	Key Specifications	Main Application Scenarios
Intelligent loaders 	• Rated loading capacity: 5,500 kg • 5G remote control distance: unlimited • Radio remote control distance: $\geq 2,000\text{m}$ • Data transmission delay: $\leq 50\text{ms}$ • Image transmission delay: $\leq 200\text{ms}$	• Ports, mines, concrete batching plants and emergency rescue
Intelligent motor graders 	• Overall weight: 16,200-17,200 kg • Blade width: 3,965- 4,270 mm • Automatic operation accuracy: up to $\pm 2\text{cm}$ • Base station coverage: up to 10km	Roadbeds for highways and high-speed railways, airports, dams
Intelligent rollers 	• Overall weight: 26,000-36,000 kg • Trajectory accuracy of $\pm 5\text{cm}$ • Automatic warning distance: 5m • Automatic braking distance: 4m • Positioning accuracy: $\pm 2\text{cm}$	Highways, railways, water conservancy, airports, and industrial parks

Intelligent Dozers

The following table sets forth key features of our representative intelligent dozer models:

Model	Key Features
Remote Control Dozer: SD90 	(1) Simulated Driving. Multi-angle, real-time transmission of on-site operational video. (2) Remote Assisted Construction. With centimeter-level monitoring of blade elevation, in accordance with design requirements, it achieves one-touch automatic blade control to assist remote control operations. (3) Active Safety. Equipped with real-time monitoring the lean angle of the vehicle and surrounding obstacles, it triggers alarms or initiates automatic braking when preset safety thresholds are exceeded. (4) Intelligent Perception. It features real-time environmental sensing enables functions such as terrain, earthwork volume and distance, significantly enhancing the operator’s situational awareness during remote operations.

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Model	Key Features
DH17-Gi3 Intelligent AI-powered Dozer 	(1) Automated Operations. It achieves L3 (level automated operation) to meet the needs of automated construction in specific scenarios; in specific scenarios, it automatically moves according to the construction path, and the blades are automatically controlled according to the construction map. (2) Automated Generation of Tasks. The operator creates the tasks and the construction process is monitored in real time to ensure safety. (3) Active Safety. It perceives its environment and proactively issues alerts and controls in the presence of potential hazards.

The following table sets forth key features of our representative intelligent dozer, excavator, loader, motor grader and roller models.

Intelligent Excavators

Model	Key Features
SE390LC Intelligent Excavator . 	(1) Operational Assistance System. It incorporates intelligent sensors and closed-loop precision feedback control to enable high-accuracy functions such as slope finishing assistance, dynamic weighing and geofencing. (2) Operation System. It supports three operational modes: onboard control, remote control and handheld remote operation. It also features low-latency, long-distance video transmission and remote control of ignition, shutdown, lighting and wiper systems. (3) Safety Protection System. It is equipped with active safety control technologies and intelligent monitoring and early warning systems, delivering enhanced operational safety.

Intelligent Loaders

Model	Key Features
Remote Control Loader: LE59 . 	(1) Remote Control. Enabled by radio communication or 5G technologies, it supports short-range and remote control. (2) Active Safety. With the support of protection functions including emergency stop protection, information monitoring, and anti-collision, operational safety is guaranteed. (3) Decision Support. Auxiliary functions such as terrain monitoring, personnel recognition, dust penetration imaging, trajectory guidance and panoramic visualization assist operators in making efficient decisions. (4) Automated Operations. Equipped with functions including material loading, unloading and lifting, it achieves automated operation through one-touch control.

Intelligent Motor Graders

Model	Key Features
SG21-Gi2 Intelligent Motor Grader 	(1) Auxiliary Operation System. The automated blade control supports 100% precision grading based on design, reducing the number of required passes by several times compared to traditional graders, and achieving a grading accuracy of ± 2 cm. (2) All-Weather Construction. It supports normal construction at night, shortening the construction period. (3) Construction Cost. Compared to traditional graders, there is no need for pile driving and line marking, which significantly reduces the number of surveyors required and lowers the total construction cost.

BUSINESS

Intelligent Rollers

Model	Key Features
SR36-Gi2 Intelligent Roller	 (1) Precise Compaction. It achieves standardized compaction with high trajectory accuracy, avoiding missed or insufficient compaction. (2) Active Safety. It supports automatic warning, automatic braking, and power failure recovery. (3) Minimal Operation. It provides streamlined operation guidance that allows one driver to control multiple vehicles, delivering high efficiency. (4) Optional Configurations. It features intelligent compaction, portable remote control, etc.

Smart Construction Platforms

Focusing on three major scenarios, namely, mining, earthworks and road construction, we have developed three smart construction platforms: Kunlun (昆侖), Pangu (盤古) and Xuanyuan (軒轅), each tailored to its specific application area. These platforms integrate cutting-edge technologies such as remote control driving, assisted operations and unmanned operation technologies, and apply multiple proprietary algorithms to achieve precise construction management, construction automation and efficient collaboration of various construction machinery, further enabling visualized management and cost management. As of the Latest Practicable Date, over 90 projects and over 9,000 machines were implemented and managed by our smart construction platforms. Our revenue generated from smart construction platforms amounted to RMB11.4 million, RMB4.4 million and RMB1.6 million in 2023, 2024 and 2025, respectively, representing 0.1%, 0.03% and 0.01% of our total revenue in the respective years.

Our smart construction platforms are designed with compatibility and adaptability to support all types and brands of mining, earthworks and road construction machinery. Leveraging international-standard communication protocols and open API architecture, these platforms enable seamless integration with both legacy and next-generation construction machinery, regardless of manufacturer. For machinery lacking digital interfaces, we provide retrofit hardware solutions such as fuel-level sensors to ensure full data capture. Through strategic partnerships with construction machinery manufacturers, including those offering open data protocols, we ensure robust ecosystem interoperability.

Kunlun Platform

The Kunlun platform is a SaaS-based management system built on an IoT architecture and AI-powered models, designed to be compatible with all types and brands of mining construction machinery. With the support of the intelligent onboard terminals, the Kunlun platform leverages its core technologies, including CAN data acquisition, digital twin modeling, high-precision vehicle-bucket matching, automated trip counting, optimal vehicle-bucket ratio algorithms and big data analytics for operational processes, to achieve digital management of the equipment, personnel, productivity, maintenance, costs and key components across mining construction projects.



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Specifically, the Kunlun platform enables multidimensional data analytics across key operational metrics such as operating hours, fuel consumption, trip counts, equipment efficiency, and cost structures, alongside end-to-end precision management capabilities. These advancements enable us to achieve refined operational goals focused on cost reduction and efficiency improvement. Through intelligent terminals, we collect raw engine data directly from vehicles—including operating hours, fuel usage, and engine RPM—and integrate them with enterprise operational logic to generate actionable insights. Real-time monitoring of equipment location, status, and alerts allows us to deliver advanced analytics, including utilization rate of operating hours, effective fuel consumption ratios, unit cost calculations and efficiency rankings across equipment fleets. This enables a seamless transition from macro-level operational overviews to micro-level diagnostics, transforming raw data into intuitive business intelligence.

Furthermore, the Kunlun platform supports full-process precision management, covering all essential operational elements—personnel, equipment, materials, methods, and environment. Key capabilities include the following: (i) equipment management: from start-up rate tracking and trajectory playback to preventive maintenance, we enable full lifecycle management of machinery; (ii) project management: through electronic fencing, site entry/exit tracking, and cost verification, we ensure precise control over project progress and budget adherence; (iii) personnel management: by quantifying driver performance and efficiency, we support data-driven performance evaluation and workforce optimization; and (iv) material management: inventory alerts and inbound/outbound tracking help ensure timely parts supply while optimizing capital utilization.

Case study 1: Deploying Kunlun platform in a mining project in Saudi Arabia. For a mining customer in Saudi Arabia, we deployed the Kunlun smart construction platform. By deeply integrating with the customer’s construction demands, we developed new workflows based on smart construction machinery and the platform, significantly improving efficiency and reducing costs. On one hand, the platform’s digital tools, such as sensors, positioning and enhanced networking, enabled automated tracking of mining truck trips, real-time monitoring of overspeed and idling, precise fuel management, automated reporting of work hours, cost per unit and component depot management, as well as one-click access to data on cost, workload, fuel consumption and maintenance. On the other hand, the platform’s multi-sensor perception and 5G data transmission enabled remote control of dozers, along with blade auto-control, intelligent sensing and active safety features, enhancing operational efficiency, quality and comfort while reducing the risk of injury to personnel and machinery. The implementation of the Kunlun platform by customers led to cost reduction and a 10% increase in overall project efficiency, upon project delivery on August 2024, earning high praise from the customer.

Pangu Platform

The Pangu platform is a SaaS-based management system built on an IoT architecture and AI models, designed to support all types and brands of earthwork (土方) and subgrade (路基) construction machinery. Built on Canvas technology, the Pangu platform delivers a digital construction map that dynamically visualizes key parameters such as compaction frequency and earthwork flatness through color-coded overlays. By connecting proprietary process data from our intelligent construction machinery, the Pangu platform enables unified supervision of both traditional and intelligent construction machinery, making subgrade and earthwork construction more visualized, less labor-intensive and fully digitalized.



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Specifically, the Pangu platform enables multi-dimensional data analysis—including flatness, compaction, and operational efficiency—alongside rigorous construction quality control for both flatness and compaction standards. From a data analytics perspective, we integrate multi-source data—including drone mapping, RTK point marking, and real-time machine feedback—into advanced algorithmic models. These models support earthwork volume calculations, equipment configuration recommendations, and compaction quality assessments, providing a scientific basis for decision-making. The platform also supports intelligent simulation and plan optimization, allowing users to compare multiple construction scenarios, simulate effective durations and machinery costs, and identify the most efficient and economical plan—demonstrating our predictive analytics capabilities. Furthermore, the system can automatically generate statistical reports, cut-and-fill diagrams, and compaction reports, with results displayed in 3D visualizations on digital dashboards, enabling intuitive presentation of data value. In terms of precision management, the Pangu platform enables end-to-end process control—from construction plan generation, task issuance, and path planning to automated workload verification and real-time quality monitoring—forming a closed-loop business management system that ensures every step is traceable and controllable. We also support efficient resource scheduling, using algorithms to allocate daily machinery and work time, dispatch tasks in real time, and maximize resource utilization to achieve lean construction.

Case study 2: Deploying Pangu platform in a high-speed rail subgrade project in the PRC. A major state-owned construction enterprise deployed our Pangu platform for intelligent site management. It addressed complex issues such as personnel and vehicle management, progress feedback, visual monitoring, long report generation cycles and quality assessments. Compared to pre-platform operations, the project saw improvements in equipment utilization, idling supervision, fuel and refueling accuracy, oil theft alerts, asset tracking and site entry/exit accuracy, while significantly reducing construction costs. The high-speed rail subgrade fleet, equipped with our proprietary “Smart Grading System,” could monitor construction data in real time and automatically adjust parameters to ensure precision and efficiency. Operators used smart displays to clearly understand site conditions and easily handle complex terrain, fully meeting the high standards of railway subgrade construction. The platform helped the customer improve efficiency and reduce costs, upon project delivery in December 2024, earning widespread recognition from both the project team and the project owner.

Xuanyuan Platform

Our Xuanyuan platform is a management system built on IoT architecture and AI models, designed to support all types and brands of road construction machinery. It focuses on the collection of key quality-related data and integrates such data with business operations for platform-based visualization. We have completed the development of the four core modules of our Xuanyuan platform, including (i) machinery management; (ii) quality monitoring; (iii) progress tracking; and (iv) statistical analysis of the Xuanyuan platform. These modules can be further customized to meet specific customer requirements, ultimately creating a closed-loop ecosystem of data visualization and business collaboration.



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Specifically, the Xuanyuan platform enables multi-dimensional data analysis—including production progress, paving and compaction performance, and operational data analytics—alongside precision control of construction progress, particularly in paving and compaction operations. These capabilities enable us to achieve refined operational goals focused on quality assurance and process optimization. From a data analytics perspective, the platform integrates data from paver location, paving temperature, paving speed, roller compaction levels, number of passes, and compaction speed, enabling centralized, consolidated, and intelligent analysis of construction big data. This allows us to track and analyze paving and compaction processes in real time, visualize quality metrics, and provide data-driven decision support for project managers. In terms of precision management, the platform incorporates real-time monitoring and intelligent alert mechanisms to ensure construction accuracy. For example, it monitors rollers to prevent under-compaction or over-compaction, supports quality traceability, and helps avoid rework. Leveraging mobile terminals, we enable seamless coordination between front-line and back-end operations, allowing for fine-grained control of progress, quality, and equipment, with automated generation of statistical reports. The platform’s end-to-end management capabilities span from design and construction to final acceptance, enabling precise, collaborative, and efficient control of the entire construction workflow, thereby significantly improving overall operational efficiency and oversight.

Case Study 3: Deploying Xuanyuan platform in a national highway reconstruction project in the PRC. From August to November 2022, our Xuanyuan road construction platform was successfully deployed in a national highway reconstruction project in the PRC, where a fleet of our two pavers and three rollers was used. The project involved upgrading an 11.31 km section of the national highway, built to first-class highway standards with four lanes in both directions. Our platform supported the project team in executing water-stabilized paving and compaction operations using advanced techniques such as 3D dual-machine paving and dual-layer continuous paving. Throughout the construction process, the Xuanyuan platform provided full-process monitoring of paving and compaction activities. Customers could access real-time project data—including equipment status, progress updates, and geolocation maps—and monitor construction quality metrics such as paving and compaction trajectories, speed, temperature, number of passes, and compaction density. Historical data such as operation time, location, equipment usage, and trajectories were also available for review. The integrated use of 3D paving, intelligent compaction, and the Xuanyuan platform resulted in a surface smoothness pass rate exceeding 90%, a cross slope pass rate above 90%, an average compaction rate of over 98%, and a 100% core sampling quality pass rate. Overall construction efficiency was significantly improved, with a noticeable reduction in the number of surveyors and manual labor required.

Spare Parts

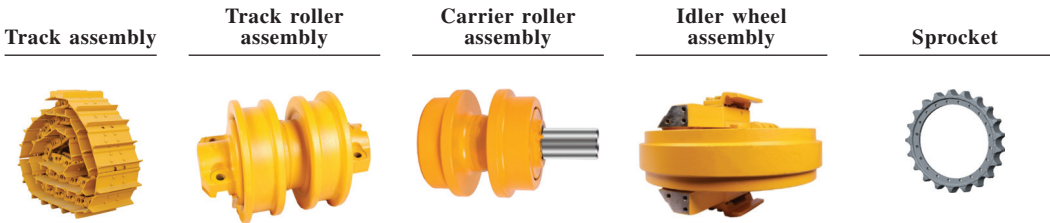
According to Frost & Sullivan, we are in a leading position in China in the manufacturing of spare parts for construction machinery, primarily crawler-type undercarriage parts and transmission components. With advanced production equipment and processes and excellent product quality, as of the Latest Practicable Date, we have become a strategic cooperation supplier for more than 100 international equipment manufacturers, and our quality control system has been extensively recognized by the international mechanical equipment manufacturers. In addition, our spare parts have been supplied to a wide range of construction machinery manufacturers in China.

Crawler-type Undercarriage Parts

With nearly 40 years of accumulated technical expertise and continuous innovation, our R&D and manufacturing capabilities for crawler-type undercarriage parts have reached an industry-leading level, according to Frost & Sullivan. We have served over 100 construction machinery manufacturers as of the Latest Practicable Date and have been consistently recognized with honors such as “Top 50 Global Construction Machinery Spare Part Suppliers” and “Most Influential Brand in Undercarriage Systems.” We have established long-term strategic partnerships with globally renowned manufacturers including Komatsu, LiuGong and Sunward, while actively expanding into international markets across Europe, the Americas, Africa and Southeast Asia.

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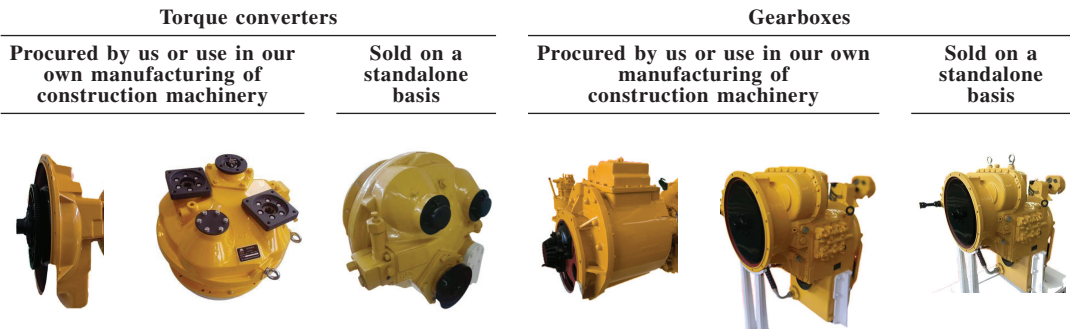
The undercarriage parts serve as the core traveling system of construction machinery and the central system enabling their movement. Our product portfolio of crawler-type undercarriage parts includes over 1,200 series across three major categories: track assemblies, “four rollers” (namely, carrier roller, sprocket, tracker roller and idler wheel) and tensioning assemblies, and complete undercarriage systems. The following table sets forth our major crawler-type undercarriage parts for traveling system, each of which is offered for sale on a standalone basis.



These products are compatible with a wide range of crawler-type construction machinery, including excavators from 0.8 to 350 tons and dozers from 80 to 900 horsepower level, and extend to equipment used in mining, construction, agriculture, and forestry. We offer customized, one-stop development solutions tailored to specific operating conditions, such as highly reliable and wear-resistant undercarriage parts for mining applications. Among these, our lubricated undercarriage parts—positioned as high-end offerings—are fully developed in-house with proprietary core technologies and have already achieved scaled production.

Transmission Parts

We specialize in the development and production of torque converters and gearboxes, which serve as core components across our machinery portfolio as well as the transmission system of construction machinery. The following table sets forth our major transmission parts.



Torque Converters

Our torque converter products cover over 20 Platforms with more than 100 specifications, enabling precise matching with different types of equipment and delivering optimal performance under operating conditions. They ensure robust power output, operational efficiency, energy savings, and noise reduction across diverse use cases. These advantages are driven by our proprietary three-dimensional vane design and advanced casting processes, which have elevated torque converter efficiency to over 90%, positioning us at the forefront of the industry, according to Frost & Sullivan.

Gearboxes

We offer two main categories of gearboxes: fixed-shaft and planetary gearboxes. Fixed-shaft gearboxes feature a simple structure, high reliability, and ease of maintenance. Planetary gearboxes, with high power density and compact design, support power transmission ranging from 80 to 900 horsepower level, making them particularly suitable for machinery under heavy-duty applications

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such as dozers. These systems ensure stable and reliable power delivery. The deep integration of electronic control technologies has laid a solid foundation for the intelligent evolution of our transmission systems. Our self-developed electronically controlled transmissions have already achieved mass production.

Leveraging decades of design expertise and successful application experience in construction machinery power systems, we continue to deliver high-performance, highly reliable gearboxes to both domestic and international off-road machinery markets. Our product offerings not only comprehensively cover various types of construction machinery, but also drive continuous innovation in comfort, operational efficiency, reliability, and intelligence — enabling us to provide customers with efficient, comfortable, and economically reliable integrated construction solutions.

RESEARCH AND DEVELOPMENT

R&D capabilities are central to reinforcing our competitive advantages and leadership. Over the course of more than 70 years of development, we have built a deep reservoir of technological expertise and a market-driven and agile 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.

During the Track Record Period, the number of our R&D personnel grew from 2023 to 2025 with a compound annual growth rate of 17.4%, which reached 2,118 employees as of December 31, 2025, accounting for 29.2% of our total workforce. This proportion of R&D personnel to our total workforce places us among the leading players in the industry. Our research and development expenses amounted to RMB558.4 million, RMB541.9 million and RMB574.9 million in 2023, 2024 and 2025, respectively. Our research and development efforts have resulted in continual technological breakthroughs and product innovations, which make us outstanding in the industry. As of the Latest Practicable Date, we held 1,833 patents in Chinese Mainland, including 319 invention patents, 1,352 utility model patents, and 162 design patents, and two patents overseas. We also led and participated in the formulation of 56 national standards, 35 industry standards and 2,153 corporate standards as of December 31, 2025. We operate one of the most advanced R&D centers and innovation platforms in China’s construction machinery industry, according to Frost & Sullivan. As of December 31, 2025, we had established more than ten provincial or ministerial level or higher research platforms.

R&D Platform

We have established a comprehensive research and development system, featuring our three R&D institutes, namely, the Construction Machinery Research Institute, the Smart Construction and Construction Method Institute and the Shantui Construction Machinery Research Institute, two departments, namely, the Application Engineering Department and the Process Management Department, and one Testing Center, through which, we are able to establish a strong and reliable portfolio of core and cutting-edge product technologies, attract and cultivate top talents and expand our research and development capabilities, enhancing the technological advancement and competitiveness of our products. Our three R&D institutes and two departments are located in Jining and Jinan, Shandong.

Our three R&D institutes and two departments are endowed with different R&D focuses, including: (i) the Construction Machinery Research Institute (工程機械研究總院), which primarily focuses on the R&D of construction machinery; (ii) the Smart Construction and Construction Method Institute (智慧施工與工法研究院), which primarily focuses on the R&D of construction methods and advanced technology, such as intelligentization, vehicle-to-everything communication networks and big data, and is responsible for the R&D of smart system, smart platform, smart hardware and smart construction solutions based on the conventional construction machinery products; (iii) the Shantui Construction Machinery Research Institute (山推建築機械研究院), which focuses on the R&D of concrete machinery and asphalt mixing plant; (iv) the Application Engineering Department (應用工程部), which is mainly responsible for transforming market demands into technical solutions and customized products to promptly address customer needs; and (v) the Process Management Department (工藝管理部), which is mainly responsible for organizing and executing the trial production of new product prototypes in alignment with our new product development schedule, and for overseeing process control throughout the trial production phase.

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We also operate a Testing Center, which is primarily responsible for conducting performance and reliability testing of newly developed construction machinery and spare parts. Our Testing Center plays a pivotal role in validating new product designs, ensuring development quality and enhancing product competitiveness. The Testing Center, as a critical gateway to mass production, provides comprehensive full-machine validation services across our complete portfolio of construction machinery. Leveraging its technical expertise and operational discipline, the Testing Center facilitates the transition from design finalization to commercial readiness through systematic testing, precise data acquisition, efficient field support, reliable platform maintenance and a closed-loop issue tracking and improvement mechanism.

R&D Approach and Mechanism

We have established a forward development process (正向開發流程). The key to this R&D process lies in demands from our customers, which we collect through (i) direct engagement with our end customers; (ii) internal market demand alignment meetings, supplemented by daily briefings for real-time market demand sharing; and (iii) our internal sales and marketing platform. Our Application Construction Department (應用工程部) is responsible for collecting and passing the market demands to our selling and marketing departments, which will then initiate product or solution R&D proposals for approval.

For the R&D of our construction machinery and spare parts, the approved R&D proposals will then go through the following seven stages: (i) project initiation; (ii) plan design, (iii) detailed product design, (iv) trial production, (v) testing validation, (vi) pilot production, and (vii) market introduction and validation. Our products are categorized by Platform (型), Variant (款) and Configuration (版). A “Platform” refers to products that are newly developed based on market demand and different from the existing products. A “Variant” refers to products that are technically upgraded from existing “Platform.” A “Configuration” refers to products that are adaptively developed based on existing “Variant” according to customers’ working conditions. As of December 31, 2025, we have developed 342 Platforms, 580 Variants and 934 Configurations for our construction machinery. The R&D process for construction machinery products usually takes five to 24 months.

For the R&D of our key technologies, the approved R&D proposals will then go through the following five stages: (i) project initiation, (ii) R&D design, (iii) functional implementation, (iv) construction validation and (v) final acceptance. The R&D process for key technologies usually takes six to 18 months.

Our smart construction solution is more customized than our construction machinery and spare parts. Following the forward development process, its R&D will go through the following six stages: (i) project initiation, (ii) preliminary research and discussion with potential customers, (iii) plan design and confirmation by our customers, (iv) contract execution and implementation, (v) delivery, and (vi) solution refinement and final acceptance. The R&D process for smart construction solutions usually takes six to 15 months.

Collaborative R&D

We and Weichai Power, both as equipment and component enterprises under Shandong Heavy Industry, have carried out in-depth collaborative cooperation in areas such as technology R&D and product integration, driving business growth and industry advancement for both parties. Leveraging synergies across the industrial value chain, we have engaged in customized co-development initiatives, jointly launching multiple high-efficiency, energy-saving products tailored to the demands of both the Chinese and global markets. These efforts have not only shortened the R&D cycle, but also created value for customers through optimized system integration. (i) ***Creating the “Golden Core” products.*** We, Weichai Power and Weichai Hydraulics have jointly coordinated across six R&D centers at home and abroad. Based on Weichai engines, Weichai hydraulic components and our transmission parts, we have created a powertrain assembly known as the “Golden Core.” This system excels at fuel efficiency, performance and reliability. For example, our DH80 dozer, the first and most powerful hydrostatic dozer with high-power driver in China, marks a major achievement of their cooperation and fills multiple domestic technical gaps. (ii) ***Advancing Intelligent Core Technology Cooperation.*** Through the cooperation in core intelligent technologies, we have transformed from directly sourcing components from Weichai Power to jointly developing components with Weichai Power. For example, by using intelligent control components as the link, we and Weichai Power developed customized intelligent control units for

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construction machinery. (iii) **Joint Development of New Energy Products**. We and Weichai New Energy Research Institute have co-developed a series of green, low-carbon construction machinery, including new energy dozers, excavators and loaders. After nearly a thousand units of market validation, these products have been well received by customers. For instance, our LE70 new energy loader can reduce carbon dioxide emissions by over 100 tons per year per unit and cut usage and maintenance costs by more than 75% compared to diesel models.

Our Key Technologies

Key Technologies for Our Products

Through sustained technological innovation and deep industry expertise, we developed a comprehensive suite of intelligent control, simulation and manufacturing technologies tailored for complex engineering machinery applications. These advancements span intelligent power matching, digital twin simulation, adaptive thermal management, cloud-based collaborative construction, high-power transmission system and intelligent testing capabilities. Together, they form a robust foundation for delivering high-performance, energy-efficient and smart construction solutions, reinforcing our competitive edge in the construction machinery market. Set forth below are the key technologies for our construction machinery: (i) **Intelligent Matching and High-efficiency Control Technology**. It allows intelligent operation mode selection for varying working conditions, enabling optimal power and fuel efficiency across diverse working conditions. (ii) **Automatic Intelligent Operating Condition Recognition Control (AIOC) Technology**. It analyzes pilot handle stroke, main pressure variation and engine load rate to identify operator intent and current task status, automatically adjusting engine speed and main pump flow for enhanced responsiveness and efficiency. (iii) **Digital Twin Simulation Analysis Technology**. It integrates multi-body machinery models, material media, control systems and test field scenarios, enabling virtual validation and optimization of machinery reliability and control performance under complex operating conditions. (iv) **Thermal Management Technology**. It is tailored to varying operational conditions and environments, ensures efficient temperature regulation of critical components such as engines, hydraulic systems and transmissions to maintain peak performance. (v) **Cloud-based Collaborative Smart Construction Technology**. It allows cloud-based coordination across multiple machineries, achieving real-time optimization of construction plans and quality monitoring using intelligent algorithms, significantly improving operational efficiency and resource utilization. (vi) **Green Manufacturing of High-power Transmission System and Intelligent Testing Capabilities**. We have achieved breakthroughs in high-power transmission system and other key processes, such as process on controlling molding of large ring gear under pressure and quenching conditions. We are also capable of performing relevant intelligent testing, which improve the reliability and intelligence level of mining dozers and other construction machinery.

Key Technologies for Our Smart Construction Solutions

We have strategically focused on key technologies around the smart construction solutions, including enhancing high-end intelligent construction machinery and enabling precision construction through integrated data utilization across construction production processes, which promotes sustainable and efficient construction. Our core technologies namely, the nine core systems, in relation to our smart construction solutions include: (i) **Power Optimization System**. The power optimization system primarily addresses fuel efficiency and power matching issues in construction machinery. It includes functions such as switching between multiple operation modes and load-adaptive control. (ii) **Construction Safety System**. The Construction Safety System primarily addresses safety risks to personnel and machinery during construction operations. (iii) **Assisted Control System**. The Assisted Control System addresses the issue of operator efficiency and is composed of functions such as voice control, gear presetting, slip rate control and automatic gear shifting. (iv) **Automated Work Equipment System**. The Automated Work Equipment System primarily addresses issues related to construction quality and efficiency. It includes functions such as elevation guidance and automatic control of work equipment. (v) **Autonomous Driving System**. The Autonomous Driving System primarily addresses three key challenges: labor, efficiency and safety. It includes functions such as high-precision positioning, environmental perception, intelligent decision-making and planning control. (vi) **Health Management System**. The Health Management System primarily addresses fault prevention and handling. It includes functions such as health diagnostics, fault prediction, fault alerts and maintenance guidance. (vii) **Intelligent Maintenance System**. The Intelligent Maintenance System primarily addresses issues of low maintenance efficiency and high costs. It includes functions such as personalized maintenance planning, creation of digital maintenance records, maintenance plan notifications and spare parts

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list recommendations. (viii) ***Collaborative Construction System***. The Collaborative Construction System primarily addresses the inefficiencies and management challenges of multi-machine and multi-model coordinated operations. It includes modules such as construction planning for machine groups, task assignment, process matching and dynamic plan adjustment. (ix) ***Intelligent Interaction System***. The Intelligent Interaction System addresses the complexity of human-machine interaction and the fragmentation of systems. As a key component of the AI assistant, it connects intelligent construction machinery with multiple intelligent service systems. It integrates information across systems, making interaction more convenient and streamlining construction planning and process management.

Our Academic Collaborations

We have established long-term collaboration with renowned universities and research institutes on joint research and talent development, which has deepened our insights into industry trends and emerging technologies and introduced us new technologies and resources. As of December 31, 2025, we had collaborated with nearly 25 universities and research institutions, such as Huazhong University of Science and Technology and Shandong University, and had participated in 17 national, provincial or ministerial level programs, covering a range of innovative and cutting-edge technologies based on our practical need. For example, we participated in the “Research and Application of Key Technologies for Smart Green Construction Machinery Complete Equipment,” a 2023 Key R&D Program in Shandong Province, in which we achieved breakthroughs in critical generic technologies for new energy construction machinery. We have also collaborated with universities and research institutes to establish multiple laboratories and technology innovation platforms. For example, we have established the Shandong Provincial Innovation and Entrepreneurship Consortium for Intelligent Construction Machinery in collaboration with leading institutions including Shandong University, Shanghai Jiao Tong University and the Shandong Institute of Mechanical Design. In addition, we have jointly established the Shandong Provincial Key Laboratory of Intelligent Construction Technology for Earthmoving Machinery in collaboration with Shandong University and Chang’an University.

The salient terms of the agreement we have entered into with our research and development partners include: (i) ***Rights and obligations***. We and our research and development partners undertake respective research and development tasks based on an agreed-upon development plan and technical research directions and indicators. (ii) ***Confidentiality***. We and our research and development partners undertake confidentiality obligations in accordance with relevant laws and regulations. (iii) ***Source of funding***. We and our research and development partners generally agreed on a fixed total budget for the respective research and development tasks under the agreement. The source of funding typically lies in self-owned funds by our research and development partners and us as well as government subsidies. (iv) ***Intellectual property***. Intellectual property rights obtained by each party prior to the application for the project shall remain the intellectual property of the respective party. Intellectual property resulting from jointly completed work will typically be co-owned by the parties. Neither party shall transfer the research results to a third party before delivering the research and development results to the other party and within the confidentiality period. For collaboration involving products or technologies embedded with our proprietary technologies, the intellectual property will typically be owned by us; and (v) ***Termination***. The agreement automatically terminates upon completion of the research project. Alternatively, if affected by force majeure, a party may apply for project termination, upon consent by the leading responsible party.

OUR 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.

Production Planning and Production Process

Production Planning

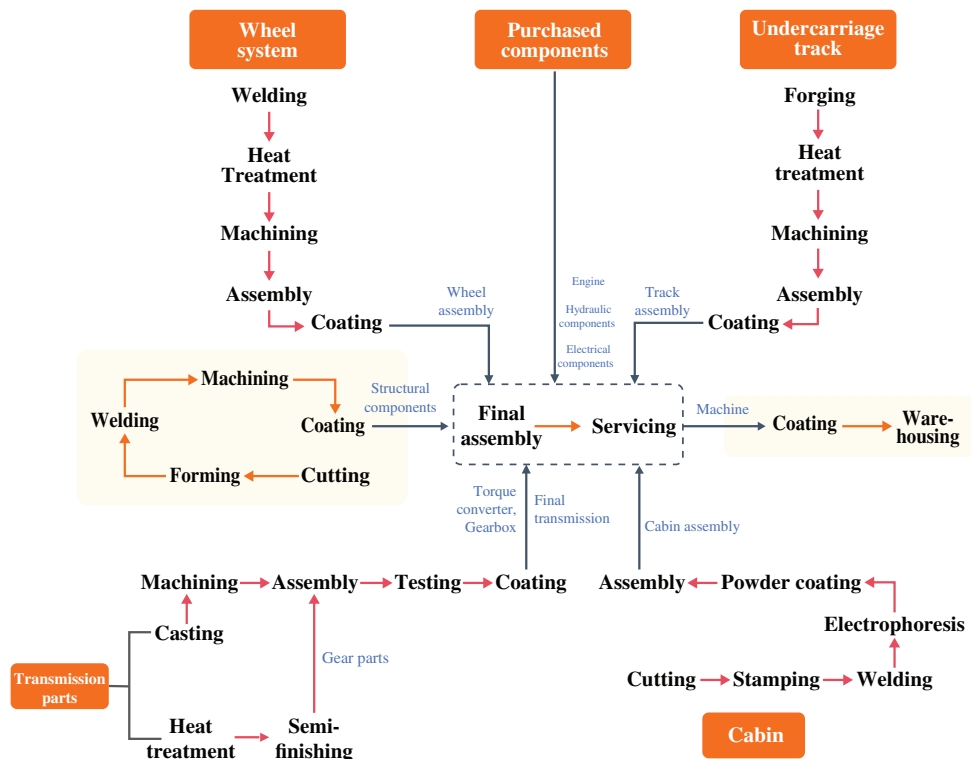
We typically develop our production plan based on our sales orders and market forecasts. To ensure stable production operations, we schedule production plans by prioritizing tasks according to urgency, strategic importance and safety stock requirements, effectively mitigating delivery risks and maintaining workflow continuity. To effectively manage the risk of overproduction and

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seasonality, our production, procurement, quality control and marketing departments collectively review our production plans and make adjustments to our procurement, production volume and schedules every month. We also review our production schedules on a weekly basis to adapt to fluctuations in new order volumes.

Production Process

In recent years, we have made significant progress in the automation of our production processes. Through the deep integration of automatization, intelligentization and digitalization solutions across all stages of production, we have achieved notable improvements in efficiency enhancement, cost reduction and quality optimization. The following diagram illustrates the production process for large spare parts, key transmission parts and other components before they are assembled into our construction machinery product.



Set forth below shows the efforts we put in certain key steps in the production process of the construction machinery: (i) **Forging (鑄造)**. We focus on fully automated intelligent forging and have developed multiple specialized automated forging lines. Our track link forging line, built upon advanced technology introduced and adapted from Germany, features robotic handling, full-process visual monitoring and automated residual heat quenching. These innovations enable end-to-end automation from raw material feeding to finished product output, achieving a cycle time of 3.7 seconds, significantly ahead of industry level. (ii) **Heat treatment (熱處理)**. We have introduced a Germany-originated world-class fully automated intelligent press quenching line for large gear rings and maintained an industry-leading level. We have adopted a fully automated, simulated atmosphere-controlled multi-purpose furnace, enabling a fully digitalized monitoring of the carburizing process and ensuring precise product traceability. (iii) **Welding (焊接)**. We have strategically built over 20 intelligent welding lines for key structural components. Industry-leading lines include the dozer undercarriage welding line, vibration chamber welding line and carrier roller assembly welding line. These lines integrate welding robots, automated welding equipment and material handling systems. Sensors and IoT technologies are used to for transparent and digital welding process management. (iv) **Machining (加工)**. We specialize in flexible intelligent machining and have developed multiple automated flexible machining lines through proprietary design and full-line imports. (v) **Assembly (裝配)**. We have built China's first flexible AGV assembly line for dozers, achieving cycle time reduced by over 10%. A leading cleanroom for hydraulic component assembly has been established, achieving Class 100,000 cleanliness standards for critical parts such as main valves. Additionally, we transformed an advanced intelligent

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assembly line for large excavators, enabling full data acquisition and product traceability throughout the production process. We have built the world’s first flexible and intelligent full-process assembly line for mining trucks, utilizing 3D digital twinning and AI algorithms to empower smart management, which has doubled the assembly efficiency. We have also introduced a 60-ton robotic welding workstation, which has increased welding efficiency by 25%, overcoming bottlenecks in welding of large structural components.

Equipment and Technology

We have made continuous investments in advanced manufacturing infrastructure for dozer production, including automated welding lines, horizontal machining centers, gantry five-face machining centers, precision gear processing equipment, multi-purpose furnace lines, 2,000-ton bending machines and a 4,000-ton automated forging line. These are complemented by world-class inspection and testing equipment such as coordinate measuring machines, spectrometers and transmission system test benches. This enables us to maintain the largest dozer production capacity in China, with the most comprehensive product portfolio and industry-leading flexible manufacturing capabilities, according to Frost & Sullivan. We have implemented a robust multi-tiered equipment management system, establishing daily supervision, inspection and performance evaluation mechanisms. Leveraging advanced tools such as the Enterprise Asset Management system and equipment operation visualization platforms, we conduct full lifecycle management of our production assets.

Production Capacity

As of the Latest Practicable Date, we operate 15 production facilities.

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The table below sets forth the designed annual production capacity, actual production volume and utilization rate of our major business lines during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Designed production capacity ⁽¹⁾ (units)	Actual production volume ⁽²⁾ (units)	Utilization rate ⁽³⁾ (%)	Designed production capacity ⁽¹⁾ (units)	Actual production volume ⁽²⁾ (units)	Utilization rate ⁽³⁾ (%)
Construction machinery						
Dozers	6,266	4,001	63.9	6,366	4,343	68.2
Excavators ⁽⁵⁾	20,135	6,462	32.1	20,135	7,923	39.3
Loaders	4,130	3,667	88.8	5,750	3,022	52.6
Road machinery	2,513	1,656	65.9	3,010	2,194	72.9
Mining trucks ⁽⁶⁾	—	—	—	40	8	20.0
Concrete machinery	617	510	82.7	670	482	71.9
Total/Overall	33,661	16,296	48.4	35,971	17,972	50.0
					22,884	63.6

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- (1) The designed annual production capacity was calculated based on the following assumptions: (i) all production lines are functioning at full capacity; and (ii) our production facilities operate eight hour per day, 250 days per year.
- (2) The actual production volume during the year was the total volume of the products produced during that year.
- (3) The utilization rate during the year equals the actual production volume divided by the designed annual production capacity during the same year. The utilization rate for production facility E was relatively low in 2024 was mainly attributable to the trial introduction of new energy and high-tonnage loader models, which were undergoing market validation, alongside a subdued loader market environment that resulted in sales volumes below initial expectations. The utilization rate for production facility H was relatively low in 2024 was mainly due to ongoing product upgrades, with several new models still in the trial and verification phase, leading to reduced output during the period. The utilization rate for production facility M was relatively low in 2023 was mainly because it only commenced operations in March 2023 and underwent a phased ramp-up process involving trial assembly, small-batch production, and full-scale deployment. The facility also focused on talent development and workforce training, which impacted initial productivity. Utilization improved progressively in 2024 as product validation advanced and employee proficiency increased, with further growth observed in the second half of the year and into 2025 as production volumes expanded. The utilization rate for production facility N experienced a decline in utilization during 2023 and 2024 due to a reduction in overall order volumes for structural components. In 2025, while order volumes increased, the facility also undertook capacity enhancement initiatives, including the introduction of robotic equipment, which temporarily affected utilization as design capacity was adjusted.
- (4) For some of the years, the utilization rates were over 100%. This was mainly because the relevant production facilities actually operated for more days than the planned schedule.
- (5) The low production utilization rate for excavators during the Track Record Period was primarily due to certain models being in the trial production stage and undergoing market validation, during which they were not introduced to the market at scale.
- (6) The low production utilization rate for mining trucks during the Track Record Period was primarily due to the lower-than-expected market expansion of our mining trucks in 2024 and 2025, which led to relatively lower production of our mining trucks in the same year.

SALES, MARKETING AND CUSTOMER SERVICE

Our Sales Network

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. In 2023, 2024 and 2025, we generated RMB5,486.2 million, RMB6,807.3 million and RMB5,878.9 million from Chinese Mainland, representing 48.3%, 47.9% and 40.2% of our total revenue of the same years, respectively. We generated RMB5,878.2 million, RMB7,411.3 million and RMB8,741.3 million from our overseas markets, representing 51.7%, 52.1% and 59.8% of our total revenue of the same years, respectively.

We sell our construction machinery primarily through our distribution network, while we sell our spare parts primarily through our direct sales network. Our direct sales customers in Chinese Mainland and overseas are mainly construction machinery manufacturers and downstream enterprises in sectors such as construction and mining. We also maintain an extensive distribution network, which we believe can help us efficiently reach and support global customers with high-quality service, enhancing our market expansion capabilities. We maintain buyer-seller relationships with all our distribution partners.

The table below sets forth the revenue contribution from our major sales channels, in absolute amounts and as percentages of our total revenue, during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
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 rental income and income from sales of materials.

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We are committed to driving sustainable international growth by leveraging our integrated industrial chain, differentiated product capabilities, and innovative business models. Our strategy focuses on expanding our product portfolio, deepening our global footprint, advancing smart construction technologies, and evolving our business model to cover the entire lifecycle of construction machinery. (i) **Expanding our product portfolio.** By capitalizing on our core industrial chain advantages, we have achieved proprietary control over spare parts, covering engines, electronic control systems, hydraulic systems, transmission systems and crawler-type undercarriage systems, thereby enabling (i) accelerated R&D and product iteration cycles, (ii) improved fuel efficiency, productivity and reliability, and (iii) enhanced cost control contributing to higher value-for-money. We continuously enrich our product matrix across dozers, excavators, loaders, road machinery, mining trucks, and concrete machinery. We tailor our offerings to meet diverse operational scenarios and customer needs, which enables us to compete effectively with local suppliers. For example, we are reinforcing our leadership in the dozer segment by enhancing high-horsepower models and promoting intelligent and eco-friendly upgrades. In the excavator segment, we leverage the vertical integration capabilities of Shandong Heavy Industry and our global sales and service network to rapidly grow market share. We are also expanding our mining truck portfolio, including high-end rigid mining trucks and hybrid wide-body mining trucks, while developing tailored solutions for customers operating in mining environments. In addition, we are actively investing in new energy machinery by integrating intelligent technologies to improve efficiency and reduce energy consumption. (ii) **Deepening our global footprint.** To strengthen our global presence, we are expanding our international sales network across Africa, South America, Southeast Asia, and the Middle East, while deepening our channel development in Europe, the United States, Brazil, and Indonesia. We are building localized service systems by establishing subsidiaries in Indonesia, Australia, Thailand, and Nigeria, and deploying spare parts warehouses in key markets. At the appropriate time, we plan to establish local production capacity through self-construction, acquisitions, or strategic partnerships to enhance our competitiveness and responsiveness to local market needs. In addition, we are continuously benefiting from cross-selling opportunities brought by our state-owned construction enterprise customers and Shandong Heavy Industry as they expand overseas, where their customers are also in need of high-quality construction machinery. (iii) **Advancing smart construction technologies.** Our AI-driven smart construction strategy is another key pillar of our international expansion. We are investing in cutting-edge technologies such as proprietary AI models, autonomous driving, and highly automated construction solutions. We continue to enhance our smart construction platforms, which include nine intelligent systems covering power optimization, assisted control, autonomous mobility, collaborative operations, safety, maintenance, interaction, and more features. We are deepening applications in mining, earthwork, and road construction, while expanding into new scenarios such as ports and airports. We are also developing a broader range of intelligent machinery, including electric-powered equipment and AI-integrated machineries.

During the Track Record Period, certain products, including dozers, excavators, loaders, and road machinery, were subject to tariffs in some jurisdictions. In such jurisdictions, the applicable tariff rate for our major products sold to the region was 5.0% for sales to major overseas markets, including Russia, Ghana and Malaysia, during the Track Record Period. Revenue contribution from other jurisdictions where tariffs applied were fragmented, with each contributing less than 2.0% of our overseas revenue during the same years.

Our Distribution Network in Chinese Mainland

As of December 31, 2025, with our 220 distribution partners for our Chinese Mainland market, we have established a comprehensive distribution network with more than 500 end outlets covering most prefectural-level cities in Chinese Mainland. In 2023, 2024 and 2025, we generated RMB1,722.5 million, RMB2,627.9 million and RMB2,246.4 million from our distribution partners in Chinese Mainland, respectively, representing 15.2%, 18.5% and 15.4% of our total revenue during the same years, respectively. We do not rely on any individual or a few distribution partners and strictly forbid existing employees to work for or holding equity in our distribution partners. To the best of our knowledge after reasonable inquiry, all of our distribution partners were independent third parties as of the Latest Practicable Date.

Our distribution partners may independently develop secondary channels. Our authorized distribution partners are fully responsible for managing secondary distributors if they engage any secondary distributors. Distribution partners would share with us from time to time market feedback.

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We set high standards to our distribution partners, and the primary factors in selecting distribution partners lie in their comprehensive strengths include (i) distribution and sales capabilities, (ii) customer resources, (iii) providing comprehensive after-sales services and collecting customer feedback, (iv) capabilities to enhance our brand influence and market presence within their authorized areas through localized promotion activities, and (v) adhering to our sales and service policies. Based on our requirements, we rigorously review our business relationship with distribution partners through our stringent selection process and regular assessment. In 2023, 2024 and 2025, we terminated our business relationship with 16, 26 and 16 distribution partners for our Chinese Mainland market, respectively, primarily due to business performance below expectation, change of key business of these partners or as a precautionary measure for risk control. There were no material unsettled disputes or litigations with such terminated distribution arrangements during the Track Record Period and up to the Latest Practicable Date.

The table below sets forth the total number of our distribution partners and their movements (including additions and terminations) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of PRC distribution partners at the beginning of the year	138	168	187
Number of new PRC distribution partners	46	45	49
Number of terminated PRC distribution partners ⁽¹⁾	(16)	(26)	(16)
Number of PRC distribution partners at the end of the year	168	187	220

(1) Primarily due to failure to meet sales targets.

During the Track Record Period, the number of our distribution partners in China increased from 168 as of December 31, 2023 to 187 as of December 31, 2024, which further increased to 220 as of December 31, 2025, primarily driven by our overall business growth.

Management of Our Distribution Channels

As of December 31, 2025, we have established 18 regional divisions (大區) across Chinese Mainland. Such regional divisions are categorized based on geographic proximity and market size, each generally comprising one to three provinces. Each division is staffed by us with a regional sales manager and a dedicated team, who are responsible for supervising and managing the local distribution partners, including (i) development, evaluation and recruitment of new distribution partners; (ii) negotiation and execution of contracts with distribution partners; (iii) on-going management of distribution partners, including oversight of predetermined sales territories, pricing, inventory and account receivables; (iv) provision of sales support; and (v) review and maintenance of distribution networks. Meanwhile, we conduct semi-annual quantitative assessment on our distribution partners, focusing on various criteria related to their sales, marketing, financial and after-sale services, and we are able to identify the operational issues of our distribution partners and provide guidance for their improvement and enhancement.

We offer a range of incentives to expand the sale through our distribution networks, including (i) sales rebate in accordance with our distribution partner policy; (ii) special incentive programs; and (iii) performance-based merit awards based on the annual comprehensive distributor evaluation. Save for salesperson performance incentives which are in monetary form, all the aforementioned incentives are in non-monetary form which offset payment for goods. The incentive framework for our distribution partners is formulated based on annual sales budget and capabilities of individual distribution partners. In setting sales targets, variations may occur due to differences in regional market conditions and the scale of each distribution partner. As a result, corresponding incentive policies may differ to reflect such distinctions, ensuring alignment with local market dynamics and operational realities. According to Frost & Sullivan, such incentives to distribution partners are in line with the industry norm on the basis that performance-based and regionally tailored incentive

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schemes are widely adopted by major construction machinery manufacturers to drive sales growth. In 2023, 2024 and 2025, the incentives we offered to our distribution partners amounted to RMB44.7 million, RMB40.5 million and RMB44.6 million, respectively.

No Material Risk of Channel Stuffing

Since we proceed with production in alignment with purchase orders from our distribution partners based on end customers’ actual needs, it is unlikely for us to maintain large-scale or excessive inventories. As such, our management are of the view that channel stuffing is unlikely to occur in our distribution channels and generally does not pose any material managerial concern.

Major Terms of Distribution Agreements

We typically enter into standard distribution arrangements with our distribution partners for the Chinese Mainland market. Revenue is recognized when the relevant products are delivered to customer and confirmed as accepted by the customer, on the basis of taking full consideration of the following factors: the present right to collect payment for the products, the transfer of the key risks and returns in the product ownership, the transfer of the legal ownership of the products and the transfer of the physical asset of the products. Major terms of our standard distribution arrangements include: (i) **Term**. The duration of the distribution agreements is typically one year. (ii) **Designated distribution area**. Our distribution partners are not permitted to distribute our products outside their predetermined distribution areas without our prior approval. We have set out a policy regulating cross-area distribution, including the procedure to apply cross-area distribution, the subsidy for approved cross-area distribution and penalty mechanism for unauthorized cross-area distribution. (iii) **Separate sales contracts**. Our distribution partner will enter into separate sales contracts with us for each individual order, which set out the detailed terms and conditions, including the name, specifications, functionalities, quality, quantity, packaging of the product, delivery method, and price and payment methods and arrangements. (iv) **Minimum purchase**. There is no minimum purchase commitment in these distribution agreements. (v) **Sales target**. We typically set annual sales targets for our distribution partners and conduct evaluations and inspections of their performance. There is incentive arrangement if a distribution partner achieves its sales target. Sales incentives for our distribution partners are typically structured under a tiered incentive scheme, whereby different levels of sales volume correspond to varying incentive amounts. For distribution partners who fail to meet its sales target, performance review discussions will be promptly initiated to determine whether to terminate our future cooperation with such distribution partners. (vi) **Return or exchange**. The distribution agreements typically do not include a standard provision for product return or exchange. If any product defects are identified post-delivery, we will address them in accordance with our after-sales service arrangements in line with industry practice. During the Track Record Period, returns or exchanges occurred only in limited cases. These were strictly limited to products with significant quality issues, and any such request was subject to our verification and prior approval. During the Track Record Period and up to the Latest Practicable Date, we did not have any material product returns. According to Frost & Sullivan, such product return policy is in line with industry practice. (vii) **Payments**. Our distribution partners are required to make payments to us in accordance with the payment terms specified in the relevant product sales contracts. Unless otherwise agreed in writing by us and the distribution partners, payments will first be applied to the earliest due payables. We generally accept settlement by wire transfer or valid electronic bank acceptance drafts issued by banks acceptable to us. We typically require our distribution partners to make full payment or to prepay a specified portion of the total amount by a designated date before we proceed with product delivery. Credit terms for our overseas distribution partners typically range from one to 12 months. (viii) **Warranty period**. The warranty period for our products varies with the product type and model. Our warranty period is typically one year from delivery, with some models also specifying unlimited hours or a set number of working hours, whichever comes first. For higher-end or specialized models, the warranty can extend to 24 months or up to 3,000 working hours for large excavators, with certain structural components covered for up to 36 months or up to 5,000 hours. (ix) **Confidentiality**. We prevent our distribution partners from leaking our commercial secrets to any third parties. Should a breach occur, the responsible partner shall bear full liability and compensate us for any resulting loss of commercial interests. (x) **Termination**. We list several conditions that may result in the breach and termination of contract in the distribution agreements, such as material misconduct or a significant breach by distribution partners.

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Our Distribution Network Overseas

We conduct our overseas distribution mainly through the development of our local sales network comprising local distribution partners. As of December 31, 2025, with our 13 overseas subsidiaries and 151 overseas distribution partners, we have established a comprehensive distribution network with over 520 end outlets overseas. In 2023, 2024 and 2025, we generated RMB4,371.5 million, RMB5,389.3 million and RMB5,301.6 million from our overseas distribution partners, respectively, representing 38.4%, 37.9% and 36.2% of our total revenue during the same years, respectively. In order to mitigate and control credit risks, we usually secure an insurance policy with a famous PRC policy insurer that insures us against direct losses arising from our overseas sales. To comply with local regulations and access local markets, we hold full certifications in target markets, such as EU’s CE mark, as well as emission certifications, such as US EPA Tier-4f and EU Stage V. We have sold our products to over 160 countries and regions across Africa, Asia, Europe and the Americas as of December 31, 2025.

The table below sets forth the total number of our distribution partners overseas and their movements (including additions and terminations) for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of overseas distribution partners at the beginning of the year.	108	126	146
Number of new overseas distribution partners	33	37	31
Number of terminated overseas distribution partners ⁽¹⁾	(15)	(17)	(26)
Number of overseas distribution partners at the end of the year	126	146	151

(1) Primarily due to failure to meet sales targets.

During the Track Record Period, the number of our overseas distribution partners increased from 126 as of December 31, 2023 to 146 as of December 31, 2024, which further increased to 151 as of December 31, 2025, primarily due to our continuous expansion of overseas operations.

We typically enter into standard distribution agreements with our distribution partners overseas. Major terms of our standard distribution agreements include: (i) **Term**. The duration of the distribution agreements is typically one or two years. (ii) **Separate sales contracts**. Our distribution partner will enter into separate sales contracts with us for each individual order, which set out the detailed terms and conditions, including the name, specifications, functionalities, quality, quantity, packaging of the product, delivery method, and price and payment methods and arrangements. (iii) **Designated distribution area**. We do not allow our distribution partners to distribute our products outside their designated distribution areas. (iv) **Minimum purchase**. There is no minimum purchase commitment in these distribution agreements. (v) **Sales target**. We agree on annual sales target with our distribution partners based on market data and past performance, including the revenue and quantity (or market share) targets. If a distribution partner fails to meet the agreed sales target, we may withdraw preferential policies with such distribution partner or completely terminate our distribution agreement. (vi) **Return or exchange**. The distribution agreements typically do not include a standard provision for product return or exchange. If any product defects are identified post-delivery, we will address them in accordance with our after-sales service arrangements in line with industry practice. During the Track Record Period, returns or exchanges occurred only in limited cases. These were strictly limited to products with significant quality issues, and any such request was subject to our verification and prior approval. During the Track Record Period and up to the Latest Practicable Date, we did not have any material product returns. According to Frost & Sullivan, such product return policy is in line with industry practice. (vii) **Payments**. Payment method is determined according to the specific sales contract. Credit terms for our overseas distribution partners typically range from one to 12 months. (viii) **Warranty period**. The warranty period for our products varies with the product type and model. Warranty periods generally start from the date the product leaves the factory (as indicated by the invoice), or from delivery to the customer, whichever is earlier. Our warranty period is typically two years from factory departure, or one year or up to 2,000 working hours, whichever comes first. For large excavators, the warranty can extend to 24 months or up to 6,000 working hours depending on tonnage, starting from the date

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the product leaves port. (ix) **Confidentiality.** We prevent our distribution partners from leaking our commercial secrets to any third parties. Should a breach occur, the responsible partner shall bear full liability and compensate us for any resulting loss of commercial interests. (x) **Termination.** We list conditions that may result in contract breach in the agreements.

Management of Our Distribution Channels

Our overseas distribution channel management strategy is designed to consolidate and expand our international market presence, standardize distribution channels and enhance the global influence of our brand. The management framework encompasses distribution partner admission, performance evaluation and exit mechanisms. For distribution partner admission, we apply rigorous criteria when selecting overseas distribution partners, including (i) extensive industry experience or established market presence; (ii) robust organizational structure with comprehensive sales, service and auxiliary capabilities; (iii) sound financial and operational stability with minimal risk exposure; (iv) strong sales team capabilities; and (v) a well-developed network of sales outlets. Prospective distribution partners undergo on-site evaluations conducted by our international sales personnel and must pass a formal approval process before being authorized as our official distribution partners. For performance evaluation and exit mechanisms, we conduct comprehensive performance assessments of our distribution partners across dimensions such as sales performance, market competitiveness, service quality, creditworthiness and growth potential. Based on these evaluations, distribution partners are classified into tiers, which inform the level of support provided in marketing, after-sales service and credit management. Distribution partners failing to meet performance standards are subject to warnings or termination of cooperation.

Our distribution partners may independently develop secondary channels. Our authorized distribution partners are fully responsible for managing secondary distributors and making sure our products are distributed within the designated distribution area if our distribution partners engage any secondary distributors.

Business Ethics Control Measures for Our Distribution Network in Chinese Mainland and Overseas

As part of our efforts to regulate and manage our distribution network in Chinese Mainland and overseas, we have in place an internal management framework to ensure ethical conduct and compliance. The formulation and updating of such framework, as well as risk assessments and relevant compliance trainings, are led by our Audit and Compliance Department (審計合規部), while our internal departments carrying out supervisory and internal audit functions oversee the reporting, investigation and handling of suspected cases.

We strictly prohibit all forms of commercial bribery, whether direct or indirect, including offering, promising, giving, soliciting, or accepting any improper benefits, such as cash, gifts, entertainment, or other valuables, to or from any business partner, government official, or other relevant party. Prior to engaging with third parties including distribution partners, we conduct appropriate due diligence to assess compliance risks. All contracts with third parties including distribution partners must include anti-bribery clauses, requiring adherence to anti-corruption laws and cooperation with our investigations. We provide multiple confidential channels for employees and business partners to report suspected bribery or unethical conduct. All reports are registered, investigated and handled in accordance with established procedures, with strict protection against retaliation. Regular training is provided to employees and relevant partners to enhance awareness of anti-bribery requirements and ethical standards, ensuring the ability to distinguish between legitimate business conduct and prohibited activities. We regularly review and update our internal policies and procedures, strengthen audit efforts in high-risk areas, and promptly address and rectify any identified deficiencies.

Through these measures, we are committed to maintaining a high standard of business ethics and integrity across our distribution network, safeguarding our corporate reputation, and ensuring compliance with applicable laws and regulations in jurisdictions where we operate.

Direct Sales in Chinese Mainland

Our direct sales customers in Chinese Mainland mainly include construction machinery manufacturers and downstream enterprises in sectors such as construction and mining. In 2023, 2024 and 2025, we generated RMB2,526.0 million, RMB2,869.3 million and RMB2,630.0 million from direct customers in Chinese Mainland, respectively, representing 22.2%, 20.2% and 18.0% of our revenue and 46.0%, 42.2% and 44.7% of our total revenue generated in Chinese Mainland during the same year, respectively. We believe that the business partnership with our direct sale customers is beneficial to strengthening and market leadership and enables us to better serve our

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customers. By offering tailored pricing and flexible contract terms, we build trust with key customers, ensuring their unique operational needs are met efficiently. Additionally, we are able to gather real-time feedback through our direct sales customers, which in turn enables us to make product improvements that align with evolving market demands.

Material terms of the sales contract with our direct sale customers in Chinese Mainland include: (i) **Specifications and price.** Product name, model, quantity and price are specified in the sales contract. (ii) **Payment.** The sales contract specifies the payment method, which can be full payment, credit/installment payment or financing payment, and provides the corresponding payment schedule and amount. (iii) **Delivery.** We typically deliver the products to the customer. The delivery location, delivery schedule and the delivery date are specified in the sales contract. (iv) **Risk transfer.** The risk is transferred to the customer upon acceptance of the products. (v) **Warranty period.** The warranty period for our products varies with the product type and model.

Direct Sales Overseas

Our overseas direct sales customers mainly include downstream enterprises in sectors such as construction and mining as well as construction machinery manufacturers. In 2023, 2024 and 2025, we generated RMB1,506.7 million, RMB2,022.1 million and RMB3,439.7 million from overseas direct customers, respectively, representing 13.3%, 14.2% and 23.5% of our total revenue and 25.6%, 27.3% and 39.4% of our total overseas revenue during the same year, respectively.

Material terms of the sales contract with our overseas direct sale customers include: (i) **Payments.** The sales contract specifies the payment method, which can be full payment, and credit/installment payment. (ii) **Time and method of delivery.** We will typically deliver the products by sea or by land to our direct sales customers, and the products should be prepared for transport to the loading port or border port within 30 days after the orders are confirmed. (iii) **Warranty.** Our warranty period is normally 24 months from the bill of lading date or 12 months after the delivery to the overseas customer, whichever is the earlier. (iv) **Designated use area.** We do not allow our overseas customers to use the product outside their designated use areas.

Pricing and Marketing

Pricing

We primarily use cost-based methods to price our products, taking into consideration factors such as our costs and historical profit margin levels, as well as market benchmarks. Our Value Engineering Department (價值工程部) is responsible for the coordinating different departments to collect relevant data and information to determine a price, upon which our selling and marketing departments will formulate the publicized price of our products. The final selling price of our products varies depending on the sales channels. For distribution channels, if the selling price drops materially below our minimum price, approval from senior management is required. The level of approval depends on the extent of the price difference. For direct sale customers, we negotiate final prices on a case-by-case basis. Our prices vary across Chinese and overseas markets, as we take into consideration the local pricing conditions and the characteristics of product localization in respective markets. During the Track Record Period, our products had a relatively wide price range primarily because we offered a wide range of products with varying categories, models, specifications and customer requirements.

Our smart construction solutions adopt a two-tier pricing mechanism encompassing both intelligent construction machinery and smart construction platforms. The pricing of intelligent construction machinery, i.e. hardware, follows a cost-based approach, aligned with our standard pricing mechanism for construction machinery. This approach also considers historical profit margin levels and prevailing market benchmarks to ensure competitiveness and profitability. The pricing of our smart construction platforms, i.e. software built in smart terminals (the “T-Boxes”), as well as other optional terminals such as in-vehicle monitoring system and smart oil level sensor, on the other hand, is determined through a market-driven reverse pricing model. We benchmark against comparable offerings in the market and adjust pricing based on the breadth and depth of system functionalities. This ensures our pricing reflects both market expectations and the value delivered to customers. We sell our intelligent construction machinery (i) on a stand-alone basis, or (ii) bundled with our smart construction platforms. Our smart construction platforms can also be compatible with construction machinery produced by other manufacturers. Set out below are the pricing policies for (i) our intelligent construction machinery, and (ii) our smart construction platforms, each on a stand-alone basis.

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Pricing policy for our intelligent construction machinery

Construction machinery	Pricing mechanism
Intelligent dozer	Based on model types of the intelligent dozers (with in-built intelligent system at a price range from RMB90,000 to RMB1,000,000 ⁽¹⁾) and other factors as mentioned above
Intelligent motor grader . .	Based on model types of the intelligent motor graders (with in-built intelligent system at a price range from RMB90,000 to RMB1,000,000 ⁽¹⁾) and other factors as mentioned above
Intelligent roller	Based on model types of the intelligent rollers (with in-built intelligent system at a price range from RMB30,000 to RMB500,000 ⁽¹⁾) and other factors as mentioned above

Pricing policy for our smart construction platforms

Smart construction platforms	Pricing mechanism
Intelligent construction manager software ⁽²⁾ built in T-Box	Based on functionalities of the software and the T-Box and other factors as mentioned above at a pricing range from RMB50,000 to RMB1,000,000 ⁽³⁾
Optional terminals (e.g. standard positioning, high-precision positioning, Bluetooth transmission, and single BeiDou-based positioning series)	Based on functionalities of the terminals and other factors as mentioned above at a pricing range from RMB1,500 to RMB8,000 ⁽⁴⁾

- (1) The pricing differences primarily arise from variations in the types, precision and quantity of sensors included in the intelligent system, the complexity of the algorithms adopted, and the level of difficulty in implementing the corresponding functionalities.
- (2) Software service fees are charged annually at RMB700 to RMB1,000 per vehicle.
- (3) The pricing differences primarily arise from varying degrees of customization, the seniority level of engineers required, the amount of server resources allocated, the scale of development manpower involved, and the breadth of functionalities delivered.
- (4) The price differences primarily arise from variations in the types, precision, and quantity of modules embedded in the terminal, the complexity of the algorithms adopted, the level of difficulty in implementing the corresponding functionalities, and the types and number of sensors that can be integrated.

The following table sets forth the selling price range of our major products for the years indicated:

	Year ended December 31,		
	2023	2024	2025
<i>(RMB in thousands)</i>			
Construction machinery			
Dozers	200-9,560	200-10,690	300-9,250
Excavators	35-4,430	55-5,010	40-12,000
Loaders	34-1,630	35-1,180	36-1,700
Road machinery	9-1,720	10-2,130	8-2,400
Mining trucks	790-1,020	715-3,710	625-7,140
Concrete machinery	24-7,500	20-7,550	35-6,070
Spare parts			
Crawler-type undercarriage parts	0.1-340	0.10-360	0.1-310
Transmission parts	1.8-40	1.7-60	1.8-60

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Marketing

As of December 31, 2025, we had 1,093 marketing staff. Our marketing activities span both domestic and international markets and are designed to support brand building, customer engagement and sales growth. We have established a marketing matrix that integrates both online and offline marketing channels: (i) **Offline marketing**: primary includes participation in major industry exhibitions to showcase our new products, solutions and technologies, especially the three global well-known exhibitions, namely, *Bauma Germany* in Munich, and *Bauma China* in Shanghai. We also collaborate with our distribution partners by supporting their participation in exhibitions, and by assisting them in organizing open days and placing advertisements. We also pioneer innovative marketing models that integrate brand building with performance. Centered around key moments such as themed holidays, industry exhibitions and new product launches, we execute annual livestreaming plans and themed campaigns that link core machinery and parts. Immersive experiences such as expert walkthroughs, live demonstrations and virtual exhibitions break time and space barriers, allowing customers to directly experience product performance and manufacturing strength. (ii) **Online marketing**: we integrate resources from short video platforms, live-streaming e-commerce and online community operations, which spans both domestic and international markets. By tailoring content to the unique characteristics of each platform’s user base and adopting refined operational strategies, we maximize communication effectiveness, empowering the entire brand journey from traffic aggregation to brand penetration. We have unified our online sales channels and launched an official cultural and creative platform. Leveraging video channels and online stores, we precisely attract traffic to branded merchandise, expanding brand communication boundaries and opening new revenue streams.

Seasonality

Sales of our construction machinery are subject to seasonal fluctuations across different markets. Seasonal patterns in demand for construction machinery can result in variations in the volume and mix of products sold to end users during the year. Typically, demand tends to decline in winter and summer due to extreme weather conditions and holiday periods, which slow or temporarily halt construction activities. In contrast, spring marks a rebound in demand as favorable weather conditions resume construction. Spring also marks the beginning of numerous new projects, further driving demand and contributing to a seasonal uptick in sales. For example, in China, we generally experience higher sales in the second quarter of the year, while January and February tend to see the lowest sales during a year. In markets such as Saudi Arabia, seasonal demand may follow different patterns due to climate and local culture. To ensure efficient utilization of personnel and production capacity, we typically estimate seasonal demand in advance, drawing on our extensive industry experience, and schedule production ahead of peak periods.

Financial Leasing Services and Other Arrangements

To enhance the accessibility of our products to end users, we cooperate with financial leasing service providers and partner banks to offer flexible lease options and other arrangements to end users. Such financial leasing services and other arrangements are common in the construction machinery industry, according to Frost & Sullivan. The industry-standard financing model enables end users to retain operating control over the machinery while deferring significant upfront capital expenditure. It also aligns payment schedules with the seasonal nature of construction income, enhances financial flexibility, and supports the wider adoption of modern construction machinery. By offering such financing solutions through third-party financial leasing service providers and partner banks, we are able to broaden our end-user reach and expand our addressable market. Our management is of the view that the financial leasing and other arrangements we entered into during the Track Record Period are in line with market practices and are supported by our well-established internal risk control system.

Financial Leasing Services

There are typically two types of financial leasing arrangements, namely, direct leasing (直租) and sale-and-leaseback (售后回租). For the end customers through our distribution partners, the financial leasing arrangements are entered into between the end customers, the financial leasing service provider and our distribution partners. We typically enter into a framework agreement with financial leasing service providers, under which we may recommend our distribution partners to the financial leasing service provider to conduct further financial leasing arrangements with the end customers. Under the direct leasing arrangement, the financial leasing service provider purchases from us or our distribution partners the construction machinery designated by our end customer, which is then leased to the end customer under separate financial leasing agreements. Under the sale-and-leaseback arrangement, our end customer, after purchasing our construction machinery from us or our distribution partners, sells and transfers the ownership of the machinery to a financial

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leasing service provider, who then leases it back to the customer under separate financial leasing agreements. Upon full performance of the financial leasing service contract, which typically has a term of approximately one to three years, the end user has the option to repurchase the machinery at a predetermined price and regain ownership. We have a repurchase obligation which may be triggered upon the occurrence of material breaches of relevant terms under the financial leasing agreement by the customer.

Guaranteed Warehouse Financing Arrangement

Under the guaranteed warehouse financing arrangement, we collaborate with designated partner banks that extend a comprehensive credit facility exclusively for the issuance of bank acceptance bills by our authorized distribution partners. These acceptance bills are used by the distribution partners to procure various types of construction machinery from us.

Installment Loan Financing Arrangement

Under the installment loan financing arrangement, we enter into a financial services cooperation agreement with partner banks, while its authorized distribution partners sign corresponding subordinate agreements with the same banks. Pursuant to these agreements, the partner banks enter into installment loan contracts with end customers recommended by such distributors, specifically for the purchase of our construction machinery.

Financial Credit Facility Arrangement

Under the financial credit facility arrangement, we enter into a financial credit facility agreement with partner banks, pursuant to which the banks extend a comprehensive credit facility exclusively designated for financial credit services. This facility is solely used by our authorized distribution partners to finance the purchase of equipment from us.

User Engagement and After-sales Services

We believe that our reputation is built upon our ability to provide quality and effective after-sales services and technical support to our users. This approach has enabled us to cultivate strong business relationships with our users and secure recurring sales opportunities. Additionally, we systematically capture insights on product performance gap and market demand through the process of our user relationship management, such as customer satisfaction follow-up calls, on-site maintenance satisfaction surveys and APP-based service evaluation. By utilizing various customers feedback mechanisms, we are able to keep records of feedback and complaints and results of investigations, which will also be reflected in our research and development process to ensure that our iteration of current products or development of future products fully respond to market demands.

After-sales Services

We strive to maintain timely communication with our customers through after-sales services to ensure timely problem identification and risk control. Depending on the types of construction machinery, we generally provide a product warranty period ranging from six months (or 1,000 working hours) to two years (or 4,000 working hours), with a two-to-five-year warranty period for certain key spare parts (including a variety of implements attached to our construction machinery such as boom, arm and blade) to our domestic and overseas customers to address any quality defects of our products. After the expiry of the warranty period, such supports remain available to customers at their expense.

We strive to provide a timely and professional after-sales services to our customers by “responding within 15 minutes, arriving within 2 hours and resolving within 24 hours.” To achieve that, we have implemented the following mechanisms:

- **24/7 service response.** We have established a 24-hour service hotline, staffed by a professional team to ensure immediate response to our customers. Additionally, through the Shantui e-Path APP (山推e路行) and the Shantui Voice Hub (山推客戶傾聽中心), our mini-program for customer feedback, we provide multi-channel, intelligent service access. Our Shantui e-Path APP is designed to enhance machinery lifecycle management by enabling users to bind their machinery and access real-time operational data. Key features of Shantui e-Path APP include: (i) **Equipment Monitoring:** Users can view detailed real-time equipment information at any time, including operational status, real-time positioning and work performance. (ii) **One-Tap Repair and Maintenance Requests:** When maintenance is required, users can initiate a repair request with a single

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tap, automatically generating a service work order. (iii) **Work Order Tracking and Feedback:** Users can monitor the progress of service and maintenance orders in real time and provide immediate feedback upon completion.



- **Global after-sales service network coverage.** As of December 31, 2025, we have established 18 regional divisions in Chinese Mainland and nine regional divisions overseas, with 752 service outlets worldwide, including 369 service outlets in Chinese Mainland and 383 service outlets overseas, forming a comprehensive global after-sales service network coverage. Upon receiving an after-sales service request, our system will match the nearest service outlet and dispatches personnel to the site, ensuring arrival within two hours and providing efficient technical support.
- **Sufficient and efficient spare parts supply.** Through a spare parts inventory model and incentive policies for spare parts fees, we encourage our distribution partners to establish component depots to ensure the availability of commonly used spare parts. As of December 31, 2025, our distribution partners and we have established approximately 180 component depots in Chinese Mainland and about 160 component depots overseas to promptly respond to customers' after-sales service needs.

For those sales conducted through our distribution partners in the PRC, our PRC distribution partners are mainly responsible for the after-sales services in our domestic market. Through our extensive distribution network in Chinese Mainland, we are able to provide timely and professional after-sale services and technical support to our customers through the service personnel from the local distribution partner. Meanwhile, we provide comprehensive technical training, resource support and service fee settlement mechanism to our distribution partners to ensure the after-sale service quality and response speed meet our required standards. Additionally, we also deploy after-sales personnel to each regional division to stand-by to support our distribution partners for the after-sales request that they cannot resolve.

In our overseas market, we implement a dual-track after-sales service approach that combines the distribution partner-based service and our direct service. This dual-track approach leverages the local resources of our local distribution partners and our technical capabilities through the direct support from our professional service personnel, delivering a more timely and reliable after-sales service to our overseas customers.

Training

We regularly provide product-related training to our customers to enhance their understanding and support effective use of our equipment. Training sessions are typically initiated through our authorized distribution partners and coordinated by our regional offices and brand management team. Depending on the content, sessions are delivered by designated instructors through a flexible mix of online and offline formats.

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We adjust training frequency in response to market demand and product updates. For newly launched or high-demand products, training sessions are scheduled more frequently to ensure customers receive timely product knowledge and to enhance sales and service capabilities. While online training is conducted regularly, typically at least once a month for key products, we also accommodate in-person training requests when needed.

User Satisfaction Evaluation

To systematically enhance product quality and precisely capture user preferences, we have conducted comprehensive user research. We collect user feedback on critical factors including brand perception, product quality and operational experience, as well as implementing quantitative analysis of satisfaction levels. We generally collect user feedbacks from the following three mechanisms: (i) ***Customer satisfaction follow-up calls***. We have a team of professional customer service who regularly conduct follow-up calls with customers who have received our maintenance services. Customers are invited to rate their satisfaction and provide feedback. (ii) ***On-site maintenance satisfaction surveys***. After conducting maintenance services, our on-site service personnel will invite customers to fill out a satisfaction survey to provide their timely feedback on the service we just provided. (iii) ***APP-based and mini-program service evaluation***. Our customers can rate and evaluate our services at any time on the Shantui e-Path APP (山推e路行) and the Shantui Voice Hub (山推客戶傾聽中心) mini-program.

PROCUREMENT

We rely on a diverse range of raw materials, components and indirect materials to manufacture our products. Our procurement primarily covers (i) raw materials, including steel plates, (ii) components or assemblies directly used in production, including power components (such as engines, radiators and filters), transmission components (such as drive axles, gearboxes and drive shafts), hydraulic components (such as cylinders, pumps and valves) and electrical components (such as battery, electronic motor and electronic control unit), (iii) indirect materials to facilitate our production, including standard parts (such as bolts, nuts, bearings and washers) and rubber and plastic parts (such as sealing rights, shock absorbers and rubber hoses), (iv) parts and components processed by others, including welding processing parts and casting and forging processing parts, and (v) other accessories, including interior parts, air conditioning, glass, seats, wheels and tires.

Most of our raw materials, components and indirect materials are sourced from Chinese Mainland, with a small portion of components and indirect materials originated overseas, including Japan and Europe. We maintain reasonable procurement cycles. Throughout the Track Record Period, we successfully avoided any major shortages, delays or difficulties in procuring essential raw materials components or indirect materials from suppliers. See “Risk Factors—Risks Relating to Our Business and Industry—If we experience any delay or interrupted supply or fluctuations in the cost of supplies, or if the quality of raw materials, components and indirect materials supplied does not meet our required standards, our business, results of operations and financial condition may be materially and adversely affected.”

In selecting suppliers, we evaluate a comprehensive set of criteria including registered capital, years of operation, industry-specific experience, equipment and process assurance capabilities, validity of quality certifications, environmental qualifications, tax compliance records and business integrity. We have implemented a robust supplier management system that defines clear procedures for supplier admission, ongoing management of qualified suppliers, and termination of cooperation with disqualified suppliers. This system ensures the efficiency and transparency of our supplier management processes, supporting consistent product quality and operational reliability.

Our quality department also monitors the quality of the raw materials, components and indirect materials delivered by our suppliers by conducting batch inspections of procured materials. The non-conforming materials are returned or exchanged, and in cases where functionality is not affected, we will claim for compensation or deductions. We also mitigate risks associated with price and supply fluctuation in raw materials by employing the following mechanisms: (i) ***Market-oriented pricing***. We typically adopt market-oriented pricing approach through centralized procurement, joint procurement, competitive bidding and commercial negotiation; (ii) ***Strategic cooperation of major suppliers***. Currently, our suppliers are relatively stable as we have established strategic cooperation with our major suppliers who enjoy leading position and possess strong R&D capabilities and cost competitiveness in the industry; (iii) ***Forming a supplier portfolio***. We adopt a dual- or multi-supplier strategy to avoid reliance on a single supplier; (iv) ***Safety stock levels***. We

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have established different safety stock levels based on material types to effectively reduce the risk of supply chain disruptions; and (v) **Centralized logistics**. We have established a centralized logistics distribution system, under which a portion of materials are uniformly stored by the centralized logistics center and delivered to the production line according to schedule, effectively reducing the impact of supply fluctuations.

We generally enter into annual supply contract with our suppliers. Salient terms of the annual supply contract with our suppliers include: (i) **Term**. The duration of the supply contracts is typically one year. (ii) **Unit price and subsequent price adjustment**. The annual supply contract will set out unit prices of each specific type of the raw materials, components and/or indirect materials, which are fixed during the term of the contract. We have also established a coordinated consultation and adjustment mechanism with our suppliers, under which terms are negotiated and confirmed through supplemental agreements in the event of significant market price fluctuation. (iii) **Quantity**. The annual supply contract will set out the expected quantity of raw materials, components and/or indirect materials that we may procure during the term of the contract. (iv) **Delivery**. We primarily accept delivery at our suppliers' own costs and risks. The specific quantity, price and delivery time of the raw materials, components and/or indirect materials are based on the orders we placed in pursuant to the annual supply contract. (v) **Credit terms**. The credit terms generally range from one month to three months. (vi) **Payment**. We typically settle payments through bank acceptance drafts and transfer. (vii) **Product quality and warranty**. The product quality shall adhere to the technical requirement agreement separately entered into between the supplier and us and the drawings and technical standards confirmed by the supplier and us.

During the Track Record Period and up to the Latest Practicable Date, we did not have any difficulty in obtaining adequate production raw materials, parts and components, and we do not anticipate significant difficulties in obtaining alternative sources of supply if necessary. During the Track Record Period and up to the Latest Practicable Date, we did not experience major price fluctuations, overstock, delays or shortages in the supply of production raw materials and components.

INVENTORY MANAGEMENT

Our inventories primarily comprise raw materials, work-in-progress and finished goods stored in our warehouse at our production plants, centralized warehouses or leased warehouses. We have implemented stringent inventory management measures to maintain an optimal level of stock of our inventory. Our inventory turnover days were approximately 92.8 days, 94.6 days and 101.5 days in 2023, 2024 and 2025, respectively.

Our supply chain adopts the vendor-managed inventory strategy along with direct-to-workstation delivery management for procured raw materials in an effort to reduce inventory occupation while maintaining reasonable safety stock levels to minimize excess inventory. For raw materials and resource-based supplies with ultra-long procurement period, to reduce the risk of overstocking while ensuring the availability of critical resources, we formulate rolling procurement based on product lifecycle management and the demand reviews by our manufacturing departments. We also have policies in place for management of our work-in-progress and finished construction machinery, setting out requirements on inventory control, including management on excess inventory with ultra-long inventory periods and disposal of obsolete inventory.

During the Track Record Period and up to the Latest Practicable Date, we did not observe any obsolescent inventory of construction machinery in any material respect that could be reasonably attributed to the implementation of National IV Emission Standards, or the industry transformation from conventional to intelligent construction machinery.

LOGISTICS AND WAREHOUSING

We operate under an integrated logistics system covering procurement-based centralized logistics, in-factory logistics and delivery logistics. (i) **Centralized logistics**. The raw materials, components and indirect materials are delivered to our production bases by warehouses. (ii) **In-factory logistics**. Our in-factory logistics caters to (a) complete machinery transportation, which involves transporting finished machinery from complete machinery production facilities to testing sites or storage facilities; and (b) component transportation which refers to the transportation of components from component production facilities to complete machinery production facilities. (iii) **Delivery logistics**. For the delivery of our products, customers would directly pick up from our

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production plants or we would be responsible for arranging their transportation from our production plants to our consignees and direct sales customers in the PRC. When we are responsible for logistics, during the Track Record Period, we outsource logistic activities to third-party service providers to deliver our products. The services provided by the third-party logistics companies cover long-haul delivery, short-distance transfers and loading operations. Pursuant to the agreements entered between us and the logistic companies, the logistic companies are responsible for any direct losses caused by them during the shipment of our products.

Our products sold to overseas distribution partners are generally shipped on agreed terms, typically on FOB (Free On Board), CFR (Cost and Freight) or CIF (Cost, Insurance and Freight) basis. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruptions or damage in relation to product delivery.

QUALITY CONTROL

We have established a set of quality management systems, including the management of suppliers, incoming procured products, the production process, the finished products and the management of after-sale services. We have a quality control department responsible for quality assurance. In strict compliance with the provisions of quality management system documents, we have passed ISO9001 quality management system certification. We also implemented various internal control protocols to ensure quality. Our rigorous quality management system has achieved industry-leading product quality standards throughout the Track Record Period.

Our major quality control procedures: (i) **Raw materials quality.** See “Business—Procurement.” (ii) **Production process, quality inspection and testing equipment.** We conduct regular comprehensive equipment inspections and set up control points for product quality for all key stages throughout the production process. We have established a comprehensive quality control system, covering the entire quality assurance lifecycle, from incoming material inspection and in-process checks to component final inspection and finished machinery acceptance. It also enabled us to comprehensively monitor key quality control points related to the manufacturing process, including measuring tools, material performance, failure modes, part stress testing, and cleanliness control, thereby continuously improving our manufacturing process assurance capabilities. In 2013, we obtained CNAS laboratory accreditation, which we have maintained to this day. (iii) **Product quality.** Our quality control department carries out routine inspection of every finished product we manufactured. Such inspections typically follow national standards such as GB/T 19001-2016/ISO 9001:2015. We typically conduct various performance tests and appearance examinations before the delivery of our products to customers.

As advised by our PRC Legal Advisor, if our products involve any quality defects or malfunction that lead to personal injury or property damage, particularly those leading to product recall, material accidents or safety issues, we and our distribution partners may be liable for product liability. If such a claim arises from product defects in raw materials or components purchased from a supplier, we may have the right to require the supplier to assume the corresponding product liability. As a result of our commitment to stringent product quality, during the Track Record Period and up to the Latest Practicable Date, (i) we had not been subject to any material administrative or other penalties from any competent authority in connection with product quality; (ii) we had not undertaken any material product recalls with respect to defective products; and (iii) we had not been involved in any material dispute with customers in connection with product quality.

OUR CUSTOMERS

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.

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The following tables set forth the details of our five largest customers by revenue during the Track Record Period:

Year ended December 31, 2023

Customer	Principal business	Major services or products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship	Credit term	Payment method
Customer A ⁽¹⁾	A limited company located in Europe, primarily engaging in the distribution of vehicles, steel and components.	Dozers, excavators, loaders, road machinery	2,099,327	18.5%	More than ten years	Six to 12 months	Letter of guarantee
Shandong Heavy Industry	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Dozers, excavators, loaders, road machinery	502,324	4.4%	More than 30 years	Three months	Acceptance bill
Customer B.	A limited company located in Singapore, primarily engaging in the provision of well drilling and work over services to leading oil and gas companies in the region.	Dozers, excavators, road machinery	339,126	3.0%	Since 2021	24 to 36 months	Bank transfer
Customer C.	A limited company headquartered in the United Arab Emirates, primarily engaging in the business of general building materials.	Excavators, loaders, spare parts	227,406	2.0%	Since 2021	Advance received	Bank transfer
Customer D ⁽¹⁾	A public company located in the PRC, and listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange, primarily engaging in the production and sales of earthmoving, MEWP, mobile crane, tower crane, concrete and agriculture machines.	Spare parts	208,790	1.8%	More than 10 years	One month	Acceptance bill
Total			3,376,973	29.7%			

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Year ended December 31, 2024

Customer	Principal business	Major services or products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship	Credit term	Payment method
Customer A ⁽¹⁾	A limited company located in Europe, primarily engaging in the distribution of vehicles, steel and components.	Dozers, excavators, loaders, road machinery	2,497,672	17.6%	More than ten years	Six to 12 months	Letter of guarantee
Shandong Heavy Industry	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Dozers, excavators, loaders, road machinery	876,585	6.2%	More than 30 years	Three months	Acceptance bill
Customer E ⁽¹⁾	A limited company located in Ghana, primarily engaging in the sales and distribution of heavy and light duty vehicles from various brands and products across Ghana.	Dozers, excavators, loaders, road machinery	371,904	2.6%	Since 2019	Nine months	Letter of credit
Customer F ⁽¹⁾	A limited company located in the PRC, primarily engaging in the business of construction and mining machinery.	Dozers, excavators, loaders, road machinery, spare parts	247,663	1.7%	More than ten years	Three to 36 months	Acceptance bill, bank transfer
Customer G.	A limited company located in the PRC, primarily engaging in the sales of mechanical parts and components, as well as lubricating oils.	Spare parts	247,211	1.7%	Since 2022	Two months	Acceptance bill, bank transfer
Total			4,241,035	29.8%			

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Year ended December 31, 2025

Customer	Principal business	Major services or products sold	Revenue (RMB'000)	% of our total revenue	Year of commencement of business relationship	Credit term	Payment method
Customer A ⁽¹⁾	A limited company located in Europe, primarily engaging in the distribution of vehicles, steel and components.	Dozers, excavators, loaders, road machinery	1,879,492	12.9%	More than 10 years	Six to 12 months	Letter of guarantee
Shandong Heavy Industry	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Dozers, excavators, loaders, road machinery	1,068,023	7.3%	More than 30 years	Three months	Acceptance bill
Customer H.	A limited company located in the Burkina Faso, engaging in fabrication of metal structural components, manufacturing of specialized vehicles, and production of infrastructure-supporting equipment.	Dozers, excavators, loaders, road machinery	413,021	2.8%	since 2024	Six to 12 months	Acceptance bill
Customer C.	A limited company headquartered in the United Arab Emirates, primarily engaging in the business of general building materials.	Excavators, loaders, spare parts	339,690	2.3%	Since 2021	Advance received	Bank transfer
Customer I.	A public company headquartered in Guangxi, China, primarily engaging in selling of loaders, excavators, dozers, motor graders and forklifts.	Dozers, excavators, loaders, road machinery	299,343	2.1%	More than 15 years	Two to three months	Acceptance bill
Total			3,999,569	27.4%			

(1) The revenue amounts included amounts from the entities it controls.

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We generally enter into standardized distribution agreement with our distribution partners and standardized sales contract with our direct sale customers. See “—Sales, Marketing and Customer Service—Our Sales Network.” Save for Shandong Heavy Industry, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of our Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest customers during the Track Record Period.

During the Track Record Period, Shandong Heavy Industry was both one of our top five customers and top five suppliers in each year. See “Connected Transactions.” Negotiations of the terms of sales to Shandong Heavy Industry mentioned above and purchases from it were conducted separately, and the sales and purchases were neither connected nor conditional upon each other. Our Directors are of the view that such arrangements are mutually beneficial, given that we negotiated with Shandong Heavy Industry on an arm’s length basis. In addition, the terms of transactions with Shandong Heavy Industry mentioned above are in line with market practice and similar to those with our other customers and suppliers. Save as disclosed, to the best of our knowledge, none of our top five customers during each year of the Track Record Period was a major supplier of ours and vice versa.

OUR SUPPLIERS

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.

The following tables set forth the details of our five largest suppliers by purchase amount during the Track Record Period:

Year ended December 31, 2023

Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Shandong Heavy Industry	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Engines and energy storage systems, construction machinery	1,360,939	15.4%	More than 30 years	One to three months	Acceptance bill
Supplier A ⁽¹⁾	A non-listed public company located in the PRC, primarily engaging in the production and sales of construction machinery parts, including those of dozers, rollers, concrete machinery, forklifts, excavators and automotive components.	Construction machinery parts	329,635	3.7%	More than 30 years	One month	Acceptance bill

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Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Supplier B ⁽¹⁾	A limited company located in the PRC, primarily engaging in the production and sales of construction machinery parts.	Construction machinery parts	239,595	2.7%	More than 30 years	One month	Acceptance bill
Supplier C	A limited company located in the PRC, primarily engaging in construction machinery parts and aftermarket accessories manufacturing.	Construction machinery parts	186,534	2.1%	More than 20 years	One to three months	Acceptance bill
Supplier D	A limited company located in the PRC, primarily engaging in the production and sales of generators, engines, energy storage systems and fuel cells.	Engines and energy storage systems	153,207	1.7%	More than 30 years	Three months	Bank transfer
Total			2,269,910	25.6%			

Year ended December 31, 2024

Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Shandong Heavy Industry .	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Engines and energy storage systems, construction machinery	2,137,386	19.7%	More than 30 years	One to three months	Acceptance bill
Supplier A ⁽¹⁾	A non-listed public company located in the PRC, primarily engaging in the production and sales of construction machinery parts, including those of dozers, rollers, concrete machinery, forklifts, excavators and automotive components.	Construction machinery parts	358,016	3.3%	More than 30 years	One month	Acceptance bill

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Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Supplier B ⁽¹⁾	A limited company located in the PRC, primarily engaging in the production and sales of construction machinery parts.	Construction machinery parts	285,247	2.6%	More than 30 years	One month	Acceptance bill
Supplier D	A limited company located in the PRC, primarily engaging in the production and sales of generators, engines, energy storage systems and fuel cells.	Engines and energy storage systems	216,772	2.0%	More than 30 years	Three months	Bank transfer
Supplier E ⁽¹⁾	A public company located in the PRC, and listed on the Shanghai Stock Exchange, primarily engaging in iron and steel refining, value-added processing.	Iron and steel	174,928	1.6%	More than 30 years	Prepayment	Acceptance bill
Total			3,172,349	29.2%			

Year ended December 31, 2025

Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Shandong Heavy Industry	A limited company located in the PRC, primarily engaging in the business of heavy machinery, power systems, commercial vehicles and construction equipment.	Engines and energy storage systems, construction machinery	2,481,704	19.5%	More than 30 years	One to three months	Acceptance bill
Supplier A ⁽¹⁾	A non-listed public company located in the PRC, primarily engaging in the production and sales of construction machinery parts, including those of dozers, rollers, concrete machinery, forklifts, excavators and automotive components.	Construction machinery parts	457,046	3.6%	More than 30 years	One month	Acceptance bill

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Supplier	Principal business	Major products/ services provided	Purchase amount	% of our total purchase amount	Year of commencement of business relationship	Credit term	Payment method
			(RMB'000)				
Supplier B ⁽¹⁾	A limited company located in the PRC, primarily engaging in the production and sales of construction machinery part.	Construction machinery parts	288,935	2.3%	More than 30 years	One month	Acceptance bill
Supplier E ⁽¹⁾	A public company located in the PRC, and listed on the Shanghai Stock Exchange, primarily engaging in iron and steel refining, value-added processing.	Iron and steel	269,312	2.1%	More than 30 years	Prepayment	Acceptance bill
Supplier D	A limited company located in the PRC, primarily engaging in the production and sales of generators, engines, energy storage systems and fuel cells.	Engines and energy storage systems	244,079	1.9%	More than 30 years	Three months	Bank transfer
Total			<u>3,741,076</u>	<u>29.3%</u>			

(1) The purchase amounts included amounts from the entities it controls.

We generally enter into annual supply contract with our suppliers. See “—Procurement.” Save for Shandong Heavy Industry, none of our Directors, their associates or any shareholders of our Company, who or which to the knowledge of our Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest suppliers during the Track Record Period.

INFORMATION TECHNOLOGY

Information technology systems are essential to competitiveness and efficient operations. We have instituted a systematic information technology system covering all material aspects of our operations, including quality control, customer services, research and development, production and business operations. Our information technology team is responsible for developing, upgrading and maintaining IT systems and performing custom development to meet our business needs. Our key information technology systems utilized during different operation phases are set forth below: (i) **Research and development.** We utilize (a) the Product Data Management System for managing product structures, drawings and documents, workflows and engineering changes, (b) the Spare Parts Data Resource Management System, which supports fast component search, geometric search, design access review, duplication report and daily material import, and (c) the Project Management System, which enables full lifecycle management of R&D projects, supervision and task tracking, as well as planning for audits, process optimization and other special initiatives. (ii) **Manufacturing.** We utilize (a) the Manufacturing Execution System in our manufacturing process for planning, production, quality, process, materials and equipment management, (b) the Data Acquisition and Monitoring System connected to equipment for real-time data collection and application analysis, and (c) the Digital Process System to support process design, MBOM management, process changes, new product process planning, resource and standard management, tooling design and a comprehensive process knowledge base. (iii) **Procurement and inventory management.** We utilize the Supplier Relationship Management System to enable full lifecycle management of our suppliers, including sourcing, price comparison, e-contracts and e-signatures, pricing database, order collaboration, delivery coordination, financial integration, drawing sharing and quality information exchange. (iv) **Customer services.** We utilize (a) the Smart Service Platform (including the Shantui e-Path App and call center) to enable after-sales service, key components sales and QR code tracking, (b) the Digital Marketing Platform to support sales of machineries,

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prototypes and third-party products, (c) the International Trade Management System to enable overseas sales and after-sales services of machinery and spare parts, and to provide portals for the use of our overseas distribution partners, (d) the Electronic Parts Catalog System to enable part lookup and SBOM queries based on the machinery, (e) the Shantui E-Link Platform to collect and transmit data such as prototype positioning, engine ECU, fuel consumption and other environmental metrics, while supporting remote monitoring, vehicle unlocking and service vehicle tracking, and (f) the Shantui E-Home Platform to provide online spare parts sales. (v) **Accounting and financing.** We utilize the financial module and the business module of our ERP system for accounting and financing, and the Comprehensive Budget Management System for budget planning, variance analysis, rolling forecasts and operational analysis. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

DATA PRIVACY AND PROTECTION

In providing our products, we may come into contact with certain personal and transactional information of our end consumers. The data we have access to and collect mainly includes: (i) construction operation and order information obtained during providing smart construction platform services and selling our products online to our customers, and (ii) basic customer information and related device information such as names, phone numbers, identification card information, profession, construction device information, location and address collected during our business operations in China and overseas. We are committed to complying with all relevant laws and regulations concerning data security and privacy protection. We have clearly defined compliance requirements for the collection, storage, use, processing, transmission, provision, disclosure and deletion of personal information, and we continuously improve our safeguards to strengthen privacy protection. We respond promptly to remote inspections conducted by the regulatory authorities and actively address and summarize any user privacy issues identified in our apps, mini-programs and other applications. We also take a proactive approach by conducting comprehensive internal reviews to identify and closely manage any technical loopholes, thereby fulfilling our primary responsibility for data privacy and protection.

We have devised a number of strict data protection policies and measures to ensure that our personal information protection and the sourcing, processing, storage and usage of data are in compliance with applicable laws and prevalent industry practice. These policies and measures include: (i) **Data collection.** We take necessary measures to inform data subjects and obtain the legal basis when collecting data and log record of the collection process. (ii) **Data processing.** We strictly process data in a manner that protects the legitimate rights of data subjects. We process data for specific and reasonable purpose, and limit our data processing activities to the minimum scope for achieving the purpose. (iii) **Data storage.** We store data in a secure manner to ensure confidentiality and integrity and strictly manage account privileges. We have established data backup and recovery management practices to ensure timely recovery of critical information. (iv) **Data usage.** Our data classification management measures establish authorization and approval procedures and security assessment mechanisms for different types and levels of data usage.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material violation of any mandatory requirements which substantially impacted our business under applicable laws and regulations in respect of the collection, storage, use and protection of personal data.

INTELLECTUAL PROPERTY

Intellectual property is fundamental to our success and competitiveness. As of the Latest Practicable Date, we held 1,833 patents in Chinese Mainland as well as two patents overseas. See “Appendix VII—Statutory and General Information—Further Information About Our Business—Intellectual Property Rights.”

We rely on a combination of patent, copyright, trademark and trade secret protection laws in the PRC and other jurisdictions along with confidentiality procedures and contractual provisions to safeguard our intellectual property rights. We have implemented comprehensive measures to protect our intellectual properties. Moreover, we have also implemented measures in place to prevent infringement of intellectual properties of other parties. Our intellectual Property Management Policy provides a structured approach to managing and protecting our intellectual property assets. These policies establish detailed procedures applicable to all our technological development projects, including the assessment of patent application feasibility and the implementation of confidentiality measures, thereby facilitating the timely protection of our intellectual property. We have established a dedicated intellectual property management department responsible for the application, review, maintenance and administration of our intellectual property rights. We regularly

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conduct intellectual property training and awareness campaigns to enhance our employees’ understanding and ability to protect intellectual property. Through these training sessions, our team gains a deeper understanding of the importance of intellectual property and relevant laws and regulations, which helps ensure better compliance with our intellectual property management policies. To further encourage innovation, we have set up a dedicated intellectual property fund to reward inventors and creators. This initiative has significantly boosted the enthusiasm of our technical personnel to file patent applications and has promoted the generation and utilization of intellectual property. In terms of trademarks, we actively register our core brand and product series trademarks to build a strong protective barrier. For patents, our R&D team works closely with our legal department to promptly file applications for innovative processes and packaging designs. We also strengthen daily market monitoring to detect potential infringements. Once identified, we act swiftly to defend our intellectual property rights through legal means, ensuring the protection of our innovations and brand value.

Despite our efforts to protect ourselves from infringement or misappropriation of our intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain and use our intellectual property in violation of our rights. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources. In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement against us, or our failure or inability to develop non-infringing intellectual property or license the infringed or similar intellectual property on a timely basis, our business could be harmed. See “Risk Factors—Risks Relating to Our Business and Industry—Insufficient intellectual property protection may reduce our competitive advantage and lead to conflicts that adversely affect our business, financial condition and results of operations” and “Risk Factors—Risks Relating to Our Business and Industry—We could face claims of intellectual property infringement or misappropriation from third parties, which, if determined against us, could potentially result in significant damages and sales restrictions. We could face claims of intellectual property infringement or misappropriation from third parties, which, if determined against us, could potentially result in significant damages and sales restrictions.”

We did not have any material disputes or pending legal proceedings of intellectual property rights with third parties during the Track Record Period and up to the Latest Practicable Date. We believe that we have taken reasonable measures to prevent infringement of our intellectual property rights during the Track Record Period and up to the Latest Practicable Date.

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—We compete with both domestic and international companies in construction machinery industry.”

BUSINESS ACTIVITIES IN RELATION TO REGIONS AND ENTITIES SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, our Group has sold our Chinese-origin construction machinery and spare parts to various non-sanctioned customers located in the Relevant Regions. The Relevant Regions are subject to limited sets of targeted sanctions, with certain sanctioned entities located in these regions; however, none of the Relevant Regions is a country/region that is subject to territorial broad-based sanctions (i.e., not a Comprehensively Sanctioned Country). Transactions with sanctioned entities located in the Relevant Regions or export of export-controlled products to such countries/regions could expose us to sanctions risks. See “Regulatory Overview—Sanctions Laws and Regulations” for the summary of the sanctions regimes.

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Primary Sanctions

As advised by Hogan Lovells International LLP, our legal advisor to International Sanction laws, who have performed procedures they deem necessary, these sales to the Relevant Regions did not represent a violation of the primary sanctions and U.S. export controls on the basis that: i) none of the Relevant Regions is a Comprehensively Sanctioned Country; ii) our customers in these sales are not sanctioned; and iii) the products involved in such sales are not subject to the EAR or otherwise subject to a licensing requirement for our sales to the Relevant Regions.

Secondary Sanctions

The U.S. has also enacted secondary sanctions targeting non-U.S. persons who are engaged in activities in certain sectors in the Relevant Regions. Among the Relevant Regions, the “manufacturing” sector of Russian economy was designated under EO 14024, providing authority to OFAC to impose sanctions on any person found to “operate in” such designated sectors. According to FAQ 1126 issued by OFAC, the manufacturing sector of the Russian Federation economy is defined to include “activities such as the creation, modification, repair, testing, or financing, of goods by manual labor or machinery involving the Russian Federation and any related activities, including the provision or receipt of goods, services, or technology to, from, or involving the manufacturing sector of the Russian Federation economy.” Such wide definition may capture our sales activities.

During the Track Record Period, our activities in Russia were limited to sales of construction machinery and spare parts that are not listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of EO 14024 nor the Common High Priority List issued by the BIS on February 23, 2024, and such sales were not to Sanctioned Targets or for military use. Therefore, as advised by Hogan Lovells International LLP, our legal advisor to International Sanction laws, our activities are unlikely to be viewed as activities targeted by secondary sanctions focused on the Russian manufacturing sector.

Internal Controls

We have undertaken to the Stock Exchange that we will not use the [REDACTED] from the [REDACTED], as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Comprehensively Sanctioned Countries or any other government, individual or entity sanctioned by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia, including, without limitation, any government, individual or entity that is specifically identified on the SDN List maintained by OFAC or other restricted parties lists maintained by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories and Australia that would cause us to violate International Sanctions. Further, we have undertaken not to use the [REDACTED] from the [REDACTED] to pay any damages for terminating or transferring any contract that violates International Sanctions. In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, [REDACTED], [REDACTED] or our Shareholders and investors to violate or become a target of international sanctions laws by the U.S., the EU, the UN, the U.K., the United Kingdom overseas territories or Australia.

RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted, among other things, the following risk management measures: (i) established an Audit Committee to review and supervise our financial reporting process and internal control system. See “Directors and Senior Management—Management and Corporate Governance—Board Committees—Audit Committee” for the qualifications and experience of the committee members; (ii) adopted policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure; (iii) established a set of emergency procedures in the event of major quality-related issues; (iv) provided enhanced training programs on quality assurance and production safety; and (v) distributed employee handbooks to enhance employees’ awareness of complying with laws and regulations.

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ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We consider environmental, social and corporate governance (“ESG”) matters as an integral part of our operations. In line with our core value of being a socially responsible company, we resolutely assume social responsibilities, raise environmental awareness and promote long-term sustainable development. We have implemented a set of policies on the environment, employee welfare and corporate governance, which we believe are in line with industry standards and regulatory requirements. We believe that the establishment and implementation of ESG principles and practices would enable us to fulfill our mission and strategic objectives while delivering long-term value to our stakeholders. Our Board has primary responsibility for overseeing the development and reporting of our ESG direction and strategy, identifying ESG-related risks and monitoring and evaluating our ESG performance. Moreover, our Board closely monitors evolving ESG-related laws and regulations, updating our ESG measures accordingly to ensure compliance with the latest regulatory requirements.

Environmental Protection

We recognize the urgent need to address environmental challenges and minimize ecological footprint. We actively seek to conserve resources, reduce the discharge of waste and pollutants and support initiatives that contribute to the sustainable development. We closely monitor the metrics indicative of the environmental effects of our business operations and rigorously adhere to the standards and targets established by our management and competent authorities. These metrics typically include electricity consumption, water consumption, wastewater discharge and air and solid pollutant discharge, among others.

Consumption of Resources

We have adopted resource conservation policies and practices in our manufacturing with an emphasis on energy-saving equipment upgrades and improvements in production efficiency while strictly abiding by the requirements of the Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》), the Administrative Measures for Energy Conservation of Key Energy-Consuming Entities (《重點用能單位節能管理辦法》), and the Shandong Province Energy Conservation Regulations (《山東省節約能源條例》). The following table presents our use of resources for the years indicated:

		Year ended December 31,		
Indicators		2023	2024	2025
Electricity	Total consumption (kWh)	165,318,701.7	177,028,311.6	189,815,040.0
	Total consumption per unit of revenue (kWh/RMB in million)	14,547.1	12,450.4	12,959.1
Water	Total consumption (tons in thousand)	1,773.2	1,054.8	1,007.8
	Total consumption per employee (tons in thousand/number of employee)	0.31	0.15	0.14
Steam	Total consumption (kJ in million)	96,816.8	78,245.2	116,335.0
	Total consumption per employee (kJ in million/number of employee)	17.1	11.2	16.1
Natural gas. . . .	Total consumption (m ³ in thousand)	3,538.4	3,689.6	4,152.3
	Total consumption per unit of revenue (m ³ in thousand/RMB in million)	0.31	0.26	0.28

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As part of our climate-related transition plan, we are committed to reducing greenhouse gas (“GHG”) emissions and are actively employing various measures to manage our GHG emission. For example, we have incorporated green energy equipment, such as electric forklifts, in our production processes to reduce emissions from the usage of gasoline and diesel fuel. Our main source of our Scope 1 and Scope 2 GHG emissions is electricity consumption. In response, we plan to organize centralized production scheduling for high-power equipment, upgrade and renovate outdated equipment, and improve the energy management system to enhance overall energy efficiency and operational performance, or implement other clean energy solutions to reduce our carbon emissions as part of our green production initiative.

The following table presents our GHG emissions for the years indicated:

Indicators	Year ended December 31,		
	2023	2024	2025
Scope 1 GHG emissions . . . (tCO ₂ e)	12,884.1	25,145.0	14,606.0
Scope 2 GHG emissions . . . (tCO ₂ e)	62,079.3	105,190.2	72,104.9
GHG emissions (Scope 1 + Scope 2) (tCO ₂ e)	74,963.4	130,335.3	86,711.0
GHG emission intensity (tCO ₂ e/RMB)	6.6	9.2	5.9

Waste and Pollutant Management

We are subject to environmental protection laws and regulations in the PRC. See “Regulatory Overview.” Our production facilities in operation discharge waste and pollutants such as wastewater, solid waste and waste gas. Our manufacturing activities involves usage of hazardous chemicals such as diesel, paint and thinners. The procurement, use and storage of these hazardous chemicals are managed according to hazardous chemical management regulations, with risks under stringent control. In practice, we have taken multiple measures to minimize the environmental impacts of our manufacturing, and the actual discharge of waste and pollutants stemming from our production facilities is well below the permitted levels. See “Risk Factors—Risks relating to Our Business and Industry—We are subject to environmental, fire control and health and safety directives, laws and regulations.”

We have established and implemented stringent treatment procedures for waste and pollutants from our production facilities: (i) **Wastewater.** All production facilities implement a rainwater and sewage diversion system. Domestic sewage is fully discharged into municipal sewage treatment plants via the municipal pipeline network. Manufacturing wastewater is partially treated by third-party service providers and partially treated at wastewater treatment facilities. After treatment, the compliant wastewater is discharged into the municipal pipeline network for further processing at municipal sewage treatment plants. (ii) **Solid Waste.** General solid waste are sorted by source and handed over to qualified third-party service providers for compliant disposal. Solid waste generated during production, such as scrap iron, scrap steel and iron filings, is entirely entrusted to qualified entities for comprehensive re-utilization. Hazardous waste, including paint sludge, spent cutting fluid and used activated carbon, is managed in strict accordance with applicable national laws, regulations and requirements, covering all stages from generation and collection to storage and disposal. In accordance with the requirements of the Jining Municipal Bureau of Ecology and Environment, we have installed surveillance cameras at hazardous waste generation and storage sites to ensure full-process monitoring of hazardous waste management. We also remain focused on minimizing hazardous waste generation by implementing material control measures and process improvements to strengthen source-level management. All hazardous waste is entrusted to qualified service providers for compliant disposal. (iii) **Waste Gas.** We have adopted advanced and efficient technologies for the treatment of waste gases generated during the painting process, including systems such as dry filtration, activated carbon adsorption and concentration, desorption and regeneration, catalytic combustion, dry filters, zeolite rotor adsorption and concentration units and regenerative thermal oxidizers. For welding process, we have implemented collection measures tailored to the characteristics of each workstation, such as retractable enclosures, semi-enclosed booths, fume hoods and extraction arms. The collected fumes are conveyed through main ducts to cartridge dust collectors for treatment before being discharged. (iv) **Noise Pollution.** We have

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implemented targeted noise control measures and equipment during our production processes, including vibration isolation, acoustic insulation of our production facilities, flexible connections and silencers. We engage independent third-party environmental monitoring companies on a quarterly basis to conduct day and night noise monitoring at the boundary of our production facilities. During the Track Record Period and up to the Latest Practicable Date, we had been in compliance with applicable environmental laws and regulations in all material respects.

Social Responsibility

As a socially responsible provider of construction machinery in China, we are committed to safeguarding people’s well-being. We have always adhered to the principle of “serving society and giving back to society,” actively participating in disaster response and infrastructure rescue and reconstruction efforts both domestically and internationally. During the Track Record Period, our construction machinery products were deployed at the front lines of multiple major emergencies, demonstrating our social responsibility and the value of construction machinery in public safety through their stable performance, efficient operations and reliable support.

We cooperate with our partners to make progress together. We adhere to the philosophy of “open collaboration for win-win development,” continuously optimizing our supply chain management system to promote compliance, transparency and sustainability throughout the entire procurement process. By strengthening supplier ESG responsibility management, conducting empowerment training and fostering equal partnerships, we are building a green, safe and resilient supply ecosystem. Additionally, we actively participate in industry standard-setting and technical exchanges, collaborating with partners to promote high-quality sustainable development. We advocate volunteer services and encourage our employees to actively participate in various public welfare activities, demonstrating our sense of social responsibility through practical actions. Through volunteer services, we aim to cultivate our employees’ social awareness and spirit of dedication, while bringing positive impacts to the community and promoting social harmony and development. We actively engage in rural revitalization efforts and contribute to the development of the rural economy through innovative consumption assistance measures. These measures effectively connect our corporate resources with rural needs, achieving an organic combination of corporate social responsibility and the rural revitalization strategy.

Corporate Governance

Employee Welfare and Occupational Safety

We are committed to diversity and equal opportunity for all employees and firmly oppose any form of workplace discrimination. We ensure equal treatment in recruitment, training, promotion and compensation, regardless of gender, age, ethnicity, or other personal attributes. Everyone is entitled to equal access to our policies and opportunities.

We strictly prohibit all forms of forced labor and are committed to ensuring that our employees’ labor rights are respected and protected. We provide a free and voluntary working environment, do not compel employees to engage in any work against their will, and ensure that all labor contracts comply with legal requirements.

To ensure workplace safety, we have established a Safety Production Committee. The committee is chaired by our General Manager, with the safety director serving as deputy manager, and other management members and heads of each unit as members. The committee is responsible for leading, organizing, guiding and coordinating safety production and occupational health management. We have also set up a dedicated safety and environmental protection department as the lead unit for safety management to ensure that safety practices are standardized, compliant and preventive in nature. It is staffed with safety management personnel responsible for organizing, implementing, supervising, inspecting, and evaluating safety management efforts across all units. At the operational level, we designate the principal person in charge of each unit as the first person responsible for safety. Dedicated full-time and part-time safety officers are assigned to manage on-site safety, ensuring that safety responsibilities are clearly defined and implemented at every position and by every individual. This creates a top-to-bottom safety management system.

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Anti-corruption

We are committed to maintaining high standards of integrity in all our business operations. We have established a robust supervisory mechanism through our Discipline Inspection Commission, integrating internal Party oversight, disciplinary inspection and audit supervision. By focusing on “small entry points,” we strengthen supervision and inspection of key areas, critical processes and high-risk personnel, particularly in procurement and marketing, to promptly identify and rectify potential integrity risks and corruption issues. This approach supports our efforts to enhance compliance and corporate governance.

We maintain a comprehensive “five-in-one” whistleblowing channel to ensure open communication, enabling precise supervision, discipline enforcement and accountability. We continue to uphold a strong stance against corruption through sustained high-pressure enforcement.

During the Track Record Period and up to the Latest Practicable Date, we had not engaged in, supported or conspired with any individual to commit unlawful activities. No instances of non-compliance with relevant laws and regulations related to corruption, bribery, fraud or money laundering that have a significant impact on us have been identified during this period.

EMPLOYEES

As of December 31, 2025, we had 7,247 full-time employees globally. The following table sets forth a breakdown of our employees by function as of December 31, 2025:

Business Function	Number of Employees	Percentage (%)
Production	3,136	43.3
Research and development.	2,118	29.2
Sales and marketing	1,093	15.1
Administration and others	692	9.5
Financial	208	2.9
Total	7,247	100.0

Attracting, retaining and motivating qualified employees is crucial to our success. We utilize various recruitment channels, including on-campus recruitment, professional recruitment website, referrals and recruiting agencies to attract talents. We are committed to creating a fair and equal working environment for our employees. We endeavor to motivate our employees by providing competitive salaries, comprehensive welfare packages and merit-based incentive schemes based on their performance. We participate in various employee social security plans in accordance with applicable PRC laws and regulations, including housing provident fund, enterprise annuity, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance.

We offer training for all employees from entry level to management, including induction training programs for new joiners and skill training programs for personnel in technical, professional and management positions. We also provide specialized training programs tailored to the specific needs of employees in different departments.

We have maintained a good relationship with our employees. During the Track Record Period, there were no material strikes, protests or labor disputes that may impair our business and image. As of the Latest Practicable Date, we and our subsidiaries have established labor unions that protect employees’ rights, help fulfill economic objectives, encourage employee participation in management decisions and assist in mediating disputes between us and union members.

INSURANCE

We maintain insurance coverage over our daily operations. During the Track Record Period, our principal insurance policies primarily include property all risk insurance, machinery breakdown insurance and personal accident insurance, which we believe have covered major risks in our daily operations. In line with general market practices, we do not maintain certain policies that are not

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available in the locations wherein we operate, or that are not generally required by laws. See “Risk Factors—Risks relating to Our Business and Industry—Our insurance coverage may be insufficient to cover all of our potential losses.”

We believe that our insurance coverage is adequate for our business and in line with industry standards and general market practice, according to Frost & Sullivan. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustment to our insurance plans to align with our needs and industry practice. During the Track Record Period, we did not make any material insurance claims in relation to our business. During the Track Record Period, there were not any material accidents or injuries occurred within our Group. We had been in compliance with applicable health and work safety related laws and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

PROPERTIES

Our headquarter office is located in Jining, Shandong province in China. We own and lease properties in China and overseas.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, valued our selected property interest at approximately RMB307.8 million as of March 31, 2026. The text of the Property Valuation Report issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited is set out in Appendix VI to this Document. Save for the property interest disclosed in Appendix VI to this Document, there is no single property interest that forms part of our property activities had a carrying amount representing 1% or more of our total assets and no single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of March 31, 2026.

Properties in China

Owned Properties

As of the Latest Practicable Date, we owned 48 parcels of land with a total site area of approximately 2,692,032.1 square meters, representing 99.2% of the total site area of land that we owned or leased in China, and 132 buildings with a gross floor area of approximately 999,568.4 square meters in China, representing 99.8% of the total gross floor of the buildings that we owned or leased in China, which were used for our production and operation. As of the Latest Practicable Date, we had obtained the land use right certificates for all of our owned properties.

Among such buildings that we owned in China, we have obtained the building ownership certificates for 87 buildings with a gross floor area of approximately 718,491.1 square meters, representing 71.9% of the total gross floor of the buildings that we owned in China. Our PRC legal advisors are of the view that we have the legal ownership of these buildings and thus have the right to occupy, use, transfer, lease, mortgage or otherwise dispose of such buildings in accordance with applicable PRC laws and regulations.

As of the Latest Practicable Date, we had not obtained the building ownership certificates for the remaining 45 buildings in China, comprising (i) seven buildings that were primarily leased out and not used for our own operations, representing 10.5% of the gross floor area of our owned PRC buildings, (ii) 25 buildings primarily used as ancillary facilities of our principal operations which are of no value of independent use to us, representing 4.0% of the gross floor area of our owned PRC buildings, and (iii) 13 buildings primarily used for manufacturing and operational purposes, representing 13.7% of the gross floor area of our owned PRC buildings. This was due to a combination of factors, including: (i) legacy issues from past acquisitions; and (ii) the absence of relevant construction land use permits, planning permits, and/or construction permits for certain buildings used for manufacturing and operational purposes.

We regularly maintain the buildings and the safety conditions of these buildings are sound. We are actively exploring potential rectifying measures. We will process the completion acceptance procedures subject to the progress of the relevant projects. Our PRC Legal Advisor are of the views that, (i) after we complete the relevant completion acceptance procedures and submit the application for building ownership certificates in accordance with applicable PRC laws and regulations and the requirements of relevant authorities, there will be no material legal impediment for us to obtain the

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building ownership certificates for such buildings; and (ii) we will have the right to occupy, use, transfer, lease, mortgage or otherwise dispose of such properties in accordance with applicable PRC laws and regulations once we have obtained the relevant building ownership certificates.

We believe the foregoing property defects will not adversely and materially affect our business and results of operations given that (i) we will be able to identify alternatives in a timely manner; (ii) as of the Latest Practicable Date, we have been using the aforementioned buildings for normal business operations and all other core production and operational buildings have obtained the relevant building ownership certificates and are located on land owned by us, resulting in a low risk of relocation or demolition; (iii) we have not received any material administrative penalty nor had we experienced any material ownership dispute on such buildings; and (iv) in the unlikely event that we have to pay a fine or relocate the buildings, the maximum amount of penalty and the potential impact of relocation for these buildings are not material to us.

In addition to the foregoing and considering that the relevant authorities have issued the relevant confirmations, our PRC Legal Advisor are of the view that the risk of us being subject to administrative penalties due to the above-mentioned matters is relatively low, and such circumstances do not constitute a material violation and are not expected to have any material adverse impact on our overall operations.

Leased Properties

As of the Latest Practicable Date, in China, we leased (i) three parcels of land with a total site area of approximately 21,422.4 square meters, mainly used as warehouses, representing 0.8% of the total site area of land that we owned or leased in China and (ii) one building with a gross floor area of approximately 2,000 square meters, which was primarily used for warehousing, representing 0.2% of the total gross floor of the buildings that we owned or leased in China. The leases generally have a term ranging from one year to two years.

Overseas Properties

As of the Latest Practicable Date, we owned three buildings with a gross floor area of approximately 22,984 square meters in South Africa, primarily for use as offices and dormitory.

Additionally, we have leased 58 properties in Asia and Europe, mainly Saudi Arabia and Belgium, primarily used as warehouses, logistics centers, offices, dormitory and other ancillary facilities. Our management are of the view that such tenancy agreements are entered into in accordance with the local legal requirements and are valid and binding.

LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business. We monitor our compliance with the relevant laws and regulations to ensure that we have the requisite licenses, permits, approvals and certificates for our operations. See “Regulatory Overview” and See “Risk Factors—Risks relating to Our Business and Industry—Our business operations and project construction activities are subject to various permits, licenses, approvals and/or qualifications and the loss of or failure to obtain or renew any or all of these permits, licenses, approvals and/or qualifications may materially and adversely affect our business, financial condition and results of operations.” As advised by our PRC Legal Advisor, we had duly obtained all the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our business operations, and such licenses, permits, approvals and certificates are valid throughout the Track Record Period and subsisting as of the Latest Practicable Date. The following table sets out a list of material licenses, permits, approvals and certificates currently held by us:

No.	Licenses/ Permits/Approvals	Issuing Authority	Holder	Validity Period
1 . .	Market Access Qualification for Road Motor Vehicle Manufacturers and Products	The MIIT	Shantui Janeoo	—

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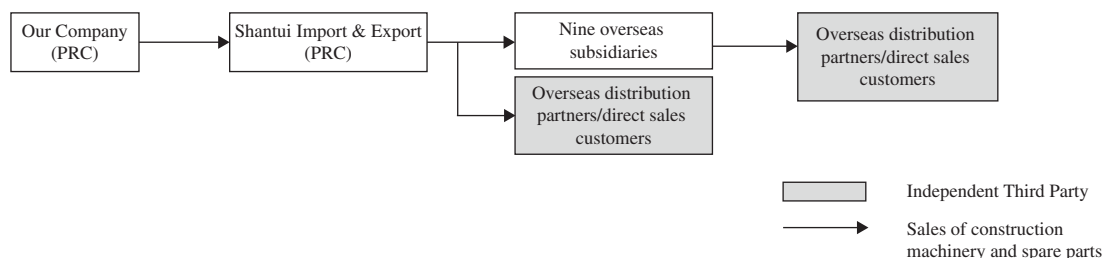
No.	Licenses/ Permits/Approvals	Issuing Authority	Holder	Validity Period
2 . .	Safety Production License	Housing and Urban-Rural Development Department of Shandong Province	Shantui Janeoo	May 19, 2025 to July 8, 2028
3 . .	Construction Enterprise Qualification	Housing and Urban-Rural Development Department of Shandong Province	Shantui Janeoo	December 28, 2023 to December 28, 2028
4 . .	Laboratory Accreditation Certificate	China National Accreditation Service for Conformity Assessment	Our Company	October 22, 2022 to October 21, 2028
5 . .	Pollutant Discharge Permit	Jinan Municipal Bureau of Ecology and Environment	Shantui Janeoo	June 18, 2025 to June 17, 2030
6 . .	Pollutant Discharge Permit	Jining Municipal Bureau of Ecology and Environment	Our Company	September 3, 2024 to September 2, 2029

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. Our Directors believe that, to their knowledge, there are no material impediments for us to maintain or renew our licenses, permits, approvals and certificates required for our operations.

INTRA-GROUP TRANSACTIONS

The Organization for Economic Cooperation and Development (the “OECD”), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the “OECD Transfer Pricing Guidelines”). According to the OECD Transfer Pricing Guidelines, our intra-Group transactions should be on an arm’s-length basis.

We conducted overseas business operations primarily through our PRC and overseas subsidiaries with the following intra-group cross-border transactions during the Track Record Period (the “**Intra-Group Transactions**”). During the Track Record Period, the Intra-Group Transactions primarily involved the engagement of Shantui Import & Export by our Company to procure construction machinery and/or spare parts from our Company for onward selling to nine overseas subsidiaries located in jurisdictions such as the United States, Russia, Belgium, Saudi Arabia, Dubai, South Africa and Uzbekistan, including Shantui America Corp, Limited Liability Company <<Shantui Rus>>, Shantui Belgium BV, Shantui Middle East Trading Company, Shantui Construction Machinery FZE, Shantui Equipment Southern Africa (PTY) Ltd, for further sales in local markets. The diagram below sets forth the business flow of the Intra-Group Transactions within the Group during the Track Record Period:



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The table below sets forth our amount of the primary Intra-Group Transactions during the Track Record Period:

Type of primary transaction	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Sales of construction machinery and spare parts	561,683	100.0	1,027,473	99.7	1,113,627	98.7
Connected service transactions ⁽¹⁾	—	—	2,714	0.3	14,645	1.3
Total	561,683	100.0	1,030,187	100.0	1,128,273	100.0

(1) Connected service transactions primarily include procurement and provision of product certification, technical services, exhibition support services, after-sales services, etc. within our Group.

We have engaged an independent transfer pricing advisor to review and assess our Group’s transfer pricing arrangements. The transfer pricing advisor reviewed the Intra-Group Transactions, conducted industry analysis or comparability analysis and evaluated whether the price or profit level of the Intra-Group Transactions met the price or profit level required by the arm’s length principle under appropriate transfer pricing methods. The review and analysis conducted by the transfer pricing advisor is mainly based on the OECD Transfer Pricing Guidelines.

Our transfer pricing advisor has determined that the transactional net margin method was the most appropriate transfer pricing method to assess whether the transfer pricing arrangements related to the Intra-Group Transactions were consistent with the arm’s length principle. A range of reasonable profit levels was determined by reference to the profit levels of comparable industry or companies. The transfer pricing advisor has selected operating margin or gross profit margin as the profit level indicator to provide a basis for the analysis of the Intra-Group Transactions.

Based on the above analysis and as advised by the transfer pricing advisor, our Company believes that (i) the weighted average profit level and/or profit level for the respective period of the Intra-Group Transactions conducted by our Group from 2023 to 2025 is generally within the range of the respective arm’s length profit margin; and (ii) there is no material transfer pricing risk identified on the Intra-Group Transactions of our Group during the Track Record Period. See “Risk Factors—Risks Relating to Our Business and Industry—Our transfer pricing arrangements may be subject to scrutiny by relevant tax authorities in the countries and regions where we operate.”

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

We may from time to time be subject to various legal or administrative proceedings arising from the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors—Risks relating to Our Business and Industry—We may from time to time become party to litigation, other legal and contractual disputes, claims and administrative proceedings that may materially and adversely affect our business and reputation.”

During the Track Record Period and up to the Latest Practicable Date, we were not a party to any material legal, arbitral or administrative proceedings, nor were aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could have a material adverse effect on our business, financial condition and results of operations.

Compliance Matters

We are required by PRC social insurance and housing provident fund laws and regulations to make contributions to mandatory social insurance and housing provident funds for our employees. During the Track Record Period, we did not pay social insurance and housing provident fund for only a few employees. As of December 31, 2025, there had been no outstanding contributions for social insurance and housing provident funds, and thus no provision had been made. As of the Latest

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Practicable Date, we had not received any notice from the relevant authority in Chinese Mainland requiring us to pay shortfalls or imposing penalties related to social insurance and housing provident fund contributions. Our PRC Legal Advisor have advised us that the risk of us being fined for failing to make social insurance and the housing provident fund contributions in full amount on time is relatively low. See “Risk Factors—Risks relating to Our Business and Industry—Failure to comply with the PRC regulations regarding labor protection may subject us to fines and other legal or administrative sanctions.” In event that the relevant authorities order us to pay the shortfall in our social insurance and/or housing provident funds or take any rectification measures in accordance with applicable laws and regulations, we undertake to rectify as requested as soon as practicable.

As of the Latest Practicable Date, we had not been properly registered our lease agreements, primarily due to the difficulty of procuring our lessors’ cooperation to register such leases. Pursuant to the applicable laws and regulations in China, property lease agreements for leased buildings must be registered with the relevant real estate authorities. The registration of such leases will require the cooperation of our lessors. We will continue to liaise with the lessors and try to register all the unregistered leases. As advised by our PRC Legal Advisor, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. During the Track Record Period and up to the Latest Practicable Date, we were not required by the relevant local housing administrative authorities to complete the registrations, nor were we penalized or fined by the relevant authorities. In the event that any of our leases expires after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations. Considering the above, we believe that the unregistered leases will not, individually or in the aggregate, have a material impact on our business and results of operations, on the grounds that we were advised by our PRC Legal Advisor that during the Track Record Period and up to the Latest Practicable Date, (i) the likelihood of us being subject to fines by the competent authorities due to unregistered lease agreements is relatively low; (ii) we are entitled to continue using the relevant properties under the respective lease agreements; and (iii) the absence of lease registration does not affect the validity or enforceability of such agreements. See “Risk Factors—Risks relating to Our Business and Industry—We may face regulatory and operational challenges arising from various land- and property-related issues, including defects in building ownership certificates, prolonged land idleness and non-registration of lease contracts in China, which could adversely affect our business operations.”

Based on the foregoing, we are of the view, and the Sole Sponsor concurs, that the above-mentioned incidents relating to social insurance and the housing provident fund contributions and lease registration are not material and/or systemic non-compliances.

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in the jurisdictions in which we operate. We aim to monitor regulatory environments and adopt adequate internal procedures and guidelines to manage our operations to avoid potential non-compliance or misconduct. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could have a material adverse effect on our business, financial condition or results of operations. Our PRC Legal Advisor advised that we have complied with the relevant PRC laws and regulations in all material respects. Our Directors are of the view that we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date.

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AWARDS AND RECOGNITIONS

During the Track Record Period, we received a number of awards and accolades in recognition of our brand and products. The following table sets out major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date:

Year	Award/Recognition	Awarding Institution/Authority
2025	2025 China Top 500 Construction Machinery Enterprises	China Machinery Industry Enterprise Management Association (中國機械工業企業管理協會)
2025	First Prize for Excellent Quality-Assured Team in National Machinery Industry	China Machinery Industry Quality Management Association (中國機械工業質量管理協會), All-China Federation of Machinery, Metallurgical and Building Materials Workers' Unions (中國機械冶金建材工會全國委員會), China Machinery Industry Association for Staff Ideological and Political Work (中國機械工業職工思想政治工作研究會)
2025	Benchmark Quality-Assured Team in Mass Quality Management Activities of National Machinery Industry	China Machinery Industry Quality Management Association (中國機械工業質量管理協會), All-China Federation of Machinery, Metallurgical and Building Materials Workers' Unions (中國機械冶金建材工會全國委員會), China Machinery Industry Association for Staff Ideological and Political Work (中國機械工業職工思想政治工作研究會)
2025	Second Prize of China Machinery Industry Science and Technology Award for the Key Technology and Application of High-End Wear-Resistant Parts for Earthmoving Machinery	China Machinery Industry Federation (中國機械工業聯合會)
2025	China Construction Machinery Annual Product TOP50 – 1250 Excavator	<i>Construction Machinery and Maintenance magazine</i> (《工程機械與維修》雜誌)
2025	Gold Award for New Energy Application Practice – China Construction Machinery Annual Product TOP50 (LE80-X5 Pure Electric Loader)	<i>Construction Machinery and Maintenance magazine</i>
2024	Star Product in Mining Equipment – TOP10 Annual List in Construction Machinery Industry (Shantui SE980LC Excavator)	Construction Machinery Industry Conference and Brand Awards TOP10 Committee (工程機械產業大會暨品牌盛會Top10組委會)
2024	Star Product in Mining Equipment – TOP10 Annual List in Construction Machinery Industry (Shantui DH46-C3 Full Hydraulic Dozer)	Construction Machinery Industry Conference and Brand Awards TOP10 Committee
2024	Star Product in New Energy Equipment – TOP10 Annual List in Construction Machinery Industry (LE60-X5 Pure Electric Loader)	Construction Machinery Industry Conference and Brand Awards TOP10 Committee
2024	Golden Wrench Award for Construction Machinery Service	<i>Craftsman Construction Machinery</i> (《匠客工程機械》) magazine
2024	Best Product Promotion Award – Top 10 Marketing Events in China Construction Machinery	<i>Craftsman Construction Machinery magazine</i>
2024	China Construction Machinery Annual Product TOP50	<i>Construction Machinery and Maintenance magazine</i>
2024	Jury Award – China Construction Machinery Annual Product TOP50 (HZS180-5R Concrete Batching Plant)	<i>Construction Machinery and Maintenance magazine</i>
2024	Gold Award for New Energy Application Practice – China Construction Machinery Annual Product TOP50 (LE69K-3 Pure Electric Loader)	<i>Construction Machinery and Maintenance magazine</i>
2023	Star Product in Construction Machinery – New Energy Equipment (DE26-X2 Dozer)	CMHC 2023 Construction Machinery Industry Conference and Brand Awards Committee (CMHC2023工程機械展業大會暨品牌盛會主委會)
2023	Star Product in Construction Machinery – “Mine King” (L68K-G Loader)	CMHC 2023 Construction Machinery Industry Conference and Brand Awards Committee