OVERVIEW

We are a mining equipment and aerial work platform company with international operations, supported by our R&D centers located in China, Japan and Mexico, as well as our manufacturing facilities in China and Mexico. We are primarily engaged in the R&D, design, manufacturing, sales and service of machinery equipment for mining, aerial work and material handling applications.

We remain focused on our globalization strategy and continue to build robust capabilities to serve customers worldwide. As of the Latest Practicable Date, we had sold our products and solutions in over 100 countries and regions, with a significant presence in key markets such as Asia, Europe, Africa and the Americas. In addition, we provide and continuously enhance integrated service capabilities, comprising spare parts supply, product maintenance, repair, leasing and construction support. We are continuously engaged in the trend of electrification and intelligentization across major and emerging markets worldwide.

Our Products and Solutions

Our products and solutions comprise:

- ***Mining Equipment:*** comprising (i) mining transportation equipment; (ii) mining excavators; and (iii) other auxiliary mining machinery. These products cover the entire mining value chain, including transportation, extraction and auxiliary operations, delivering comprehensive solutions for open-pit scenarios;
- ***Aerial Work Platforms:*** comprising boom lifts and scissor lifts that provide complete equipment solutions for construction, renovation and industrial maintenance projects; and
- ***Material Handling Equipment:*** comprising telescopic handlers and forklifts delivering low-carbon and high-efficiency solutions for industrial logistics and material handling.
- ***Aftermarket Services and Others:*** comprising spare parts supply, product maintenance, repair, leasing and construction support.

Our Electrification and Intelligentization Development

We focus on advancing comprehensive electrification, digitalization and low-carbon transformation of our products and solutions. Our electrification technology development adheres to a platform-based and modular design strategy. We are continuously expanding our presence across the battery, motor and VCU control system value chain, and have independently developed core technologies for our electrification platform. We have established strong capabilities in areas such as 3E+ vehicle control, electric-drive, safety systems, battery systems and vehicle assist systems that comply with industry standard. As of the Latest Practicable Date, we have developed and launched approximately 30 electric products models, covering battery electric and hybrid. Our hybrid solution is not limited to diesel-electric power. We have also developed other hybrid pathway using methanol to generate electricity and support electric drive. The sales volume of our new energy mining transportation equipment grew at a CAGR of 87.1% from 2023 to 2025. According to Frost & Sullivan, we developed China's first hybrid off-highway wide-body dump truck.

We have proactively deployed intelligent technologies and applications. Through multidimensional intelligent architecture, we deliver smart mining solutions, advancing intelligent transition from drive-by-wire systems to single-vehicle intelligence for both mining equipment and aerial work platforms. We have also developed a dedicated vehicle networking platform, enabling real-time monitoring, intelligent dispatch, fault warning and diagnostics, empowering customers with mining fleet management and significantly reducing overall management costs. As of the Latest Practicable Date, our vehicle networking platform had connected over 41,000 mining equipment and nearly 70,000 aerial work platforms, providing customers with stable and efficient platform service support. We have established collaborations with several innovators in new energy mining equipment technology, offering a total of nearly 1,200 mining equipment units equipped with intelligent drive-by-wire chassis across numerous mines and contributing to multiple intelligent mining projects as of December 31, 2025.

COMPETITIVE STRENGTHS

Proprietary R&D Capabilities, Building a Deep Technological Moat

Since our inception, we have consistently invested in technological innovation, which enables us to define the industry with advanced products and platforms in both mining equipment and aerial work platforms. We believe the directions and scope of R&D activities must take into account market demand and customer needs. We have created a global R&D presence with teams in several key countries and regions such as Chinese Mainland, Japan and Mexico to better serve local customers and attract local talents. Leveraging our global R&D resources, we have built a mature and comprehensive global R&D system, comprising eight independent product institutes, one intelligent connectivity institute, one digital simulation institute, two manufacturing technology institutes, one new energy engineering research center and one mining vehicle test center. We also operate an industrial design center certified by the Ministry of Industry and Information Technology, backed by a robust team of top-tier technical experts.

During the Track Record Period, we invested approximately RMB1.1 billion in R&D. As of December 31, 2025, we had 650 patents, including over 120 granted invention patents globally. Our flagship products and technical breakthroughs have received multiple provincial and ministerial awards, including two China Machinery Industry Science and Technology Awards. We actively participate in the establishment of industry standards, having led or contributed to 15 national standards and five group standards.

We have developed a wide range of technologies: (i) for our mining equipment, our 3E+ vehicle control system and multifunctional platform reduce unit costs and improve energy efficiency. Our intelligent safety technologies, such as motor control redundancy, slope assist and automatic safety system engagement, ensure safe operations. Our integrated thermal management system addresses complex system integration, while our water-cooled turbocharger technology enables frequent starts/stops of high-power range extending engines; (ii) for aerial work platforms and material handling equipment, we focus on lightweight compact models, high-quality large equipment, global product development, full product range and electrification to meet diverse international market needs. We also possess technologies, including integrated central drive systems, intelligent safety control, four-wheel automatic centering, regenerative braking, constant line speed control and electric auto-leveling. These significantly improve operational efficiency and promote the electrification of aerial work platforms. See "Business — Our Technology."

Comprehensive Product Portfolio Deeply Tailored to a Wide Range of Application Scenarios, Enabling the Electrification and Intelligentization Transformations

We have been focused on developing a comprehensive product portfolio covering a wide range of mining and aerial work application scenarios. For mining operations, we provide a full suite of equipment covering the entire production chain from mining extraction to transportation, as well as auxiliary machinery such as sprinklers, supporting our customers to achieve efficient and high-quality mining operations. We have further ventured into rock mining equipment and introduced articulated trucks, large-tonnage off-highway mining dump trucks and electric mining excavators, offering one-stop solutions for mining operations. We also offer a comprehensive range of aerial work platforms and material handling equipment tailored for construction, industrial maintenance, and logistics operations. Our product portfolio enables us to continuously expand customer value and advance electrification and intelligentization across the industry.

We have developed multiple new energy technology routes, including battery electric and hybrid power, as well as various charging, battery swapping and ultra-fast charging technologies designed for mining equipment, aerial work platforms and material handling equipment. Our products combine strong power, exceptional safety and full lifecycle cost efficiency, providing customers with more energy-efficient solutions for a variety of working conditions. We have launched self-developed drive-by-wire chassis mining transportation equipment, having collaborated with autonomous driving companies to deliver smart driving solutions for mining customers. Our drive-by-wire chassis mining equipment helps customers reduce safety risks and improves operational efficiency.

Continuously Expanding Global Operations Providing Excellent Customer Services

We are an early mover in the global expansion of China's machinery equipment industry according to Frost & Sullivan. Our journey has progressed from exporting products to building localized operations and running global networks, laying a strong foundation for sustainable growth by staying close to our markets.

Global Sales Footprint

With strong global R&D and product development capabilities, we maintain a highly competitive position in international markets. As of the Latest Practicable Date, we have sold our products and solutions in over 100 countries and regions worldwide. In 2025, our customers covered 60% of the world's top ten rental companies, including a five-year ongoing partnership with the world's largest aerial work platform rental provider. Our mining equipment has been deployed in numerous landmark projects under the Belt and Road Initiative, including the China-Pakistan Economic Corridor and Singapore Airport.

Global Manufacturing Presence

In 2023, we completed construction of a manufacturing facility for aerial work platform in Mexico with a designed capacity of 33,000 units. This site supports end-to-end localization, encompassing local sourcing of core components, modular precision assembly and compliance testing of finished products. It forms a fully integrated production loop from parts to assembly to quality verification. Our strategy centers on localized manufacturing, rapid delivery and responsive service, reinforcing our competitive advantage in global markets.

Global Service Network

Our global service network comprises 16 international sales centers, over 400 service outlets and 16 spare parts warehouses. This infrastructure and our major logistics hubs span key markets such as Asia, Europe, Africa and the Americas. Through our "Excellence in Service" strategy, we deliver comprehensive support throughout our product lifecycle. Our localized service capabilities include deploying on-site professional engineers, building local service teams, establishing service stations and maintaining regional spare parts warehouses. As of the Latest Practicable Date, we have established over 300 overseas service outlets for aerial work platforms and more than 100 for mining equipment, with an on-site failure repair rate exceeding 90% within 48 hours for both product lines. We empower customers with tailored service solutions that promote high-efficiency and low-cost operations.

Intelligent Manufacturing and Global Supply Chain Ecosystem

We have built our widely recognized LGMG brand through exceptional product quality and reliability. We focus on advanced manufacturing technologies and have developed flexible manufacturing capabilities based on lean, standardized and automated processes, ensuring consistent quality.

We have invested heavily in smart factory initiatives to upgrade our manufacturing operations. Our intelligent coating line features a combination of shot blasting, cathodic electrophoresis and powder spraying. Our digital workshops are modular and standardized, designed for minimal process flow, high automation, reduced labor intensity and flexible intelligent production. These facilities have been awarded Shandong Digital Workshops by the Department of Industry and Information Technology of Shandong Province. We have also implemented four photovoltaic power stations, generating 2.2 million kWh annually and reducing carbon emissions by 2,202 tons per year.

We adopt rigorous standards in selecting our suppliers and channel partners and conduct annual evaluations to maintain a reliable global supplier base. We also apply a robust quality control system across the entire product lifecycle and have obtained numerous quality certifications across different jurisdictions. We have been honored with the national "Manufacturing Single Champion" award from the Ministry of Industry and Information Technology and the China Federation of Industrial Economics. Our products have been deployed in major Belt and Road Initiative projects across Mongolia, Pakistan, Kazakhstan, Indonesia, Vietnam, Myanmar, India, Saudi Arabia, and other key mining and infrastructure developments, demonstrating our exceptional product reliability and global brand recognition.

Stable and Experienced Management Team

Our management team members have an average of over 14 years of experience in the machinery equipment industry. This extensive background gives them a strong understanding of the markets and customer needs, ensuring the steady and sustainable development of our business. They have also implemented a fully localized approach to R&D, production, sales, and service in our global expansion, advancing long-term industry development and enhancing the global competitiveness of Chinese enterprises.

We hold efficiency and technological innovation as our core value, and foster a corporate culture rooted in diligence, professionalism, pragmatism and innovation. This culture underpins a highly effective management system, where specialized talent is deployed according to role-specific requirements to enable highly efficient operations. Through a combination of internal development and external recruitment, we continuously strengthen our talent pool across production, technology, marketing and management. We have also established a comprehensive compensation and incentive framework to support talent development and enhance our global operational capabilities.

STRATEGIES

We intend to pursue the following strategies to drive sustainable growth and realize our long-term vision:

Expand Our Product Portfolio to Bring More Value to Our Customers and Solidify Our Brand Image

We remain focused on the mining, aerial work platform and material handling sectors, continuously enhancing our product and solution offerings to create greater value for our customers. We are deepening our presence across downstream application scenarios by expanding our product portfolio to cover the full operational chain from mining and transportation to auxiliary machinery, and broadening our aerial work platform portfolio to cover more use cases. We are also actively entering the forklift and material handling market, leveraging platform-based technologies and customer development capabilities to accelerate business expansion.

Meanwhile, we focus on enhancing our spare parts and service capabilities to deliver a superior full-lifecycle service experience. We will continue to strengthen our aftermarket parts supply system and service infrastructure to provide rapid, end-to-end support from equipment use to maintenance. We aim to solidify our position in the mining and aerial work equipment sectors by increasing investment in global market development and deepening customer relationships across product development, R&D, usage, and aftermarket service, enhancing our global brand influence and market share.

Continue to Invest in Electrification and Intelligentization

We embrace the opportunities presented by the trends of electrification and intelligentization in the global mining and aerial work equipment industry. Through diversified technology deployment, modular platforms and flexible solutions, we address the varied needs of customers across different application scenarios. Our ongoing innovation enhances product safety, reliability, energy efficiency, performance, cost-effectiveness and intelligence. We focus on developing proprietary core technologies that drive technological progress.

Building on our strong foundation in electrification and intelligentization, we are advancing the development of new energy off-highway wide-body dump trucks, hybrid articulated trucks, hybrid and fully electric aerial work platforms, intelligent lifting robots, and multi-energy, multi-scenario telehandlers and forklifts. We will continue to invest in intelligent products and platforms. On the one hand, we plan to further integrate advanced technologies such as AI and 5G to enhance the intelligence of core equipment and lead industry-wide improvements in safety and efficiency. On the other hand, we will expand our intelligent operations and connected platforms to elevate drive-by-wire chassis technologies and mining fleet management, delivering one-stop intelligent solutions to our customers.

Advance Our Globalization Strategy

We plan to expand our global footprint and enlarge our international market share and brand influence through the following initiatives:

- ***Global talent***: Talent is our most valuable asset. We focus on building a multi-tiered talent pipeline and continuously enhancing our operational and management capabilities to support global expansion.
- ***Global product development***: We adopt localized R&D and product development strategies to deliver tailored solutions for customers worldwide, accelerating product penetration across diverse markets.
- ***Global Manufacturing***: We will continue to expand regional manufacturing capabilities and invest in digital factory construction to enhance responsiveness in strategic markets and integrate digital technologies across production planning, management, and quality control.
- ***Global Services***: We plan to expand our global service network, leveraging our existing service presence in 16 countries and advancing a dual-engine strategy of "intelligent service and localized operations."

Ongoing Focus on ESG

We focus on fulfilling our ESG responsibilities to achieve sustainable development. We actively support carbon peaking and neutrality goals through green manufacturing, new energy products and environmentally responsible construction practices. We have developed hybrid products that reduce energy consumption by over 15% and established zero-emission factories, demonstrating our efforts to green transformation.

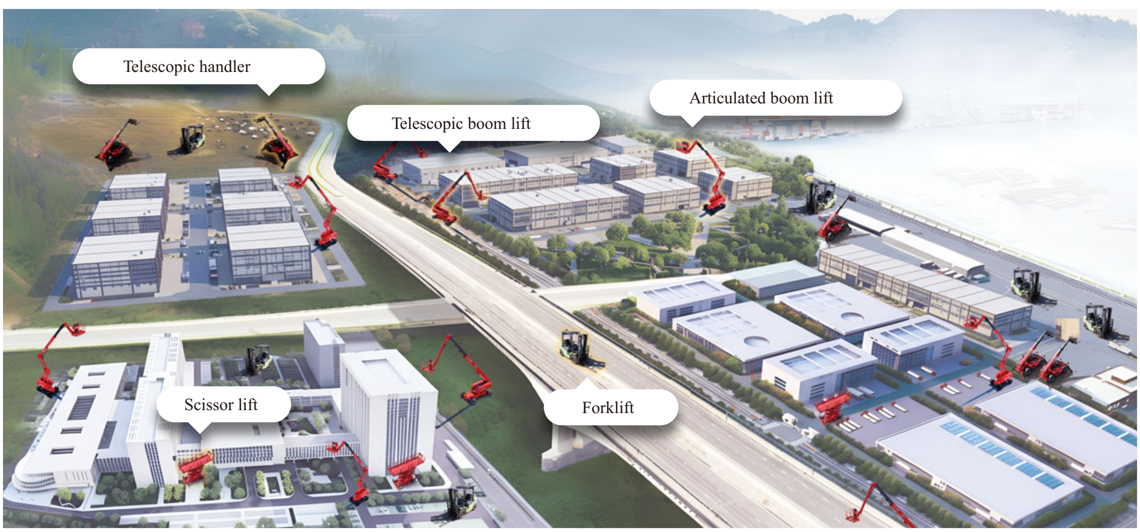
We plan to further integrate ESG practices into our industrial development, including mine site greening and targeted poverty alleviation. We have received the "ESG Clean Energy and Technology Innovation Pioneer of the Year" award, and our European subsidiary was awarded the EcoVadis Silver Medal, placing us in the top 9% globally for sustainability performance.

Going forward, we will continue to adopt high ESG standards to accelerate global sustainable development. We will expand the use of clean electricity in operations, reduce carbon emissions through intelligent equipment and technologies, and collaborate with supply chain partners to promote carbon reduction across the value chain. This includes recycling components and retired equipment, optimizing resource circulation, and using digital tools to monitor energy consumption and emissions, which we believe position us as a benchmark for green industrial development and help realize "dual carbon" goals.

OUR PRODUCTS AND SOLUTIONS

Our product portfolio comprises (i) mining equipment, which comprises (a) mining transportation equipment, which comprises off-highway wide-body dump trucks, mining dump trucks and articulated trucks; (b) mining excavators; and (c) other auxiliary mining machinery, which comprises sprinklers; (ii) aerial work platforms, comprising scissor lifts and boom lifts; (iii) material handling equipment, which comprises telescopic handlers and forklifts; and (iv) aftermarket services and others. For details of our revenue breakdown by product type, please see "Financial Information — Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Segment."

The following pictures demonstrate the application of our major products.



The following table sets forth the revenue breakdown by the energy source of our products in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
	(RMB in thousands, except for percentages)					
Mining equipment						
Battery electric and hybrid[1]	400,894	4.1	979,740	8.1	1,895,184	18.7
Fuel-powered	4,547,181	45.9	6,192,811	51.5	4,107,185	40.4
Subtotal	**4,948,075**	**50.0**	**7,172,551**	**59.6**	**6,002,369**	**59.1**
Aerial work platforms						
Battery electric	3,144,999	31.8	2,635,244	22.0	1,913,285	18.9
Fuel-powered	784,420	7.9	1,157,574	9.6	776,328	7.6
Subtotal	**3,929,419**	**39.7**	**3,792,818**	**31.6**	**2,689,613**	**26.5**
Material handling equipment						
Battery electric	–	–	219	0.0	24,081	0.2
Fuel-powered	140,430	1.4	231,055	1.9	318,667	3.2
Subtotal	**140,430**	**1.4**	**231,274**	**1.9**	**342,748**	**3.4**
Aftermarket service and others[2]	**879,196**	**8.9**	**831,609**	**6.9**	**1,113,355**	**11.0**
Total	**9,897,120**	**100.0**	**12,028,252**	**100.0**	**10,148,085**	**100.0**

Notes:

(1) We have developed new energy mining equipment comprising battery electric and hybrid models. Our hybrid solution refers to diesel-electric power and methanol-electric power.

(2) Aftermarket service and others consist of aftermarket service and spare parts sales.

During the Track Record Period, our revenue from battery electric and hybrid mining equipment was RMB400.9 million, RMB979.7 million, RMB1,895.2 million, respectively. The increase was primarily due to (i) the growing market demand driven by (a) the increasing market penetration of new energy mining transportation equipment; (b) the cost efficiency of our battery electric and hybrid models, as they significantly reduce energy consumption and marginal operating costs, resulting in lower incremental costs for customers over the equipment's lifecycle; and (ii) the higher average selling price of new energy mining equipment as compared to fuel-powered mining equipment. For details of our product price range, please see "Business — Our Products and Solutions — Mining Equipment." According to Frost & Sullivan, new energy models have become the prevailing choice in the aerial work platforms industry in China since 2022. Our revenue from battery electric aerial work platforms decreased from RMB3,145.0 million in 2023 to RMB2,635.2 million in 2024, and further decreased to RMB1,913.3 million in 2025, primarily due to intensified market competition and reduced procurement activities across the entire aerial work platforms industry in China. For the market size of aerial work platforms industry in China, See "Industry Overview — Overview of Global Aerial Work Platform Market."

The following table sets forth the revenue breakdown by geographical region in absolute amounts and as percentages of our revenue from the sales of engineering machinery for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Chinese Mainland	6,709,558	67.8	7,629,713	63.4	4,938,619	48.7
Overseas	3,187,562	32.2	4,398,539	36.6	5,209,466	51.3
Asia (ex-Chinese Mainland)[1]	993,120	10.0	1,658,685	13.8	1,664,620	16.4
Europe[2]	1,165,154	11.8	1,667,590	13.8	1,037,620	10.2
Africa[3]	478,348	4.8	463,759	3.9	1,257,986	12.4
the Americas[4]	470,062	4.8	432,371	3.6	1,073,294	10.6
Oceania[5]	80,878	0.8	176,134	1.5	175,946	1.7
Total	**9,897,120**	**100.0**	**12,028,252**	**100.0**	**10,148,085**	**100.0**

Notes:

(1) Our sales to Asia (ex-Chinese Mainland) include, among others, sales to Indonesia, Vietnam and Hong Kong.

(2) Our sales to Europe include, among others, sales to Russia, Spain and United Kingdom.

(3) Our sales to Africa, include, among others, sales to the Republic of the Congo, South Africa and Zambia.

(4) Our sales to the Americas include, among others, sales to the United States, Mexico and Canada.

(5) Our sales to Oceania include, among others, sales to Australia.

Key Operating Data

The following table sets forth the sales volume and average selling price (ASP) by product types for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Sales volume	ASP	Sales volume	ASP	Sales volume	ASP
	(unit)	(RMB'000)	(unit)	(RMB'000)	(unit)	(RMB'000)
Mining equipment	6,210	797	7,745	926	5,179	1,159
Aerial work platforms	35,029	112	24,002	158	16,780	160
Material handling equipment	302	465	515	449	856	400
Total	**41,541**	**238**	**32,262**	**373**	**22,815**	**445**

The average selling price of our mining equipment was RMB797 thousand, RMB926 thousand and RMB1,159 thousand in 2023, 2024 and 2025. Such increase was primarily due to (i) the higher proportion of sales from overseas markets such as Indonesia and Brazil; and (ii) the launch and sales of new energy and large-sized equipment with higher prices. The sales volume of our mining equipment increased from 6,210 units in 2023 to 7,745 units in 2024, primarily due to an increase in market demand driven by (i) the commencement of new mining sites in provinces such as Inner Mongolia and Shanxi; and (ii) our continuous expansion of overseas sales network through establishing new overseas sales channels, particularly the business and local team expansion of our established local subsidiaries, as well as our local distributorship arrangements, particularly in Indonesia and Brazil. In particular, the percentage of our overseas revenue increased from 32.2% in 2023 to 36.6% in 2024. The sales volume of our mining equipment decreased to 5,179 units in 2025, mainly driven by reduced downstream demand from the coal mining sector as a result of the declining coal prices in China. For details of the impact of coal prices, see "Industry Overview — Cost Analysis."

The average selling price of our aerial work platforms was RMB112 thousand, RMB158 thousand and RMB160 thousand in 2023, 2024 and 2025. The increase was primarily due to the higher sales proportion of boom lifts and large-sized aerial work platforms with higher prices and the increased overseas sales. The sales volume of our aerial work platforms decreased from 35,029 units in 2023 to 24,002 units in 2024 and further to 16,780 units in 2025, primarily due to a (i) decrease in sales of scissor lifts driven by shifts in customers' preference from scissor lifts into boom lifts; (ii) intensified market competition and reduced procurement activities across the industry in China, against a backdrop of an overall contraction in market size of approximately 7.7% during the same period; (iii) our domestic customers' procurement plan adjustment by major domestic rental companies, following several years of large-scale expansion and market saturation; and (iv) our decision not to engage in aggressive price competition to maintain our product quality. For details of market competition, see "Industry Overview — Overview of Global Aerial Work Platform Market."

The average selling price of our material handling equipment was RMB465 thousand, RMB449 thousand and RMB400 thousand in 2023, 2024 and 2025. The decrease was primarily due to the higher proportion of sales of low-priced telescopic handlers and forklifts. According to Frost & Sullivan, the declining average selling price of material handling equipment is common within the industry due to the growing demand for entry-level and low-priced equipment, driven by downstream adoption of logistics automation, which typically requires only entry-level material handling equipment to replace manual handling methods. The sales volume of our material handling equipment increased from 302 units in 2023 to 515 units in 2024, primarily because we established new sales channels and invested more resources in the promotion and sales of our material handling equipment. The sales volume of our material handling equipment increased from 515 units in 2024 to 856 units in 2025, primarily due to (i) our expansion into more overseas markets such as the Americas and Europe in 2025; and (ii) the launch of newer models of our telescopic handlers and forklifts.

The average selling price of our different product types mainly depends on the complexity of their technologies and manufacturing processes, as well as raw materials costs. For example, aerial work platforms are relatively easier to manufacture due to simpler design structures and lower raw material costs. Coupled with intensified industry competition, all of these factors result in lower selling prices. The utilization rate of our different products mainly fluctuates with the market demand of different products and will not be affected by the fluctuation in average selling price across different products. For further details, please see "— Manufacturing — Manufacturing Facilities."

Mining Equipment

During the Track Record Period, the mining equipment that we manufactured and sold consisted of (i) mining transportation equipment, comprising diesel-powered off-highway wide-body dump trucks, new energy off-highway wide-body dump trucks, mining dump trucks and articulated trucks; (ii) mining excavators; and (iii) other auxiliary mining machinery, which comprises sprinklers. Our other auxiliary mining machinery provides essential support for mining site operations, including road water spraying, dust suppression, firefighting and industrial water delivery. Our other auxiliary mining machinery can be combined with the trucks to deliver comprehensive and integrated mining solutions tailored to diverse customer needs.

Mining Transportation Equipment

Off-highway Wide-body Dump Trucks

Widely used in mining operations, large-scale infrastructure projects and port logistics, off-highway wide-body dump trucks are our flagship products. Before the widespread adoption of off-highway wide-body dump trucks, the primary haulage solutions in mining were heavy-duty trucks and mining dump trucks. While heavy-duty trucks are cost-effective and suitable for highway conditions, they underperform in mining environments due to safety and durability limitations. Mining dump trucks, though designed for rough terrain, come with high payload capacities while typically high-priced, making them economically impractical for small to mid-sized mines.

The introduction of off-highway wide-body dump trucks, which integrate the core technologies of heavy-duty trucks and engineering machinery into a systematically engineered design, effectively addressed these industry pain points. Our off-highway wide-body dump trucks comprises two types, namely, diesel-powered and new energy.

Case Study:

By adopting a holistic approach rather than partial modifications, our off-highway wide-body dump trucks address industry pain points such as the limitations of engineering machinery in ride comfort and driveline reliability, as well as the insufficient structural strength and durability of heavy-duty trucks in off-road, high-load scenarios. This integrated solution has been custom-designed and deployed at the Pakistan's Thar Coal Mine Power Generation Project, specifically tailored to its extreme operating conditions of high temperatures, heavy dust, high corrosion and intense off-road loading. For example, we redesigned the engine cooling and air-conditioning systems based on a 45°C desert operating environment, resulting in a 28.6% improvement in cooling and air-conditioning performance. We introduced a desert-specific air filtration system, which increased the main filter's effective filtration efficiency by 10% to 15% and extended its service life by two to three times. We also applied an enhanced anti-corrosion coating system, raising overall corrosion resistance by more than 116% compared with industry standards. In addition, we built a high-strength, large-section frame and combined it with customized transmission, axle and suspension system. These improvements increased the trucks' average first failure mileage by approximately 77%, while significantly reducing maintenance frequency and enhancing overall reliability.

Diesel-powered Off-highway Wide-body Dump Trucks

During the Track Record Period, we primarily manufactured and sold two series of diesel-powered off-highway wide-body dump trucks, comprising over 15 models. During the Track Record Period, the price range of our diesel-powered off-highway wide-body dump trucks was generally between RMB650 thousand and RMB1,600 thousand. The following table sets forth the details of our diesel-powered off-highway wide-body dump trucks:

Series	MT Series (Wide right-mounted/left-mounted cab)	CMT (Center-mounted cab)
Key Features	• Featuring full-hydraulic steering, reducing steering effort by 70% compared with mechanical steering. • Front suspension incorporating leaf springs, rubber limiting blocks, and torque rods in the front, as well as maintenance-free trunnion shaft and transverse torque rod in the rear, for enhanced reliability. • Fitted with dual-chamber fuel tank, low fuel consumption power curve, specialized drive axle and optimized propeller shaft angle for durable drivetrain performance.	• Built upon the MT Series, featuring a newly self-designed central cab with four-point suspension and air suspension seat for enhanced comfort. • Tailored for overseas mid-to-high-end customers, satisfying demands for exceptional performance.
Application Scenario	Open-pit mining operations, including gravel extraction, mixed soil-rock environments, large-scale quarries, surface coal mines and metal mines	
Representative models	MT126H	CMT96A
Specifications	Axle Configuration: 6x4 Power System: Diesel Power: 566 kW Payload 90 tons Container Volume: 56.5m^3 (stacked load)	Axle Configuration: 6x6 Power System: Diesel Power: 562 kW Payload 50 tons Container Volume: 39m^3 (stacked load)
Illustration		

New Energy Off-highway Wide-body Dump Trucks

We have developed a range of new energy off-highway wide-body dump trucks, featuring both battery electric and hybrid models. For comparable transportation conditions, our hybrid off-highway wide-body dump trucks use over 15% less energy than traditional diesel-powered off-highway wide-body dump trucks.

Our battery electric off-highway wide-body dump trucks utilize high-power traction batteries and a drive system specifically designed for mining operations. This solution not only meets transportation capacity requirements, but also offers a green alternative with operational cost benefits. Nevertheless, the battery electric off-highway wide-body dump trucks have limited range and require high-power charging or battery-swapping infrastructure, which may not be suitable for all operators. Therefore, in 2020, we developed a hybrid solution that combines electric and diesel power, namely the hybrid off-highway wide-body dump truck. Our hybrid off-highway wide-body dump trucks use an onboard internal combustion engine (ICE) to power the high-power traction batteries, ensuring the ICE operates at optimal energy conversion efficiency regardless of the vehicle's operating conditions. This achieves the best balance between performance and energy efficiency. Our hybrid solution is not limited to diesel-electric power. We have also developed other hybrid pathway using methanol to generate electricity and support electric drive. During the Track Record Period, the price range of our new energy off-highway wide-body dump trucks was generally between RMB1,120 thousand and RMB2,170 thousand.

The following table sets forth the details of our new energy off-highway wide-body dump trucks:

Product Type	MTE (battery electric model)	MTH (hybrid model)
Key Features	• Safety with 3S technology standards, structurally reinforced lithium-ion battery boxes, HAC hill-start assist and redundant braking. • High reliability with LGMG 5-in-1 controller, reinforced frame, mining-dedicated 3AMT transmission, and over 10-year key component life. • High energy efficiency featuring high-efficiency motor, high-power charging system, and 3E+ vehicle control system. • Energy recovered from going down on a 7% grade slope with a heavy load allows charging 1 time for 3 days of operation, and energy recovered from going down on a 9% grade slope with a heavy load enables the vehicle to be a "perpetual motion machine".	• Self-developed high-power range-extended hybrid powertrain with traditional AT transmission changed, offering higher reliability and reducing acquisition and operating costs. • 3E+ vehicle control system delivering over 20% overall energy savings with customized energy consumption strategies. • Mining-dedicated high-reliability chassis with large-section frame.
Application Scenario	Medium-to-large scale open-pit mining operations of various types	
Representative models	MTE116H	MTH126 (N)
Specifications	Axle Configuration: 6x4 Power System: Electric Power: Plug-in charging/ultra-fast charging Battery Capacity: 704 kWh Drive: 500 kW Container Volume: $48m^3$ (stacked load)	Axle Configuration: 6x4 Power System: Hybrid Power: 305 kW range-extended hybrid system Battery Capacity: 117 kWh/176 kWh Drive: 500 kW Container Volume: $47m^3$ (flat load)
Illustration		

Mining Dump Trucks and Articulated Trucks

Our mining dump truck features a full-vehicle hydro-pneumatic suspension system with enhanced terrain adaptability. It is equipped with a rigid welded frame and a high-torque drivetrain, further improving its performance and reliability when operating on complex terrain with a full load. Supported by a range of new structures and technologies, our mining dump truck offers a higher payload capacity, with significant potential for future capacity increase.

We have also integrated our new energy technologies, including a proprietary battery, motor, and VCU control system for efficient energy conversion and recovery, and an advanced thermal management system, achieving over 15% energy savings as compared to fuel-powered mining dump trucks. During the Track Record Period, the price range of our mining dump trucks was generally between RMB1,710 thousand and RMB2,870 thousand.

Our articulated trucks are equipped with a high-strength, welded, split-frame chassis. The front and rear sections are connected by an articulation hitch, allowing for flexible rotation and pivoting between the two sections. This design offers outstanding off-road and maneuvering capability. Additionally, the truck is fitted with a 6×6 all-wheel-drive system, maximizing driving performance in harsh operating conditions. Our articulated truck is specifically designed for mining operations in regions with challenging weather and terrain, where roads are often muddy, slippery and rough. During the Track Record Period, the price range of our articulated trucks was generally between RMB1,980 thousand and RMB3,200 thousand.

The following table sets forth the details of our mining dump trucks and articulated trucks:

Product Type	RTH	RTE	UT	AT
Key Features	• Higher payload and curb weight. • Hydraulic hoist system featuring two hoist cylinders for faster and more efficient dumping. • Full hydro-pneumatic balanced suspension system for excellent terrain adaptability. • Rigid welded frame with high safety factor for superior safety and reliability on rough terrain.		• With drive-by-wire steering and braking, integrated sensors and a VECU control system. • Features six core technologies: precision steering, integrated electro-hydraulic valves with embedded displacement sensors, image recognition, multi-sensor fusion, remote control and high-accuracy navigation.	• Equipped with a high-strength, welded, split-frame chassis, and realizing the flexible rotation and pivoting between front and rear sections through articulation hitch. • Fitted with a 6x6 all-wheel-drive system, featuring outstanding off-road and maneuvering capability.
Application Scenario	Medium-to-large scale open-pit mining operations of various types			Hauling in soft, uneven and muddy terrains in mining operations
Representative models	RTH136 (Export model: RTH100)	RTE136	UTE136	AT40
Specifications	Axle Configuration: 6x4 Power System: Hybrid Power: 305 kW range-extended hybrid system Battery Capacity: 117 kWh/207 kWh Drive: 500 kW/620 kW Container Volume: 61m^3 (stacked load)	Axle Configuration: 6x4 Power System: Electric Power: Plug-in charging/battery swap/ultra-fast charging Battery Capacity: 801 kWh/872 kWh/1,056 kWh Drive: 620 kW Container Volume: 65m^3 (stacked load)	Axle Configuration: 6x4 Power System: Electric Power: Plug-in charging/ultra-fast charging Battery Capacity: 872 kWh Drive: 620 kW Container Volume: 66m^3 (stacked load)	Axle Configuration: 6x6 Power System: Diesel Power: 562 kW Rated Load: 40 tons Container Volume: 24m^3 (stacked load)
Illustration				

Mining Excavators

Our mining excavators offer significantly higher operating weight and bucket capacity compared to traditional excavators. While conventional excavators are designed for urban construction, our specialized models are built for rugged mining environments. With an operating weight of over 100 tons, our mining excavators are capable of handling heavy-duty mining operations. During the Track Record Period, the price range of our mining excavators was generally between RMB2,880 thousand and RMB7,000 thousand.

The following table sets forth the details of our mining excavators:

Product Type	**Mining excavators**
Key Features	• High-power engine matched with positive-flow hydraulic system, higher loading efficiency and lower fuel consumption. • Boom and stick cylinders with cylinder pipe burst safety valves and regeneration valves for energy recovery and more safety. • Fully electronic positive flow and open hydraulic systems with coordinated proportional control for precise operation; V-ECU for real-time monitoring and fault diagnosis. • Independent open-loop swing system and intelligent flow merging enable quick and smooth combined operation. • Proportional control cooling system with fan reverse-blowing function for quick radiator cleaning and stable performance.
Application Scenario	Mineral extraction and haulage
Representative model	ME136
Specifications	Operating Weight: 126 tons Bucket Digging Force: 644 kN Arm Digging Force: 570 kN Engine power: 567 kW Bucket capacity: 7.5m^3
Illustration	

Other Auxiliary Mining Machinery

During the Track Record Period, we also manufactured and sold other auxiliary mining machinery, which comprises sprinklers. Auxiliary mining machinery is engineered through modifications based on our off-highway wide-body dump trucks, integrating components such as water tanks, piping, pneumatic, hydraulic and electrical systems. Auxiliary mining equipment is designed for critical mining site operations, including road water spraying, dust suppression, firefighting and industrial water delivery. Through complementing primary transport and excavation machinery, it enables a fully integrated and efficient mining operations solution.

To better manage after-sales operating and administrative costs, customers increasingly prefer to procure a complete package of off-highway wide-body dump trucks, mining excavators, and auxiliary mining machinery from a single integrated equipment supplier. As a result, our comprehensive mining solution has gained broad market recognition by effectively addressing this demand. During the Track Record Period, the price range of our other auxiliary mining machinery was generally between RMB410 thousand and RMB1,232 thousand.

The following table sets forth the details of other auxiliary mining machinery:

Product Type	Sprinkler
Application Scenario	Mine site water spraying
Representative model	MS50 (H)
Key Features and Specifications	Axle Configuration: 6x4 Power System: Diesel Power: 338 kW Loading Capacity: 46 m^3
Illustration	

Aerial Work Platforms

Aerial work platforms are specialized equipment designed for elevated operations in construction, installation, maintenance and cleaning. They can safely elevate personnel, tools and materials to designated heights while ensuring worker safety. During the Track Record Period, we primarily manufactured scissor lifts and boom lifts, offering flexibility in lifting mechanisms and propulsion systems to accommodate diverse operational scenarios.

Our aerial work platforms feature dual power options, including combustion engine and electric motor drives. The combustion engine models deliver robust power performance and are suitable for heavy-load and outdoor industrial applications when equipped with hydraulic generators. The electric models feature battery-powered drives with zero emissions and low noise, offering environmentally friendly solutions preferred for indoor environments. Our aerial work platforms serve as modern alternatives to traditional access equipment such as suspended baskets and scaffolding, significantly enhancing both safety and efficiency for elevated operations. Their applications span across construction, steel structure installation, decoration, building facade cleaning, large-scale equipment manufacturing and maintenance, municipal infrastructure upkeep, landscaping projects as well as commercial properties, airports and transportation hubs.

Scissor Lifts

Our scissor lifts deliver outstanding stability and load-bearing capacity, with models available for both indoor and outdoor applications depending on size specifications. Within their maximum working height, they support full-height self-propelled travel to enhance on-site productivity and are equipped with comprehensive safety features to ensure secure and convenient operation. The scissor assemblies adopt an optimized frame design that balances rigidity with flexibility, while a proportional-valve controlled lifting system delivers smooth, precise and comfortable motion. An integrated fault diagnostics system further boosts operational reliability and serviceability, enhancing overall machine efficiency, and high component commonality across the product line helps reduce maintenance costs.

In addition to standard scissor lifts, we offer rough-terrain scissor lifts designed for challenging environments. This model features a four-wheel-drive power system and an oscillating front-axle suspension to deliver smooth, stable travel over uneven ground. They are equipped with dual extension platforms to effectively expand the working envelope, and with integrated load sensors that further enhance safety by monitoring platform loading in real time. During the Track Record Period, the price range of our scissor lifts was generally between RMB29 thousand and RMB930 thousand.

The following table sets forth the details of our scissor lifts:

Series	Scissor lift	Rough-terrain scissor lift	Vertical mast lift
Application Scenarios . . .	Maintenance, decoration and construction tasks in standard working environments	Maintenance, decoration and construction operations in challenging ground conditions and complex work environments	Indoor and outdoor elevated tasks in confined space
Representative models . . .	S0607-2	SR1623D-2	M0810JE
Key Features and Specifications	Max Working Height: 7.8 m Load Capacity: 230 kg Power: Battery-powered Drive: Hydraulic Features: – Pothole protection – Proportional lift control – Gravity descent with safety alarm – Extendable platform	Max Working Height: 18 m Load Capacity: 680 kg Power: Engine-powered Drive: Hydraulic Features: – One-touch leveling outriggers – Dual-direction extending platform – Overload alarm, proportional lift control – Gravity descent with safety alarm	Max Working Height: 10 m Load Capacity: 200 kg Power: Brushless AC motor (maintenance-free) Features: – Maximum horizontal outreach: 3.2 m – Zero tail-swing for transportation in confined spaces – Smart touchscreen control
Illustration			

Boom Lifts

Our articulated boom lifts support full-height self-propelled travel and incorporate multiple safety systems for convenient and safe operation. They adopt a zero tail-swing and compact design, making them ideal for confined worksites, and utilize an open-center hydraulic system integrated with motor control to enable precise compound movements. A high-accuracy single-point weighing system helps minimize in-service faults. Operator safety is further enhanced by a platform anti-entrapment device that halts the machine when an entrapment risk is detected. During the Track Record Period, the price range of our boom lifts was generally between RMB156 thousand and RMB1,045 thousand.

Our telescopic boom lifts support full-height self-propelled travel and include comprehensive safety systems. They offer three steering modes including front-wheel, crab and zero-radius for precise maneuvering in confined spaces, and are equipped with an axle-integrated four-wheel-drive system that promotes smooth and stable driveline performance. The booms employ gravity lowering with electro-proportional speed control to reduce energy consumption, while electro-proportional actuation tuned for optimal compound movements enhances operational smoothness and operator comfort. Full-time oscillating axles further improve traction and travel safety on uneven terrain. The following table sets forth the details of our boom lifts:

Series	Telescopic boom lift	Articulated boom lift
Application Scenario	Outdoor elevated operations including installation, cleaning and equipment maintenance across both standard and demanding work conditions	
Representative models	T38JE-2	AR32J-2
Key Features and Specifications	Max Working Height: 40.2 m Max Horizontal Outreach: 22.3 m Load Capacity: 300 kg/450 kg (dual) Power: Lithium-ion battery, permanent magnet motor Drive: Wheel-edge transmission (4WD + 4WS) Features: – Platform: 2.44x0.9 m – Full-cycle 5° tilt alarm – X-type chassis with extendable axles – Remote program upgrade & fault self-check	Max Working Height: 34.2 m Max Horizontal Outreach: 20.43 m Load Capacity: 260 kg/350 kg (dual) Power: Diesel engine Drive: Wheel-edge transmission (4WD + 4WS) Features: – Platform: 2.44x0.9 m – Full-cycle 5° tilt alarm – X-type chassis with extendable axles – Remote program upgrade & fault self-check
Illustration		

Material Handling Equipment

Telescopic Handler

Our telescopic handlers are commonly used for transporting large warehouse items with primary applications in high-altitude material handling, loading and unloading operations as well as pallet stacking. During the Track Record Period, the price range of our telescopic handlers was generally between RMB251 thousand and RMB1,071 thousand. The following table sets forth the details of telescopic handlers:

Product Type	Telescopic handler	
Application Scenario	– Industrial/construction applications including the scooping, transportation, loading and lifting of industrial materials and equipment – Agricultural applications including the handling of bulk materials – Mining applications including supporting pit operations and aerial work	
Representative models	H1840	HA735
Key Features and Specifications	Max Working Height: 17.6 m Load Capacity: 4,000 kg Power: Engine-powered Lift System: Hydraulic Features: – Overload protection – Active leveling (±9°)	Max Working Height: 6.9 m Load Capacity: 3,500 kg Power: Engine-powered Transmission: Hydrodynamic Lift System: Hydraulic Features: – Overload protection – Rear axle free swing (±5°)
Illustration		

Forklifts

Our forklift product line covers a wide range of applications from construction, mining and agriculture to ports, steel mills and lumber operations. We offer two principal categories, namely the rough terrain forklifts and electric forklifts, both engineered to deliver reliable performance, operator safety and low total cost of ownership. During the Track Record Period, the price range of our folklifts was generally between RMB4 thousand and RMB275 thousand.

Our rough terrain forklifts are ideal solutions for diverse scenarios, including construction, mining and agriculture. These forklifts perform exceptionally well on muddy and uneven terrain, with all models featuring four-wheel drive, limited-slip differentials, high-efficiency transmissions and oscillating axles to ensure optimal performance and precise maneuverability in challenging conditions. We have designed and produced X-series electric counterbalanced forklifts with high-end performance. We sourced components from top international brands for the X Series, which enhances its added value, performance and functionality. All forklifts in our X series feature a wheel-side dual-drive architecture, synchronized steering, large-angle steering axle and excellent cornering stability, with enhanced responsiveness, ergonomic design, and automatic parking for improved operator comfort and efficiency.

The following table sets forth the details of our forklifts:

Product Type	Rough terrain forklifts	Electric counterbalanced forklifts
Application Scenario	Outdoor cargo handling and stacking	Port, wharf, steel mill, indoor, heavy duty
Representative models	F25	X7BC235
Key Features and Specifications	Load Capacity: 2,500 kg Load Center: 500 mm Wheelbase: 1,900 mm Minimum Ground Clearance: 300 mm Maximum Travel Speed: 24 km/h	Gradeability: 20% Speed: 20 km/h Lift Speed (with/without load): 400/560 mm/s Turning Radius: 2,132 mm
Illustration		

Aftermarket Services and Others

We provide comprehensive and continuously improving integrated service capabilities, covering parts supply, product maintenance, repair, leasing and construction support. The parts we supply include wear-and-tear parts, structural components, hydraulic components, engine components and electrical components. During the Track Record Period, the price range of parts supply generally ranged from RMB0.05 to RMB1,140.5 thousand, depending on the type and specifications of the parts. The low-priced parts comprise washers, screws and decals, whereas high-priced parts comprise battery system assemblies, engine assemblies and transmissions. We also lease our products to customers under a time-based rental model, with rental fees generally charged on daily or monthly basis. Such leasing services allow customers to gain operational experience with our products. During the Track Record Period, the price range of our lease services generally ranged from RMB50 to RMB1,000 per unit per day, which varied depending on factors such as working height, tonnage and the regions where the equipment was leased. For our construction support services, we provide maintenance and repair services tailored to mining and other project sites, with the objective of ensuring the continuous and efficient operation of equipment throughout the project lifecycle. Under this model, service fees are generally charged based on equipment output, such as stripping volume and transported tonnage. Our customers include mining and extraction enterprises and construction enterprises. Leveraging our industry expertise, comprehensive product portfolio and digital service capabilities, we support customers throughout the entire lifecycle from equipment operation to maintenance, empowering their success through our Lingong brand.

We have established a robust localized service and spare parts system. Our initiatives include stationing professional service engineers on-site, recruiting local service teams, developing regional service centers and deploying local spare parts warehouses. As of the Latest Practicable Date, we have established over 300 overseas service outlets for aerial work platforms and more than 100 for mining equipment, with an on-site failure repair rate exceeding 90% within 48 hours for both product lines.

OUR TECHNOLOGY

Our robust technological capabilities form the backbone of our diverse product portfolio. Through years of dedicated R&D, we have developed a range of core proprietary technologies that serve as the foundation for our innovative products. The following table sets forth our key proprietary technologies relating to mechanical engineering and their applications on our products:

Technology Type	Key Technology	Description
Mining Equipment		
Electric Control System	3E+ Vehicle Control System	• Self-developed vehicle control algorithm • Modular, standardized electrification • Domestic hardware-software control technology
	Intelligent Safety Technologies	• Multi-redundant safety • Anti-rollback automatic control • High-voltage fault tolerance
	Mining Transportation Equipment Traveling System Diagnostics	• Anti-stall speed control • Slope prevention with pre-control current • Smooth parking brake transition
Electric Motor System	New Energy Off-highway Vehicle Powertrain Modeling	• Proprietary vehicle modeling and simulation algorithms • Component-to-system level performance + simulation • Optimized power transmission efficiency
	Range-Extending System Core Technology	• Water-cooled turbocharger for frequent start-stop • Integrated electronic thermostat thermal management • Recognized as internationally advanced in 2024
Thermal Management	Integrated Multi-Unit Thermal Management Technology	• Intelligent dual-valve thermal management • Variable-speed compressor integration • Recognized as internationally advanced
Battery Technology	Off-highway New Energy Battery Integration	• Specialized battery mounting/damping structures • Thermal management system design • Charging/discharge control strategies • Energy management system integration
Chassis Technology	Integrated Frame & Full Pneumatic-Hydraulic Chassis for Mining Transportation Equipment	• Input-shaft parking brake design • Dual-joint bearing lift mechanism • Automated fault detection and emergency steering • Smart lubrication system • Smooth power transmission integration

Technology Type	Key Technology	Description
Aerial Work Platforms		
System Interrogation Technology	Electro-Hydraulic Coordinated Boom Motion Optimization	• Unified hydraulic system design reduces components • Synchronized boom extension eliminates one cylinder • Smart motion control via length/angle sensors • Remote valve diagnostics capability
	Four-wheel Full-time Oscillating/Auto-Centering & Box Chassis Technology	• Lightweight yet rigid chassis design • Configurable four-wheel steering modes (front/all/crab) • Automatic wheel centering function • Centralized component layout for stability/serviceability • Continuous oscillating enhances traction and safety
Control System	X-Chassis Synchronous Extension & Four-Wheel Steering	• X-configuration extension with synchronized control • Multi-mode steering for diverse mobility needs • Automatic wheel centering
	Intelligent Boom Control under Complex Conditions	• Stable boom control under complex conditions • ±0.5° automatic amplitude leveling, international standard • Advanced algorithms for smooth, precise extension
Simulation Technology	Self-Propelled Aerial Platform Stability Calculation, Simulation & Structural Implementation	• Develops stability calculation methods under dual loads per testing standards • Creates dynamic simulation models using 3D data to output pressure parameters • Implements dual torque limitation systems • Monitors stability via redundant sensors (pressure/angle/weight) • Analyzes critical steering and braking parameters
Material Handing Equipment		
Control System	Self-developed Smart Safety Control System	• Variable power mode select, dual drive motors • Operator presence sensing system (OPS) • Fork one-touch auto-leveling • Load weight display

OUR RESEARCH AND DEVELOPMENT

We believe that research and innovation are critical to our long-term competitiveness and have invested significant resources in R&D to continually refine our technologies, enhancing the performance, adaptability and reliability of our products. As of December 31, 2025, we had 650 patents globally. We also led and participated in the formulation of 15 national standards.

Our R&D Team and System

Our R&D team is the cornerstone of our R&D capabilities. As of December 31, 2025, we had established a global R&D presence with three R&D centres located in Chinese Mainland, Japan and Mexico, enabling us to better serve local customers and attract local talent. Our R&D team comprised 576 R&D specialists globally as of December 31, 2025, representing 18.6% of our total employees. As of December 31, 2025, our R&D specialists include over 163 researchers with PhD or master's degrees and professionals graduating from top-tier domestic and international universities, specializing in disciplines such as modular design, autonomous operation, digital integration, IoT, renewable systems, production line strategy, powertrain systems and hydraulic innovation. Leveraging our global R&D resources, we have built a mature and comprehensive R&D system, comprising eight independent product institutes, one intelligent connectivity institute, one digital simulation institute, two manufacturing technology institutes, one new energy engineering research center and one mining vehicle test center. In addition, we operate an industrial design center certified by the Ministry of Industry and Information Technology, boasting a robust team of numerous top-tier technical experts.

Our R&D Focus

Our R&D efforts are strategically structured around 24 specialized technical disciplines with each discipline managed by a dedicated team under the oversight of our internal expert committee. Organizationally, our R&D is driven by (i) multiple specialized institutes, including those dedicated to mining equipment, aerial work platforms and material handling equipment; and (ii) specialized research centers for new energy applications, intelligent networks and digital simulation. We have also established collaborations with renowned science and development institutions in Shandong to further strengthen our R&D capabilities. In line with our broader strategy, we continue to invest in electrification and intelligentization, integrating advanced technologies into our product development to address evolving industry trends and customer needs. See "Future Plans and Use of [**REDACTED**]".

MANUFACTURING

Our manufacturing process is designed to uphold high quality standards while maintaining the flexibility to accelerate manufacturing to meet customer demand in a timely manner. Our manufacturing capabilities and quality control measures enable us to ensure the high performance and reliability of our products.

To meet the diverse needs of our customers, we primarily follow an order-driven approach while simultaneously maintaining buffer production to ensure an adequate level of stock across all of our products. Under the order-driven model, our production schedules are determined by the number of customer orders. With orders for standard products, our sales department releases production demand, which is then executed by our manufacturing team. For orders that require customization, our R&D department develops tailored solutions and custom modules before sending the complete bill of materials to our manufacturing team for production. We are able to offer a degree of customization across multiple dimensions for different product types based on customer demand, including (i) critical components, such as the engine, transmission, battery, motor, axles and body, work platform and charging module tailored by brand, model and specifications; (ii) environmental adaptability to conditions such as extreme cold and high altitudes; (iii) regulatory compliance through specialized configurations based on local regulations; (iv) customized optional add-on modules such as monitoring systems, tires and seats; and (v) exterior personalization. Our buffer production involves maintaining adequate stock level for our products based on our historical annual or monthly sales data, market trend analysis and customer demand forecasts. We dynamically adjust our inventory above such stock level to ensure product availability.

Manufacturing Facilities

We have established manufacturing facilities in strategic domestic and overseas locations to better serve our major regional markets and target customers. The major machinery used in our production, such as (i) cutting, welding and machining equipment; and (ii) coating, painting, material handling, assembly and lifting or hoisting systems, is installed within our manufacturing facilities. As of December 31, 2025, we had a total of three manufacturing facilities: two domestic manufacturing facilities located in Jinan, primarily producing mining equipment, aerial work platforms and material handling equipment, and one international manufacturing facility located in Mexico, primarily producing aerial work platforms.

The following table sets forth the production capacity, production volume and utilization rate by product line during the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Production capacity(1)	Production volume(2)	Utilization rate(3)	Production capacity(1)	Production volume(2)	Utilization rate(3)	Production capacity(1)	Production volume(2)	Utilization rate(3)
Mining Equipment	7,500	6,339	84.5	8,750	7,915	90.5	6,125	5,817	95.0
Aerial work platforms	53,000	37,775	71.3	51,390	24,354	47.4	34,750	16,247	46.8
Material Handling Equipment	–	–	–	10,000	803	8.0	10,000	816	8.2
Total	**60,500**	**44,114**	**72.9**	**70,140**	**33,072**	**47.2**	**50,875**	**22,880**	**45.0**

Notes:

(1) Production capacity is calculated by multiplying the daily output per production line, assuming eight hours of production per day, by 250 working days per year.

(2) The actual production volume of the period represents the total quantity of products produced during that period.

(3) Utilization rate for a certain period equals the production volume in that period divided by the production capacity in the same period.

The relatively low utilization rate of aerial work platforms in 2024 and 2025 was primarily due to initial commencement of production at our manufacturing facility in Mexico, which was because (i) our operational efficiency is temporarily affected by the differences of local regulatory framework and commercial practices. For example, we need more time to adapt to local regulatory and business environments, including routine administrative procedures, such as coordination and approval cycles relating to local electricity and energy supply arrangements, and business communication and negotiation practice; (ii) we need more time to establish stable localized supply chain to meet Mexico-origin requirement during the initial stage of operations; and (iii) the production volume was relatively low because the market preference shifted toward different product models, such as from conventional scissor lifts to compact scissor lifts, and we accordingly adjusted our production plans and volumes.

As of the Latest Practicable Date, our order backlog had a total contract value of RMB1,329.6 million, which is expected to be recognized by December 31, 2026.

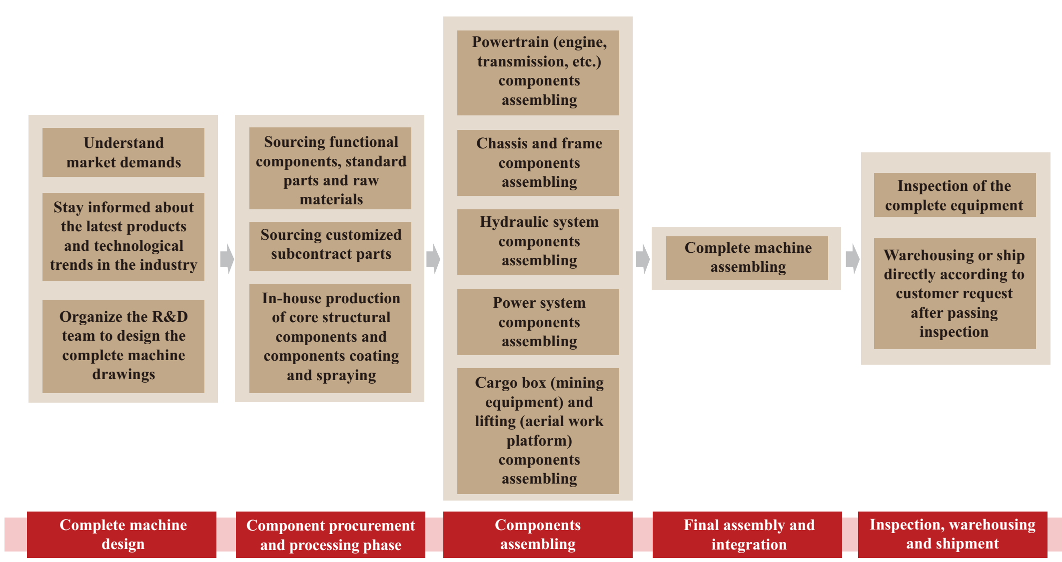
We anticipate sustainable growth in market demand in the coming years. According to Frost & Sullivan, the market size of global new energy mining equipment market is expected to grow from RMB30.9 billion in 2024 to RMB145.6 billion in 2030, reflecting a CAGR of 29.3% during the forecast period. The global aerial work platform market size increased at a CAGR of 17.5% during 2020 to 2025, and is expected to expand to RMB202.6 billion by 2030, corresponding to a CAGR of 7.6%. In addition, forklifts constitute the largest and most value-intensive product category of material handling equipment, accounting for 88.8% of global MHE market value in 2024. The penetration rate of electric forklifts increased from 51.6% in 2020 to 76.6% in 2024 and is expected to reach 90.2% by 2030.

We plan to enhance and upgrade our production capabilities primarily for high-end mining equipment, forklifts and aerial work platforms, as our existing production lines cannot fully meet the market demand as described above. The construction, expansion and upgrade of our production lines are intended to support the production of new models and address evolving market demand, thereby increasing production volume and sales volume, which in turn improves utilization rates. See "Future Plans and Use of Proceeds". We believe our strategy is well-aligned with the anticipated demand for our products, considering that (i) we are continuously developing new product models, which cannot be accommodated by existing production bases and lines; (ii) according to Frost & Sullivan, forklifts, particularly new energy forklifts, have long-term growth potential and require additional production capacity to meet future demand; and (iii) our aerial work platform production lines require intelligent upgrades to enable the manufacture of new product models, thereby supporting future demand and improving utilization rate, rather than expanding production capacity. Our existing production lines cannot be adapted to new models such as large-tonnage forklifts, narrow-body aerial work platforms and high-meter aerial work platforms with significantly different configurations, due to differences in equipment layout, process design, quality control requirements and material management systems. For example, narrow-body aerial work platforms are specifically designed for confined indoor environments and narrow access scenarios, typically with an overall width of no more than 0.81 meters. These products are increasingly used in commercial buildings, hospitals, schools, warehouses, data centers, underground facilities and indoor renovation projects. In addition, these existing production lines cannot support mixed-line production. The upgrade of production lines enable us to consolidate underutilized lines to enable flexible production of multiple product types.

Manufacturing and Assembly Process

The manufacturing and assembly of our mining equipment and aerial work platforms involve (i) machinery design; (ii) component procurement and production; (iii) sub-assembly; (iv) final assembly; and (v) testing and warehousing. We employ standard manufacturing practices and processes for our production lines, allowing us to leverage our current facilities to expand our product offering spectrum.

The following flowchart summarizes the five key stages, as well as the major steps in each stage of our manufacturing and assembly process:



Machine Design. Our R&D and design teams develop comprehensive product designs based on market insights from our sales department and emerging industry technologies. The design process encompasses exterior styling, powertrain configuration, load capacity specifications, hydraulic systems, control systems and safety mechanisms, all of which define critical operational parameters and performance benchmarks of our mining equipment and aerial work platforms.

Component Procurement and Production. We source components through three primary methods: standard functional parts, custom-made components and in-house manufactured structural elements. We typically procure standard functional parts directly from suppliers and conduct sampling inspections before storing them for final assembly. For customized components, we typically provide detailed technical drawings and specifications to qualified suppliers, who then source materials and perform initial processing, after which we inspect, coat and prepare the customized components for installation. We typically produce core structural components in-house with the raw materials that we procure from suppliers.

Sub-Assembly. Once components pass our quality inspection, we assemble them into functional modules according to the master design schematics. To streamline final assembly, we typically sub-assemble chassis, operator cabins, powertrains, hydraulic systems and electrical components for our mining equipment, and base frames, lifting mechanisms and control systems for our aerial platforms.

Final Assembly. We integrate all sub-assemblies onto the main frame for mining equipment or chassis for aerial platforms, with simultaneous installation and calibration of software and control systems to complete production.

Testing and Warehousing. Our finished products undergo rigorous safety checks and performance validation. Once certified, they are transferred to inventory as market-ready products.

Digitalized Manufacturing

At the heart of our digitalized manufacturing capabilities is our digitalized manufacturing facilities, which drive our operational efficiency through comprehensive digital transformation across the entire production process, encompassing supply chain, manufacturing and logistics. We have established four interconnected systems, including (i) our logistics system for the handling of bulk items, components and finished goods; (ii) our process control system for modularized process design, implementation and output optimization; (iii) our quality assurance system for production, post-delivery market feedback and traceable issue resolution; and (iv) our material flow system for end-to-end tracking of the materials we use in manufacturing from generation to deployment.

As of December 31, 2025, our assembly processes had achieved an automation rate of 5% to 10%, as measured by the proportion of automated assembly time to total assembly time and our logistics operation had achieved an automation rate of approximately 60.0%, as measured by the proportion of automated delivery lines to the total number of BOM material lines. Our welding processes have achieved an automation rate of 90%, as measured by the ratio of automated welding length to total weld seam length.

QUALITY CONTROL

We have established a full set of quality control standards and methods for compliance with requirements of the industry. We have obtained a series of quality system certifications, such as ISO14001, ISO45001 and ISO9001. We have also obtained quality certifications from the countries and regions to which we sell our products, such as ANSI, CE, AS, KCS, CSA and EAC, ensuring that our products comply with international standards. We have also tailored quality control standards for each product line, covering all stages from R&D through production, to ensure that our material procurement, product manufacturing and final product inspection are in compliance with all applicable quality requirements. We have also established a dedicated quality control department to oversee our quality management process.

During the Track Record Period and up to the Latest Practicable Date: (i) we did not encounter any instance of major administrative penalties and were not involved in any major litigation arising from product quality issues that would materially and adversely affect our business operation and financial performance; and (ii) we have not been required to carry out any mandatory product recalls, nor have we received any material requests for product returns from customers.

Warranty

Our warranty period varies based on product type and local regulatory requirements. During this warranty period, customers may request our technicians to replace or repair defective components at no cost. We carry out the necessary repairs in accordance with our warranty obligations after our technicians inspect the product and confirm that the issue falls within the warranty coverage. Our warranty policy is applicable to all products sold worldwide.

In particular, for our mining equipment, the warranty period typically includes: (i) a warranty for the entire equipment that ends upon the earlier of nine months or 45,000 kilometers for domestic customers; (ii) a warranty that ends upon the earlier of 12 months or 6,000 operating hours for overseas customers; and (iii) warranties for certain equipment, such as (a) a warranty for certain types of mining dump trucks that ends upon the earlier of 18 months or 75,000 kilometers for domestic customers, (b) for mining excavators, a warranty for the entire equipment that ends upon the earlier of 24 months or 7,000 operating hours. For our aerial work platforms, the warranty period typically includes a three-year warranty for the entire equipment. For our material handling equipment, the warranty period typically includes (i) a two-year warranty for the entire telescopic handler for domestic customers; (ii) a warranty for the entire telescopic handler that ends upon the earlier of two years or 3,000 operating hours for overseas customers; and (iii) a warranty for the entire forklift that ends upon the earlier of 12 to 14 months or 2,000 operating hours. For key components of our mining equipment, aerial work platforms and material handling equipment, we offer a warranty period ranging from three to 60 months.

We offer customers a responsive quality assurance system. We process quality-related returns very carefully by maintaining close communications with customers to achieve satisfactory outcomes. When handling customer complaints, our customer service team first documents all case details and promptly escalates issues to the relevant technical departments. The assigned teams then directly engage with the complaining customers to develop tailored solutions, with follow-up verification conducted by our customer service team. Throughout this process, we track resolution progress through closure, applying performance metrics to ensure accountability for any unresolved cases. During the Track Record Period and up to the Latest Practicable Date, we have not received any material customer complaints.

OUR CUSTOMERS

Our Customers

Our customers comprise mining and extraction enterprises, engineering machinery leasing companies, construction enterprises, logistics and warehousing enterprises and infrastructure contractors. We primarily sell our products through direct sales and distributorship both in Chinese Mainland and overseas.

The following tables set forth the basic information of our five largest customers in each year during the Track Record Period:

Year ended December 31, 2023

Customers	Major products/ services sold	Amount	% of total revenue	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status	Type of Customer
		(RMB'000)							*distributor or end-customer;*
Customer A[(1)]	Aerial work platforms	914,247	9.2	2019	Six months	Bank transfer	Chinese Mainland	SSE Listed	End-customer
Customer B[(2)]	Mining transportation equipment and mining excavators	825,895	8.3	2021	0 to 30 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
Customer C[(3)]	Aerial work platforms	818,607	8.3	2023	None	Bank transfer	Chinese Mainland	Not Listed	End-customer
Customer D[(4)]	Mining transportation equipment and mining excavators	605,465	6.2	2016	0 to 21 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
Customer E[(5)]	Mining transportation equipment and mining excavators	317,211	3.2	2021	15 to 18 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	End-customer
	Total	**3,481,425**	**35.2**						

Year ended December 31, 2024

Customers	Major products/ services sold	Amount	% of total revenue	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status	Type of Customer
		(RMB'000)							*distributor or end-customer*
Customer F[(6)]	Aerial work platforms, mining transportation equipment and mining excavators	1,647,863	13.7	2020	Three months	Bank transfer, acceptance bill	Chinese Mainland	HKEX Listed	End-customer
Customer B[(2)]	Mining transportation equipment, mining excavators	1,186,542	9.9	2021	0 to 30 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
Customer G[(7)]	Mining transportation equipment	638,551	5.3	2024	0 to 18 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
Customer H[(8)]	Mining equipment, aerial work platforms and spare parts	444,858	3.7	2019	24 months	Bank transfer	Indonesia	Not Listed	Distributor
Customer I[(9)]	Mining transportation equipment, mining excavators	386,373	3.2	2018	0-17 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
	Total	**4,304,187**	**35.8**						

Year ended December 31, 2025

Customers	Major products/ services sold	Amount	% of total revenue	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status	Type of Customer
		(RMB'000)							*distributor or end-customer;*
Customer B[(2)]	Mining transportation equipment, mining excavators	820,638	8.1	2021	0 to 30 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	Distributor
Customer J[(10)]	Aerial work platforms	402,513	4.0	2020	6 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	End-customer
Customer H[(8)]	Mining equipment and spare parts	317,819	3.1	2019	48 months	Bank transfer	Indonesia	Not Listed	Distributor
Customer D[(4)]	Mining transportation equipment and mining excavators	262,994	2.6	2016	0 to 21 months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed	End-customer
Customer K[(11)]	Mining equipment	258,515	2.5	2025	12 to 24 months	Bank transfer	Democratic Republic of the Congo	Not Listed	Distributor
	Total	**2,062,479**	**20.3**						

Notes:

(1) Customer A is a listed PRC company primarily engaged in the leasing and sales of construction safety support equipment. As of December 31, 2025, Customer A had a registered capital of RMB1,948.9 million.

(2) Customer B is a private PRC company primarily engaged in the leasing of engineering machinery and equipment, and sales of mining and engineering machinery. As of December 31, 2025, Customer B had a registered capital of RMB10.0 million.

(3) Customer C is a private PRC company primarily engaged in the financing and leasing services for high-end equipment manufacturing and machinery enterprises. As of December 31, 2025, Customer C had a registered capital of RMB10,000.0 million.

(4) Customer D is a private PRC company primarily engaged in the leasing, sales of engineering machinery equipment and spare parts, as well as the engineering and earthwork construction. As of December 31, 2025, Customer D had a registered capital of RMB100.0 million.

(5) Customer E is is a private PRC company primarily engaged in the sales of engineering machinery equipment and spare parts. As of December 31, 2025, Customer E had a registered capital of RMB10.0 million.

(6) Customer F is a listed PRC company primarily engaged in equipment operation services, neo-excavation support systems and operation services. As of December 31, 2025, Customer F had a registered capital of RMB5,550.0 million.

(7) Customer G is a private PRC company primarily engaged in the sale of mining machinery, engineering machinery equipment, specialized machinery and mechanical parts. As of December 31, 2025, Customer G had a registered capital of RMB10.0 million.

(8) Customer H is a a private company in Indonesia, primarily engaged in the sales and services of mining machinery equipment. As of December 31, 2025, Customer H had a registered capital of IDR50,000.0 million.

(9) Customer I is a private PRC company primarily engaged in the leasing and sales of machinery equipment, including engineering and mining machinery. As of December 31, 2025, Customer I had a registered capital of RMB10.0 million.

(10) Customer J is a private PRC company primarily engaged in the leasing and sales of machinery equipment. As of December 31, 2025, Customer J had a registered capital of RMB1,800.0 million.

(11) Customer K is a private company in the Democratic Republic of the Congo, primarily engaged in the sales and services of mining equipment. As of December 31, 2025, Customer K had a registered capital of CDF2.0 million.

During the Track Record Period, none of our five largest customers in each year during the Track Record Period was also our supplier. To the best of our knowledge, none of our Directors, their respective close associates or any of our shareholders (who, to the knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

SALES AND MARKETING

We sell our products primarily through direct sales and distributorships both in Chinese Mainland and overseas. We undertake a comprehensive evaluation when deciding whether to adopt a direct sales or distribution model, considering factors such as (i) the maturity and coverage of the local distribution channels; (ii) whether our end users explicitly require direct business engagement with us; and (iii) the extent to which our end users need customized products, solutions or services. We are dedicated to enhancing the service quality of our sales personnel and distributors to improve customer experience. By actively managing our sales network, we effectively penetrate global markets and capture sales opportunities.

The following table sets forth the breakdown of our revenue generated through direct sales and sales to distributors under each product line in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Direct Sales						
Mining equipment	1,923,457	19.4	3,107,345	25.8	3,331,220	32.8
Aerial work platforms	3,269,952	33.0	3,223,027	26.8	2,458,280	24.2
Material handling equipment	68,822	0.7	148,061	1.2	193,521	1.9
Aftermarket service and others[1]	520,385	5.3	465,691	3.9	849,151	8.4
Subtotal	**5,782,616**	**58.4**	**6,944,124**	**57.7**	**6,832,172**	**67.3**
Distribution						
Mining equipment	3,024,618	30.6	4,065,206	33.8	2,671,149	26.3
Aerial work platforms	659,467	6.7	569,791	4.8	231,333	2.3
Material handling equipment	71,608	0.7	83,213	0.7	149,227	1.5
Aftermarket service and others[1]	358,811	3.6	365,918	3.0	264,204	2.6
Subtotal	**4,114,504**	**41.6**	**5,084,128**	**42.3**	**3,315,913**	**32.7**
Total	**9,897,120**	**100.0**	**12,028,252**	**100.0**	**10,148,085**	**100.0**

Note:

(1) Aftermarket service and others consist of aftermarket service and spare parts sales.

Direct Sales

Our direct sales provide our end customers with convenient and customized services, including live presentations of our products by our sales employees. Our direct sales customers consist of equipment rental companies, construction contractors with project-specific needs and mine owners or operators. We have assembled an experienced sales and marketing team. As of December 31, 2025, we had over 800 sales and marketing employees globally. We have also established subsidiaries across key markets such as Asia, Europe, Africa and the Americas. The geographic distribution of our sales team and subsidiaries allows us to effectively cover diverse regions and customer categories while proactively identifying market opportunities. Our sales and marketing team is well-versed in the professional knowledge pertinent to our products, enabling it to effectively communicate the value of our technologies and the performance of our products.

We generally enter into direct sales agreements with our direct sales customers, the salient terms of which are set out below:

- *Specification.* We typically specify the name, model, quantity and price of the products we sell in the sales agreements.
- *Price management.* Pricing is determined based on individual negotiations taking into account prevailing market prices, cost of the products, competition and cooperation history.
- *Payment.* We typically specify the payment method in the agreement, including full payment, installment payment or financing payment. See "— Sales and Marketing — Payment" in this section for more details. We will also specify the payment term and amounts in the agreement.
- *Delivery.* We typically deliver our products to a customer's designated address. Transportation costs are typically determined through negotiation and may be borne by either the customer or us.
- *Risk Transfer.* Risk is typically transferred to our customers upon their acceptance of a product. For our overseas customers, the time of risk transfer depends on the specific Incoterms used.
- *Warranty.* The warranty period for our products varies by product type and model. See "— Quality Control — Warranty" in this section for more details.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material breach of sales agreements with our customers.

Distribution

During the Track Record Period, we engaged distributors offline for our domestic and overseas sales. Our distribution network grants us established access to a wide range of customers, enhances our responsiveness to shifting demand, diversifies our customer base and strengthens our capacity to penetrate local markets swiftly.

Distributor Selection

When selecting new distributors, we typically take into consideration (i) the potential demand and market capacity within their regions; (ii) their existing sales channels; (iii) their demonstrated service and technical support capabilities; (iv) their industry background and financial stability; and (v) their compliance with applicable laws and regulations.

Distributor Management

The maintenance and management of distribution networks is critical to us. Our sales personnel regularly visit our distributors, offering support and advice and discussing their sales performance to understand their specific needs and our end users' feedback, thereby enhancing our distributor management and maintaining good relationships with them. As of December 31, 2025, we were working with 126 distributors and did not rely on any single or a few distributors. We conduct periodic assessments of distributors' performance and their business operations. For those that do not meet our requirement and business development for a long time, we will terminate the cooperation.

Our distribution partners may independently develop secondary channels when they find it hard to directly cover the rural markets in their authorized areas by themselves. We do not engage with sub-distribution channels, participate in their operations or interfere their inventory management. We do not require our distribution partners to seek our approval for the establishment and management of these secondary channels, and our distribution partners are typically responsible for managing their secondary channels, including providing essential operational support, except our distributors are obligated to ensure their engagement of sub-distributors do not result in their breach of contract provisions regarding designated distribution area. Consequently, we have no control over the sub-distributors.

According to Frost & Sullivan, it is common for engineering machinery equipment enterprises to not directly manage sub-distributors.

To support and enhance product sales through our distributor network, we may from time to time offer sales rebates to distributors. Such incentives are generally influenced by various factors, including prevailing market conditions, seasonal demand, competitive landscape and the characteristics of the products involved. During the Track Record Period, the sales rebates offered were RMB112.9 million, RMB108.0 million and RMB44.4 million, respectively.

To maintain a sustainable distribution network and prevent channel stuffing and cannibalization among our distributors, we have implemented a series of measures grounded in clear contractual agreements and proactive oversight, which are set forth as below:

- Our distributors are required to operate within well-defined authorized territories as stipulated in our distribution agreements, ensuring they conduct business exclusively within their designated regions. Where multiple distributors operate in the same region, we will determine by "first-entry" principle. Cross-territory sales are permitted only with prior approval and must follow the market practices of the destination territory. Unauthorized cross-territory sales constitute a material breach and may result in penalties or termination of cooperation.
- We have enhanced distributor training and management programs to foster standardized practices while offering targeted market support to distributors. For instance, we periodically provide training sessions for distributors.
- We have internally strengthened our governance and risk control frameworks, improving transparency through stricter oversight of the distribution process.
- We actively monitor market activity, leveraging data analytics and whistleblower reports to swiftly identify and address anti-competitive behaviors, ensuring fair play across all regions.

In terms of our distributors' inventory management, we generally respect their autonomy in determining order quantities based on actual market demand and have no control over their inventory level or unsold inventory. Although we refrain from interfering in their inventory management or day-to-day operations, we believe that the risks of inventory backlog from our distributors are low, primarily because: (i) our products are large in size and require substantial storage space, making it not suitable for bulk stocking; (ii) given the high unit prices of our products, large-scale inventory stock by distributors require substantial upfront capital and place significant pressure on their liquidity and working capital management. As a result, our distributors generally lack the capacity or incentive to maintain excess inventory and they typically procure based on actual demand or prudent forecasts; (iii) distributors' orders are often customized to meet specific end-customer requirements or regional operating conditions, making it impracticable to overstock; and (iv) we generally do not accept product returns from distributors, except in cases where we deliver products that were not ordered or were shipped incorrectly, or there are any material quality issues with the products. During the Track Record Period, the total amounts of products returned to us were RMB5.3 million, nil and nil, respectively, accounting for 0.1%, nil and nil of our total revenue during the same years.

In light of the foregoing, we believe that our sales reflect actual demand from our end customers, thereby minimizing the risk of channel stuffing and cannibalization within the distribution network.

Number of Distributors and Movement

The following table sets out the number of our distributors by geographical region for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	88	92	106
– Chinese Mainland	61	58	63
– Overseas	27	34	43
Number of distributors newly engaged[(1)]	28	41	48
– Chinese Mainland	17	25	22
– Overseas	11	16	26
Number of distributors terminated[(2)]	24	27	28
– Chinese Mainland	20	20	12
– Overseas	4	7	16
Net increase/(decrease) in the number of distributors	4	14	20
– Chinese Mainland	(3)	5	10
– Overseas	7	9	10
Number at the end of the year	**92**	**106**	**126**
– Chinese Mainland	58	63	73
– Overseas	34	43	53

Notes:

(1) Newly engaged distributors refer to those with whom we did not have sales in the previous year and had sales during the relevant years.

(2) Terminated distributors refer to those with whom we had sales in the previous year but did not have sales during the relevant years.

The number of our distributors increased constantly from 2023 to 2025, primarily due to our overall business expansions especially overseas. The number of distributors terminated increased during the Track Record Period, primarily because (i) we continued to establish our overseas sales network and reduced our reliance on distributors; and (ii) we refined our distribution network to phase out certain underperforming distributors. During the Track Record Period and up to the Latest Practicable Date, there were no disagreements or disputes between us and the terminated distributors that would have a material impact on our business. We had nil, one and two non-independent distributors in 2023, 2024 and 2025, respectively. In 2024, the non-independent distributor was Anhui Linwo Intelligent Technology Co., Ltd. (安徽臨沃智能科技有限公司). In 2025, the non-independent distributors were Anhui Linwo Intelligent Technology Co., Ltd. and Sichuan Linwo Construction Machinery Co., Ltd. (四川臨沃工程機械有限公司). They are our fellow subsidiaries. See Note 47 of the Accountants' Report in Appendix I to this Document. Revenue from the non-independent distributors was nil, RMB0.2 million and RMB0.4 million in 2023, 2024 and 2025, respectively, accounting for approximately nil, 0.0% and 0.0% of our total revenue during the same years, respectively. The fluctuations were primarily because our non-independent distributor purchased more spare parts from us in 2025 to support its sales need.

Our Directors confirm that our transactions with these distributors were conducted at arm's length. The transaction terms with such distributors are consistent with those applicable to Independent Third Party distributors, given that (i) we adopt the same contractual templates and apply identical pricing, payment, credit, and distributor management policies to both non-independent distributors and Independent Third Party distributors; and (ii) we conduct negotiation with both non-independent and Independent Third Party distributors on a comparable basis, taking into consideration our best interest and commercial factors instead of relationships or connections.

Salient Terms with Distributors

We typically enter into standard distribution agreements with our domestic and overseas distributors, the salient terms of which are set out below:

- *Term.* The term of the distribution agreements is typically one year.
- *Designated distribution area.* We typically assign geographic distribution regions for each distributor for their sales operations. Any material breach may result in penalties or termination of cooperation.
- *Price management.* Pricing is based on an agreement at the time of contract signing or the applicable commercial policies. We also provide suggested retail price which is not mandatory and allow distributors to offer discounts. Any material anti-competitive behavior or pricing may result in penalties or termination of cooperation.
- *Payment and credit term.* For our domestic distributors, we typically provide a one-year monthly installment arrangement. For our overseas distributors, we typically provide six to 48 months of credit term. For the payment method, we accept payments via bank transfer and acceptance bill, offering our distributors flexibility in their choice of payment methods. For overseas distributors, we also accept letters of credit as payment method.
- *Logistics.* We typically engage logistics companies to deliver our products to the addresses designated by distributors.
- *Warranty.* We undertake that all products supplied by our Group meet relevant national quality standards. We offer a warranty period of between six to 60 months for our complete products, and a warranty period of between three to 60 months for key components. Our distributors typically provide warranty coverage to their end customers on substantially the same warranty terms and coverage standards as those provided by us to the distributor. We only assume warranty obligations to our distributors and our end customers are required to submit warranty requirements to our distributors. Upon receipt of such requirements, the distributors may either handle the warranty services themselves or, pursuant to the relevant arrangements between the distributors and us, forward the requirements to us for repair or replacement in accordance with the agreed terms.
- *Return policy.* Our distributors are entitled to return products if we deliver products that were not ordered or were shipped incorrectly, or there are any material quality issues with the products.
- *Termination.* The agreement may be terminated upon expiration, by mutual consent of the parties, failure of our distributors to meet sales targets or in accordance with the provisions specified therein.

Apart from the payment and credit terms, there are no other material differences in the principal terms of the agreements with domestic and overseas distributors. We believe that our standard distribution agreements enable us to sufficiently incentivize distributors to actively market and sell our products and provide us with sufficient control over the distribution network. We generally set sales targets, which are not mandatory. We consider these benchmarks as one of the factors in evaluating distributor performance. Consistent failure to meet the performance indicators may result in termination of the distribution agreement. We did not rely on any single distributor or a small number of distributors during the Track Record Period.

Marketing Activities

We are dedicated to strengthening our brand reputation through a diverse range of marketing initiatives that highlight our diversified product portfolio. Recognizing that premium products and well-optimized marketing channels complement each other, we view both as essential for sustained brand growth and for attracting high-value potential customers. To this end, our marketing and promotional strategies are agile and responsive, emphasizing active communication and collaboration with a wide array of industry partners. Our online marketing efforts primarily focus on our official website and social media platforms. For offline marketing, we primarily participate in and host industry exhibitions, roadshows and summits both domestically and internationally, whether independently organized, jointly held with distributors or through invited engagements.

Pricing

We offer competitive pricing by constantly refining our cost structure, embracing more efficient technical solutions and fully leveraging the strengths of our supply chain. Our pricing is strategically designed to balance multiple critical factors, including the level of economic development and the competitive landscape of the regions where we sell our products, the types of sales channels, our brand recognition and our production costs, among others. We conduct a comprehensive semi-annual review to proactively assess and adjust the pricing of our products, ensuring their alignment with evolving market conditions while maintaining sustainable profitability.

For direct sales customers, we typically initiate price negotiations based on their requirements, market benchmarks, the customer's specific circumstances and order volume. For our distributors, we typically employ a multifaceted pricing evaluation method that considers product specifications, competitive landscapes, comparisons with existing similar products, our cost structures and current market conditions.

Our prices vary across domestic and overseas markets as we take into consideration local pricing trends. To mitigate the impact of upstream price fluctuations while maintaining fair pricing for downstream customers, we strategically adjust our product portfolio offering cost-effective variants as entry-level choices while enhancing premium offerings with value-added features and higher margins. For aerial work platforms sold in certain regions, we transform cost pressures by extending our complimentary warranty coverage from one to three years, thereby fostering loyalty and generating sustained service-based revenue. For our product maintenance, repair, leasing and construction support services, pricing is typically determined based on the product weight or volume, transportation distance, stripping volume and the service hours.

Payment

We offer a variety of payment options to our customers based on their needs and our credit assessment of their credit history. During the Track Record Period, the payment options that we accepted primarily included:

Standard Settlement. Under standard settlement, our customers either make full payment within an agreed timeframe or remit an upfront deposit prior to our shipment of products with the remaining balance payable within a specified period. Some of our customers finance their payment through banks and other financing companies. According to Frost & Sullivan, such arrangements are common within the industry.

Installment. Installment involves executing a Product Sales Contract between our customers whereby the customers pay an initial down payment and settle the remaining balance in monthly installments, typically over a period not exceeding 12 months.

Finance Lease Arrangements. Finance lease arrangements encompass both direct lease and sale-leaseback options. Under the direct lease arrangement, a finance lease company purchases specified equipment from us at a customer's request, obtaining ownership before leasing the assets to the customer. Under the sale-leaseback arrangement, a customer purchases products from us, then sell them to a leasing company while retaining usage rights through lease agreements.

Finance lease arrangements

In 2023, 2024 and 2025, our revenue derived from the finance lease arrangements was RMB2,068.0 million, RMB2,289.3 million and RMB1,865.7 million, respectively, which accounted for 20.9%, 19.0% and 18.4% of our total revenue, respectively, in the same years.

We adopt finance lease arrangements for sales of products to our customers who are willing to purchase but require financing options. Under such arrangements, we, as the seller, sell products to (i) the customers under a sale-leaseback arrangement, or (ii) the finance lease companies under a direct lease arrangement, where the finance lease companies act as the lessor and lease the products to the customers. The finance lease companies involved in such arrangements comprised independent third-party finance lease companies and Chentai Finance Lease, a subsidiary of Lingong Group. During the Track Record Period, the number of independent finance lease companies was three, eight and six, respectively. For details of the transaction flow, please see "— Payment — Finance lease arrangements — Direct Lease" and "— Payment — Finance lease arrangements — Sale-leaseback." Either we or Lingong Group provides repurchase guarantees to finance lease companies under finance lease arrangements. Where we act as the guarantor, we provide such repurchase guarantees at no additional consideration. Under such arrangements, we, as a guarantor, are obliged to repay the outstanding balances to the finance lease company or repurchase the product upon material default by the customer. We entered into finance lease cooperation agreements with Lingong Group (together with its subsidiary). Pursuant to the agreement, Lingong Group agreed to undertake the repurchase guarantees to the finance lease companies in respect of our customers' payment obligations under the finance lease arrangements, and we paid finance lease management fees attributable to the risk compensation for providing repurchase guarantee in return. Under such arrangements where Lingong Group provides the repurchase guarantee, we do not undertake any repurchase guarantee obligation under the relevant finance lease arrangement. For details of the principal terms of such arrangement, see "Connected Transactions — Non-Exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirement — 5. Guarantee under the Finance Lease and Procurement of Finance Lease Management Services."

The following table sets forth the parties involved in the finance lease arrangements, together with their respective roles and principal responsibilities:

Parties		**Direct Lease**	**Sale-leaseback**
Product Seller (Our Company) . .	Roles	Seller	Seller
	Rights	Receive payments for the sale of products	Receive payments for the sale of products
	Obligations	Deliver the leased assets to the customer	Deliver the leased assets to the customer
Customers	Roles	Lessee of the leased assets	1. Buyer (purchase the leased assets from our Company) 2. Lessee (sell the leased assets to the finance lease company and lease back)
	Rights	Use and maintain the equipment	Use and maintain the equipment
	Obligations	Lease payment to the finance lease company	Lease payment to the finance lease company

Parties		Direct Lease	Sale-leaseback
Finance Lease Company (Third-party/Chentai Finance Lease) . .	Roles	1. Buyer (purchase the leased assets from our Company) 2. Lessor (lease the leased assets to the customer)	1. Buyer (purchase the leased assets from the customer) 2. Lessor (lease the leased assets to the customer)
	Rights	1. Maintain the ownership of the leased asset until the customer has fully repaid all debts under the lease agreement 2. Receive lease payments from the customer	
	Obligations	Provide finance lease	
Guarantor (Lingong Group/Our Company)	Roles	Guarantor of repurchase guarantees	
	Rights	Lingong Group receives finance lease management fees attributable to the risk compensation for providing repurchase guarantee from our Company	
	Obligations	Provide the repurchase guarantee	

The following table sets forth a breakdown of finance lease provided to customers by Lingong Group (through Chentai Finance Lease) and independent third-party finance lease companies, and a further breakdown of the related repurchase guarantees provided by Lingong Group and our Company as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	Amount	*Amount*	*Amount*
		(RMB in thousands)	
Finance Lease Provided By Chentai Finance Lease[3]	**1,445,846**	**1,747,517**	**1,342,105**
– Repurchase guarantee provided by Lingong Group	706,638	1,304,186	1,100,636
– Repurchase guarantee provided by our Company	739,208	443,331	241,469
Finance Lease Provided By Independent Third-Party Finance Lease Companies	**2,890,228**	**3,952,360**	**3,496,502**
– Repurchase guarantee provided by Lingong Group	2,186,817	3,495,921	2,875,022
– Repurchase guarantee provided by our Company	703,411	456,439	621,480
Total[1]	**4,336,074**	**5,699,877**	**4,838,607**

Notes:

(1) The amount of finance lease represented the ending balance of the outstanding finance lease provided to customers, excluding down payments.

(2) The amount of repurchase guarantees represented the ending balance of the outstanding repurchase guarantees provided to customers under finance lease arrangements.

(3) For more details of our arrangement with Chentai Finance Lease, see "Connected Transactions — Non-Exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirement — 5. Guarantee under the Finance Lease and Procurement of Finance Lease Management Services."

(4) We or Lingong Group provide repurchase guarantee to the finance lease company. No repurchase guarantees were provided by independent third parties. For more details, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence."

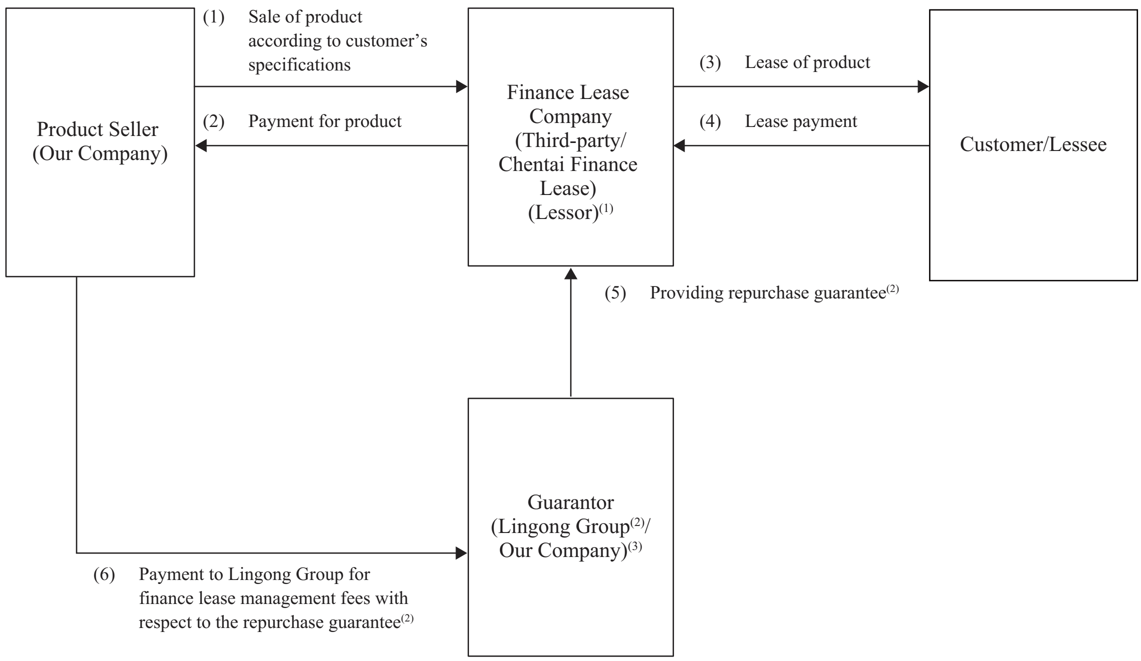
Rationale of Finance Lease Arrangements

According to Frost & Sullivan, it is common for engineering machinery equipment companies in China to adopt finance lease arrangements as payment options for customers and provide repurchase guarantees to finance lease companies. As a payment method, finance lease arrangements help customers alleviate initial funding pressure, maintain liquidity and obtain equipment without significant upfront investment, while allowing us to receive timely payments. By spreading payments over the lease term, customers can better manage cash flow and enhance financial flexibility. The finance lease arrangement and the product sales are not inter-connected or inter-conditional. Customers can flexibly choose from various payment options, including standard settlement, installment or finance lease arrangements. The choice of payment method does not affect the sales. In cases where a customer opts for the finance lease, the transaction sometimes involves a tripartite contract. Furthermore, engineering machinery equipment companies are typically well positioned to provide repurchase guarantees because they possess better understanding of whether customers' purchases of their products are likely to yield favorable returns by applying their industry expertise to evaluate the customers' project prospects, which could serve as strong safeguard of lease payments by the customers thus controlling their risk exposure. Moreover, the underlying equipment generally retains residual value and can often be recovered, resold or remanufactured in the event of customer default. When engineering machinery equipment companies provide repurchase guarantees, they can control their risk exposures through recovery, resale and remanufacturing of the equipment. Consistent with industry practice, we provide repurchase guarantees, and our exposure under such repurchase guarantees can be mitigated by the residual value of the equipment. In particular, the equipment generally has a useful life of approximately eight to ten years, while the finance lease term is typically three to five years, allowing us to recover part of the value through resale and reutilization.

With respect to the repurchase guarantee provided by Lingong Group, we believe that such arrangements are in our best interest with sufficient commercial rationale: (i) we have maintained long-term and stable business relationships with Lingong Group and its subsidiary in connection with our finance lease arrangements; (ii) such arrangements allow us to mitigate the repurchase obligations while enabling Lingong Group and its subsidiary to earn corresponding consideration at the same time; and (iii) such arrangements are conducted through arm's lengths transactions with fair and reasonable pricing; and (iv) we retain full autonomy under such arrangement and it is not necessarily for us to request Lingong Group to provide repurchase guarantees, and we may also consider alternative approaches. According to Frost & Sullivan, it is not uncommon for such repurchase guarantees to be elevated to the level of the seller's controlling shareholder, which are normally subject to defined limits on duration, amount and trigger conditions. We have also committed to progressively transitioning relevant arrangements to be supported by our own guarantees where practicable. Our Company undertakes that, with respect to newly entered finance lease arrangements, we will complete the transition process to undertake the repurchase guarantees by our own prior to the [**REDACTED**]. See "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence."

Direct Lease

Under a direct lease arrangement, the finance lease company purchases the products from us and settles the purchase price in full. The customer then typically leases the products from the finance lease company and makes periodic payments to finance lease company. The following diagram illustrates the transaction flow among us, our customer and the finance lease company under a direct lease arrangement:



Notes:

(1) For more details of our arrangement with Chentai Finance Lease, see "Connected Transactions — Non-Exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirement — 5. Guarantee under the Finance Lease and Procurement of Finance Lease Management Services."

(2) Where Lingong Group provides the repurchase guarantee, we do not undertake any repurchase guarantee obligation pursuant to the finance lease cooperation agreements with Lingong Group (together with its subsidiary, rather we will pay finance lease management fees with respect to the repurchase guarantee provided by Lingong Group). For more details, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence."

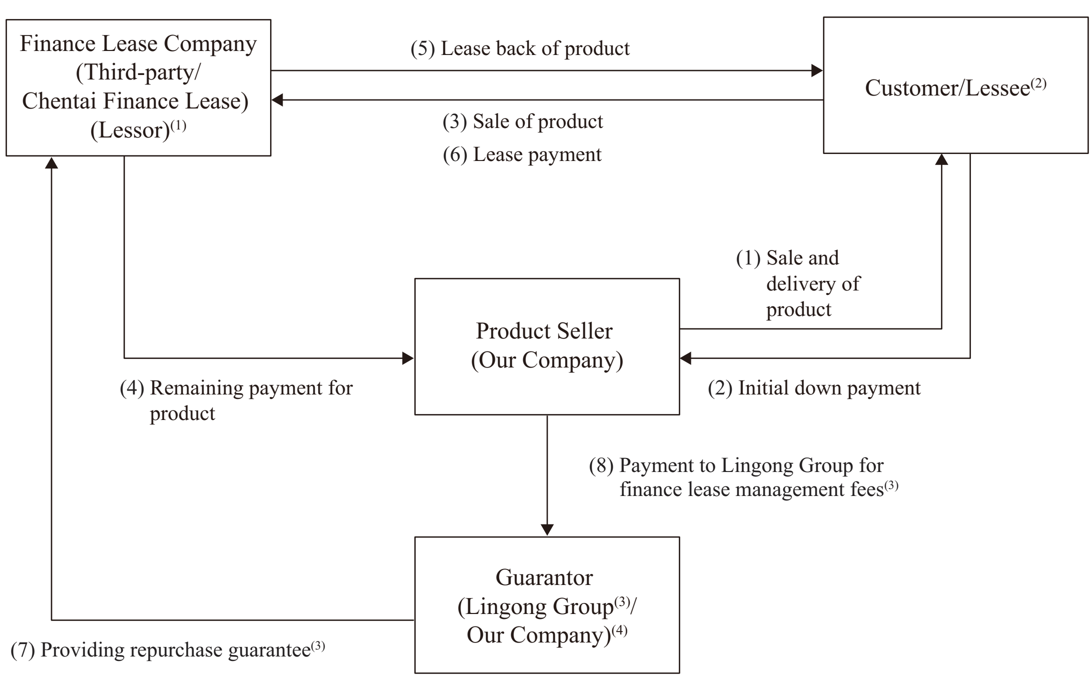
(3) Where we provide the repurchase guarantee, we recognize provisions for our obligation of guarantee for finance lease. See "Financial Information — Indebtedness — Provisions for Our Obligation of Guarantee for Finance Lease."

Our direct lease arrangements are documented through different contractual forms: (i) sales contracts, under which we, the finance lease company and the customer enter into a single sales contract. See transaction flows of (1) and (2) in the diagram above; (ii) finance lease agreements, under which the contracting parties involve two situations: (a) we, the finance lease company and the customer enter into a single finance lease agreement; or (b) the customer separately enters into a finance lease agreement with the finance lease company. See transaction flows of (3) and (4) in the diagram above; and (iii) repurchase guarantee agreement, which is entered into between us or Lingong Group and the finance lease company. See transaction flow of (5) in the diagram above. Regardless of which contract form is adopted, the transaction flow as set forth in the diagram above remains the same. The salient terms of the finance lease and repurchase guarantee agreement under a direct lease arrangement are as follows:

- **Ownership of the leased asset**. Ownership of the leased asset remains with the finance lease company until the customer has fully repaid all debts under the finance lease agreement. The finance lease company has the sole right to dispose of the leased asset. The lessee is obliged to properly use and maintain the equipment.
- **Delivery of the leased asset**. The leased asset will be picked up by the customer or delivered by us to the location designated by the customer.
- **Acceptance of the leased asset**. Once the leased asset arrives at the location specified by the customer or picked up by the customer, the customer assumes responsibility for its acceptance and safekeeping.
- **Repurchase guarantee**. If the customer materially defaults on payment obligations or breaches the finance lease agreement, the guarantor is obligated to repurchase the products from the finance lease company. Material default refers to the customer's failure to make timely and full payment of rental amounts over a prolonged period, typically exceeding 60 days or for an aggregate of six installments.

Sale-leaseback

Under a sale-leaseback arrangement, the customer purchases the products from us and makes an initial down payment. The remaining purchase price is paid to us by a finance lease company designated by the customer. The customer then sells the products to the finance lease company and leases them back, making periodic lease payments to the finance lease company. The following diagram illustrates the transaction flow among us, our customers and the finance lease company under a sale-leaseback arrangement:



Notes:

(1) For more details of our arrangement with Chentai Finance Lease, see "Connected Transactions — Non-Exempt Continuing Connected Transactions Subject to Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirement — 5. Guarantee under the Finance Lease and Procurement of Finance Lease Management Services."

(2) Some of our subsidiaries purchased our products through sale-leaseback arrangement primarily to obtain financing support and maintain financial flexibility for their capital-intensive business during the Track Record Period. In 2023 and 2024, such finance lease arrangements was provided by Chentai Finance Lease, while in 2025, all such arrangements were provided by independent third-party finance lease companies. Such transactions involving Chentai Finance Lease are not expected to occur after the [**REDACTED**] and therefore do not constitute connected transaction upon [**REDACTED**]. We provided repurchase guarantees to Chentai Finance Lease and independent third-party finance lease companies for these finance leases. In 2023, 2024 and 2025, the amount of such finance lease incurred (excluding down payment) was RMB1.6 million, RMB122.4 million and RMB28.8 million, respectively. Our Directors confirm that such transactions were conducted on an arm's length basis, and the terms are consistent with those applicable to independent third-party customers. For more details, see Note 29 of the Accountants' Report in Appendix I to this Document.

(3) Where Lingong Group provides the repurchase guarantee, we do not undertake any repurchase guarantee obligation pursuant to the finance lease cooperation agreements with Lingong Group (together with its subsidiary, rather we will pay finance lease management fees with respect to the repurchase guarantee provided by Lingong Group). For more details, see "Relationship with Our Controlling Shareholders — Independence from Our Controlling Shareholders — Operational Independence."

(4) Where we provide the repurchase guarantee, we recognize provisions for our obligation of guarantee for finance lease. See "Financial Information — Indebtedness — Provisions for Our Obligation of Guarantee for Finance Lease."

Our sale-leaseback arrangements are documented through different contractual forms: (i) sales contracts, under which we and the customer enter into a sales contract in relation to (1) and (2) transaction flows in the diagram above, while we, the finance lease company and the customer enter into another sales contract in relation to (3), (4) and (5) transaction flows in the diagram above; (ii) finance lease agreements, under which the contracting parties involve two situations: (a) we, the finance lease company and the customer enter into a single finance lease agreement; or (b) the customer separately enters into a finance lease agreement with the finance lease company. See transaction flow of (6) in the diagram above; and (iii) repurchase guarantee agreement, which is entered into between us or Lingong Group and the finance lease company. See transaction flow of (7) in the diagram above. Regardless of which contract form is adopted, the transaction flow as set forth in the diagram above remains the same. The salient terms of the finance lease and repurchase guarantee agreement under a sale-leaseback arrangement are as follows:

- **Ownership of the leased asset**: After customers sell the products to finance lease company and upon the signing of finance lease agreement, the ownership of the leased asset remains with the finance lease company until the customer has fully repaid all debts under the finance lease agreement. The finance lease company has the sole right to dispose of the leased asset. The lessee is not allowed to transfer, sublease, mortgage, or otherwise dispose of the asset without the lessor's written consent. The lessee is obliged to properly use and maintain the equipment.

- **Repurchase guarantee**: If the customer materially defaults on payment obligations or breaches the finance lease agreement, the guarantor is obligated to repurchase the products from the finance lease company. Material default refers to the customer's failure to make timely and full payment of rental amounts over a prolonged period, typically exceeding 60 days or for an aggregate of six installments.

Accounting Treatment of Finance Lease Arrangements

Our revenue recognition principle is to recognize revenue when the customer obtains control of the relevant products. During the Track Record Period, the repurchase guarantees provided under finance lease arrangements were provided either by us or Lingong Group. Where we provide repurchase guarantees, we recognize obligations as provisions under liabilities in the consolidated statements of financial position. See "Financial Information — Indebtedness — Provisions for Our Obligation of Guarantee for Finance Lease." Where

Lingong Group provides repurchase guarantees, we do not undertake any repurchase guarantee obligation. We pay finance lease management fees attributable to the risk compensation for providing repurchase guarantee in such case and recognize the fees as expenses in the consolidated statements of profit or loss and other comprehensive income. The finance lease management fees we paid for risk compensation for providing repurchase guarantees were determined based on arm's length negotiations between the parties and was primarily calculated with reference to the finance lease amounts in respect of which Lingong Group provides repurchase obligations, multiplied by a fee rate ranging from 0.5% to 2%, depending on the lease terms, which are comparable to the market rate of other A share listed engineering machinery companies, which are subject to applicable PRC rules, regulations and A-share listing rules to ensure that the terms are fair and reasonable.

Management of Finance Lease Arrangements

As of December 31, 2023, 2024 and 2025, our outstanding repurchase guarantee obligations under finance lease arrangements was RMB1,442.6 million, RMB899.8 million and RMB862.9 million, respectively. As of December 31, 2023, 2024 and 2025, the provisions for our obligation of guarantee for finance lease recognized as liabilities in the consolidated statements of financial position was RMB109.3 million, RMB18.0 million and RMB17.6 million, respectively.

The default rates by our customers under the finance lease arrangements in 2023, 2024 and 2025 was 0.39%, 0.54% and 1.67%, respectively. The default rate was calculated by dividing the increase in receivables in relation to overdue payments for the customers to finance lease companies in each year by the total principal amount of repurchase guarantee in each year. The larger increase of default rate in 2025 was primarily due to (i) extended customer lease payment cycles in a more competitive market environment, particularly in the aerial work platform industry in China. For the market competition, see "Industry Overview — Overview of Global Aerial Work Platform Market;" and (ii) the decrease in the principal amount of repurchase guarantees provided in 2025, which was primarily driven by the decline in our revenue from the Chinese Mainland during 2025, resulting in a corresponding reduction in finance lease amount incurred in the same year.

Prior to providing repurchase guarantees, we conduct credit assessments on our customers to evaluate the associated credit risk, taking into account (i) customer background: we review basic information of proposed lessees, including identity details, credit history such as whether the customer is subject to enforcement proceedings or credit restrictions. We also take into account their industry performance and operating stability; and (ii) financial condition: we assess customers' financial position based on their provided or public financial statements, with particular attention to recent cash flow performance, in order to evaluate their repayment capability. In the event of default by customers, we have the following recovery measures: (i) enforce security interests over pledged assets, including realization of collateral; and (ii) pursue recovery through legal proceedings. In addition, upon repurchase of the equipment, we may recover value through the resale or utilization of the equipment, which may further mitigate potential losses arising from such default. Based on the foregoing, we consider that there is no material recoverability issue in respect of customers' payment obligations guaranteed by us under finance lease arrangements.

Our customers independently choose the finance lease companies at their own discretion, while we from time to time provide recommended options for their consideration. Accordingly, no finance lease company, including those affiliated with Lingong Group (such as Chentai Finance Lease), is accorded any priority in customer selection. When recommending or selecting finance lease partners, we and our customers take into account factors such as their qualification, the financing terms offered to our customers, their experience in finance lease transactions within our industries, and their capacity to provide reliable financial support. We also verify the validity of licenses and regulatory qualifications of finance lease companies. For example, prior to the admission, we require the finance lease companies to provide the relevant licenses and regulatory approval documents to confirm their compliance with the legal requirements for offering finance lease. Such licenses and regulatory approval documents include financial license, or being duly established with a business scope covering finance leasing and having completed the requisite filings with the local financial regulatory authorities for conducting finance leasing business. Based on the foregoing, our Directors are of the view our finance lease arrangements are based on normal commercial terms and are conducted at arm's lengths transactions. Given that (i) the finance lease companies have obtained all necessary licenses and regulatory approvals required for conducting finance lease businesses; and (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material regulatory or enforcement actions and penalties regarding the finance lease arrangements, our PRC Legal Advisor is of the view that all finance lease arrangements implemented during the Track Record Period were in compliance with applicable PRC laws and regulations in material respects as of the Latest Practicable Date. Based on the independent due diligence work conducted, nothing has come to the attention of the Joint Sponsors that would cause them to cast reasonable doubt on the reasonableness of our Directors' view above that the Guarantees and Finance Lease Arrangements were negotiated on an arm's length basis and conducted on normal commercial terms.

Payment Arrangements

During the Track Record Period, certain customers (individually or collectively, the "**Relevant Customers**") settled payments with us through accounts belonging to payors other than the buyer under the corresponding sales and purchase agreements or relevant parties who assumed liabilities for the payment obligations thereunder (the "**Payment Arrangements**"). To our best knowledge, all Relevant Customers were Independent Third Parties. These payors are primarily related parties or business partners during the ordinary course of business of the Relevant Customers. In 2023, 2024 and 2025, the aggregate amount they settled under the Payment Arrangements was RMB91.2 million, RMB304.4 million and RMB520.6 million, respectively, which accounted for 0.9%, 2.5% and 5.1% of our total revenue, respectively, in the same years. No single Relevant Customer had made a material contribution to our revenue during the Track Record Period.

Under our internal control and relevant monitoring and management of Payment Arrangements, we entered into tri-party agreements with the Relevant Customers and their designated payors before these payors make payments. These tri-party agreements specify terms including but not limited to identities of payors and details of payment arrangement. To verify the authenticity of Payment Arrangements, we also monitor and track the records to identify potential risks. Our finance and sales staff periodically review and reconcile the collection records and payments to ensure transparency and compliance. Based on the above, our Directors believe that all Payment Arrangements during the Track Record Period and up to the Latest Practicable Date, have been authorized by way of tri-party agreements, and have been recorded completely and accurately in our accounting books and records in all material respects.

During the Track Record Period, all Payment Arrangements were initiated by Relevant Customers, not by us, and the relevant payments were generally settled via bank payments. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, the relevant payments were based on *bona fide* underlying transactions and valid and properly recorded contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Payment Arrangements or any material claims against us in relation to Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

According to Frost & Sullivan, in the engineering machinery equipment industry, it is common for purchasers to enter into Payment Arrangements for the procurement of engineering machinery and equipment. During the Track Record Period, over 25.6% Payment Arrangements took place in Chinese Mainland. Our Directors are of the view that, to their best knowledge, there were no instances of breaches of laws and regulations, money laundering activities or tax related administrative penalties in relation to our Group's activities under the Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Based on the representations of the Relevant Customers, the Relevant Customers utilized Payment Arrangements primarily because: (i) it is more convenient for or in line with the internal financial management practices of some Relevant Customers to use the accounts of certain affiliates; and (ii) certain overseas customers used third parties to settle payments in cross-border transactions to facilitate payment convenience and improve efficiency.

During the Track Record Period and up to the Latest Practicable Date, we adopted the Payment Arrangement across countries and regions including Chinese Mainland, Hong Kong, Democratic Republic of the Congo, Zimbabwe, Laos, Australia, the Netherlands, Guinea, Mexico and Zambia, among others. Our Directors confirm that the Payment Arrangement during the Track Record Period and up to the Latest Practicable Date was based on bona fide underlying transactions and valid and properly recorded contracts. As advised by our legal advisors as to the laws of the aforementioned jurisdictions, (i) our Payment Arrangements during the Track Record Period and up to the Latest Practicable Date were not in breach or contravention of mandatory requirements of applicable laws or regulations of the aforementioned jurisdictions (including foreign exchange control and anti-money laundering laws) in any material respects ; and (ii) the content of the Payment Arrangement is lawful and valid, and constitutes a legally binding obligation on the part of the relevant designated payors. Accordingly, we are entitled to receive payments made by such designated payors pursuant to such arrangement.

To manage the use of Payment Arrangement and mitigate potential risks associated with the Payment Arrangements, we have in place the following internal control measures:

(i) We require our sales personnel to maintain sufficient communication with customers and, in principle, directly settle payments with customers themselves except under special circumstances;

(ii) When the Payment Arrangements are necessary due to special circumstances, we enter into tri-party agreements with the buyer and the payor in advance, and the internal approval procedures must be completed prior to receiving such payments;

(iii) We timely record the relevant information of the Payment Arrangements, such as customer name, payment date, payer entity and payment amount;

(iv) Our finance and sales departments conduct regular reviews of the Payment Arrangement and the relevant tri-party agreements to ensure that our sales and revenue derived are true, accurate and complete;

(v) We provide periodic anti-money laundering and compliance training to relevant employees to enhance their awareness of money-laundering risks, red flags associated with third-party payments and their responsibilities under our internal policies; and

(vi) We regularly reiterate our anti-money laundering requirements to Relevant Customers. Where Payment Arrangements present heightened or unusual risks, we conduct enhanced scrutiny and may suspend, restrict or terminate the relevant arrangements or transactions.

We also regularly check the effectiveness of the above measures and promptly address any abnormalities and adapt our measures as may be required based on changes of circumstances surrounding the Payment Arrangements. Based on the foregoing, our Directors are of the view that our internal control measures are sufficient and can substantially mitigate any risks we may face, and ensure the accuracy and completeness of our accounting books and records.

OUR SUPPLIERS AND SUPPLY CHAIN MANAGEMENT

Raw Materials, Parts and Components

We procure certain raw materials and components from qualified suppliers to maintain quality standards, optimize our cost structure and achieve a desired scale of production. Our procurement is generally based on our customized production plan and internal strategic storage. We have a dedicated team to procure raw materials and components to meet the specific requirements of our products. Our raw materials, parts and components are mainly steel, while essential components consist of transmission parts, structural elements, hydraulic components, electrical controls, motors, tires, cargo beds and fasteners. In 2023, 2024 and 2025, raw materials costs were RMB7,333.9 million, RMB8,622.9 million and RMB6,747.8 million, respectively. During the Track Record Period, we procured raw materials primarily from domestic suppliers. We also procured certain raw materials, parts and components from international suppliers. During the Track Record Period, the raw materials costs incurred from international suppliers were RMB371.1 million, RMB543.1 million and RMB512.6 million, respectively, accounting for 4.2%, 5.6%, and 6.7% of our total procurement, respectively.

Our Suppliers

Our suppliers comprise raw material and component suppliers. The following tables set forth the basic information of our five largest suppliers in each year during the Track Record Period:

Year ended December 31, 2023

Suppliers	Major products/ services purchased	Purchased amount	% of total purchases	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status
		(RMB'000)						
Supplier A[1]	Engine, gearbox and drive axle	1,229,378	14.0	2012	One to three months	Acceptance bill	Chinese Mainland	SZSE and HKEX Listed
Supplier B[2]	Mining transportation equipment bodies and aerial work platform chassis	436,338	5.0	2017	One month	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier C[3]	Tires	345,238	3.9	2012	Two months	Acceptance bill	Chinese Mainland	SSE Listed
Supplier D[4]	Mining transportation equipment bodies and drive axle	309,713	3.5	2020	One to three months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier E[5]	Hydraulic cylinders, oil pipes, cab and structural parts	250,727	3.0	2012	Two to four months	Acceptance bill	Chinese Mainland	Not Listed
	Total	**2,571,394**	**29.4**					

Year ended December 31, 2024

Suppliers	Major products/ services purchased	Purchased amount	% of total purchases	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status
		(RMB'000)						
Supplier A[1]	Engine, gearbox and drive axle	1,312,240	13.6	2012	One to three months	Acceptance bill	Chinese Mainland	SZSE and HKEX Listed
Supplier D[4]	Mining transportation equipment bodies and drive axle	626,677	6.5	2020	One to three months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier B[2]	Mining transportation equipment bodies and aerial work platform chassis	491,759	5.1	2017	One month	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier C[3]	Tires	327,360	3.4	2012	Two months	Acceptance bill	Chinese Mainland	SSE Listed
Supplier E[5]	Hydraulic cylinders, oil pipes, cab and structural parts	291,575	3.0	2012	Two to four months	Acceptance bill	Chinese Mainland	Not Listed
	Total	**3,049,611**	**31.6**					

Year ended December 31, 2025

Suppliers	Major products/ services purchased	Purchased amount	% of total purchases	Year of commencement business relationship	Credit terms	Payment method	Location of Headquarters	Listing Status
		(RMB'000)						
Supplier A(1)	Engine, gearbox and drive axle	689,728	9.0	2012	One to three months	Acceptance bill	Chinese Mainland	SZSE and HKEX Listed
Supplier F(6)	Structural parts	330,871	4.3	2012	One to five months	Acceptance bill	Chinese Mainland	Not Listed
Supplier D(4)	Mining transportation equipment bodies and drive axle	324,569	4.2	2020	One to three months	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier B(2)	Mining transportation equipment bodies and aerial work platform chassis	312,298	4.1	2017	One month	Bank transfer, acceptance bill	Chinese Mainland	Not Listed
Supplier E(5)	Hydraulic cylinders, oil pipes, cab and structural parts	253,643	3.3	2012	Four to six months	Acceptance bill	Chinese Mainland	Not Listed
	Total	**1,911,109**	**24.9**					

Notes:

(1) Supplier A is a listed PRC company, primarily engaged in the manufacturing and sale of engines for vehicles, construction machine, vessels, and power generators. As of December 31, 2025, Supplier A had a registered capital of RMB8,715.7 million.

(2) Supplier B is a PRC company primarily engaged in the research, development and production of mining transportation equipment bodies and specialized transport vehicles. As of December 31, 2025, Supplier B had a registered capital of RMB20.6 million.

(3) Supplier C is a listed PRC company primarily engaged in the research, development, production and sales of tires. As of December 31, 2025, Supplier C had a registered capital of RMB1,554.7 million.

(4) Supplier D is a group of PRC companies, primarily engaged in intelligent manufacturing, and the research and production of mining machinery spare parts and mining vehicle bodies. As of December 31, 2025, Supplier D had a registered capital of RMB76.0 million.

(5) Supplier E is a PRC company primarily engaged in the research, development, production, and sales of products such as hydraulic cylinders, servo electric cylinders, hard pipe assemblies, hose assemblies, hydraulic oil tanks, hydraulic integrated valves, hydraulic fluid components, structural parts, cabins and counterweights. As of December 31, 2025, Supplier E had a registered capital of RMB10.0 million.

(6) Supplier F is a PRC Group primarily engaged in the research, development, production, and sales of structures for excavators, loaders, mining transportation equipment and aerial work platforms. As of December 31, 2025, Supplier F had a registered capital of RMB1,153.6 million.

During the Track Record Period, none of our five largest suppliers in each year during the Track Record Period was also our customer. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Supplier Selection and Engagement

When selecting suppliers, we typically conduct a holistic assessment by taking into account a number of factors, including their technological R&D capabilities, quality control standards, manufacturing proficiency, product pricing competitiveness, market performance, after-sales service quality, financial stability, internal compliance management and compliance with environmental regulations. We have implemented a comprehensive supplier management system that defines the admission of suppliers, the management of qualified suppliers and the termination of unqualified suppliers to ensure the efficiency of our supplier management.

We carry out performance assessments to ensure the product quality and service of our suppliers on a monthly basis and inform the suppliers of our assessment results and rectification requirements. In addition, we conduct examinations on the raw materials and components delivered to ensure the consistency of the high quality of our solutions. If certain raw materials and components fail to meet our stringent testing standards, we are generally entitled to request the return of such raw materials and components.

Salient Terms of Agreements with Suppliers

We typically enter into supply agreements with our suppliers, the salient terms of which are set forth below:

- *Delivery.* We typically rely on suppliers or third-party logistics providers appointed by suppliers for the transportation of goods. The risk of loss or damage to the goods remains with the supplier until the goods have passed inspection and been accepted.
- *Payment and credit term.* We are typically granted a credit term of one to six months by our suppliers. Additionally, we use a variety of payment methods, comprising acceptance bill, bank transfer, and other methods.
- *Product quality and warranty.* Our suppliers are required to provide warranties in respect of the products they supply, including as to the quality and that there exist no intellectual property infringements. In the event of a breach of these warranties, we reserve the right to withhold a supplier's deposit.
- *Termination.* The agreement may be terminated by mutual consent of the parties, or in accordance with the provisions specified therein.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breach of agreements with our suppliers.

Supply Chain Management

We are dedicated to developing a self-sufficient and controllable supply chain system to guarantee product quality and timely delivery. We manage all stages of our supply chain, covering procurement, logistics and inventory. Our supply chain capabilities enable us to consistently deliver quality products to our customer in a timely manner.

Procurement

The key components required for our manufacturing of mining equipment and aerial work platforms comprise transmission parts, structural components, hydraulic parts, electrical control systems, motors, tires, cargo containers and fasteners. To minimize potential disruptions, ensure a stable supply chain and secure competitive pricing, we typically engage multiple suppliers for each type of component across the regions where we operate. In addition, we employ a hybrid approach that combines routine purchasing and strategic stockpiling of critical components. Such approach enhances our procurement efficiency while mitigating risks from material supply fluctuations and price volatility.

We maintain rigorous procurement management through comprehensive internal policies. We have implemented an evaluation system that features supplier qualification assessments and ongoing performance reviews on a monthly basis. We assess suppliers based on quality, delivery performance, pricing, payment terms, financial health, credit standing, environmental compliance and regulatory adherence from the perspective such as product compliance, quality standards, environmental protection, employment and labor safety. We regularly update our approved supplier list based on performance metrics and establish long-term partnerships with consistently high-performing suppliers. During the Track Record Period and up to the Latest Practicable Date, we have not experienced quality issues, delays, interruptions or shortfalls in our raw materials and components that materially affected our operations.

Logistics

All of our facilities in Chinese Mainland are strategically located for optimal accessibility, enabling us to efficiently serve the domestic market while keeping transportation costs low. We primarily rely on land transportation for domestic customers and sea or railway shipments for overseas customers. We also partner with reliable logistics providers and typically cover domestic delivery costs, with international delivery costs depending on agreed Incoterms. We regularly assess our logistics partners' compliance and performance. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all logistics service providers are Independent Third Parties. In addition, we did not experience any material interruptions or delay in our products delivery.

Inventory

We proactively manage our inventory levels. Our strategic inventory is mainly imported parts, including key components such as engines, transmissions, controllers, travel motors and batteries. We maintain appropriate reserves of these materials to help us remain resilient and responsive to potential supply chain disruptions. Our procurement department reviews material inventory level, while the business unit releases material demand according to a monthly rolling schedule.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We actively integrate the concept of sustainable development into our corporate strategy and operations, continuously enhancing our sustainability capabilities and contributing to a sustainable future.

ESG Governance

We establish a clear ESG governance structure to continuously enhance ESG management standards. The Board of Directors serves as the highest oversight body for ESG matters and is responsible for reviewing and approving key ESG issues, including the Company's ESG development strategy and objectives, ESG management policies and approaches, and the annual ESG report. Members of the Board possess professional expertise and industry experience relevant to ESG matters, including production safety management and corporate governance, processing the skills and capabilities required to understand and oversee ESG-related risks and opportunities.

The ESG Working Group assists the Board in implementing ESG-related matters and coordinates cross-departmental execution of ESG work plans to ensure effective delivery of objectives. The Working Group is composed of heads of key functional departments, including the Quality Management Department, Safety Management Department, Party and Mass Affairs Department, Procurement Department, and Human Resources Department. The ESG Working Group regularly assesses progress on ESG matters and reports to the Board while identifying and evaluating the actual and potential impacts of ESG-related risks and opportunities on our business, strategy, and financial performance. At the same time, the Working Group incorporates material ESG topics into business development and financial planning, continuously working to embed ESG factors into daily operations and management.

We seek to diversify Board members, including but not limited to gender, skills, age, professional experience, cultural and educational background and tenure. We have one female representation on our Board.

ESG Materiality Assessment and Risk Management

We view the assessment of ESG materiality and risk management as key steps in building our ESG management system. In line with the Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Code, and taking into account industry trends and the realities of our business, we identify material ESG issues that are closely related to our ESG performance. Through benchmarking against our peers' ESG practices, we prioritize ESG topics by considering two dimensions: (i) significance to our development; and (ii) importance to our stakeholders. This allows us to identify highly material ESG issues and integrate them into our ESG policies and strategic decision-making framework, ensuring that these issues are effectively addressed and embedded in our business operations.

Based on our assessment of materiality, we consider climate change, supply chain management, and product quality and safety as our key ESG matters among the identified material issues.

If the disposal or replacement of construction machinery is not carried out in accordance with prescribed standards, it may give rise to multiple ESG-related risks. If entire machines or separate components fail to meet performance requirements or suffer structural damage, improper disposal or replacement may not only result in environmental regulatory penalties, reduced production efficiency, and safety incidents, but also adversely affect our brand reputation and long-term market value.

We continue to enhance our ESG risk management capabilities. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any significant risk events related to ESG and have not been exposed to risks related to ESG (including climate-related risks) that may cause any actual or anticipated material impact on our business, strategy and financial performance. We have not been subject to any penalties in relation to the violation of relevant laws and regulations, such as labor rights, environmental protection or business ethics. In the future, we will continue to optimize our ESG risk identification and management mechanism, regularly publish ESG reports in accordance with regulatory requirements, and continuously improve our ESG management practices.

Environmental protection

We comply with the Environmental Protection Law of the People's Republic of China and other applicable laws, regulations and environmental standards, and continuously improves our environmental management system with reference to international standards. We have formulated relevant policies and procedural documents, including the Environmental, Safety and Occupational Health Management System Manual, Identification, Evaluation and Control of Environmental Factors, Environmental Risk Identification and Remediation, and Environmental, Safety and Occupational Health Equipment and Facility Management. We have obtained ISO 14001 Environmental Management System certification. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any environmental pollution incidents.

Taking into account industry characteristics and our operational practices, we have set the following environmental management goals based on scientific emission reduction, efficient resource utilization, and low-carbon transition:

- **Emission reduction target:** 10% reduction in emissions of volatile organic compounds (VOCs) per RMB1 million of revenue by 2030, compared with 2023;
- **Greenhouse gas emission reduction target:** 4% reduction in Scope 1 and Scope 2 greenhouse gas emissions per RMB1 million of revenue by 2030, compared with 2023;
- **Waste reduction target:** 6% reduction in hazardous waste generation per RMB1 million of revenue by 2030, compared with 2023;
- **Energy efficiency target:** 4% reduction in comprehensive energy consumption per RMB1 million of revenue by 2030, compared with 2023;
- **Water efficiency target:** 2% reduction in water consumption per RMB1 million of revenue by 2030, compared with 2023.

To achieve emission reduction targets, we continuously improve environmental protection equipment and facilities and ensure their normal operation, strictly controlling the VOCs generated during our production and operations. To achieve waste reduction targets, we optimise production processes, prioritise environmentally friendly raw materials and processes that are low in toxicity, harm, and pollution, enhance the conversion rate and utilisation of raw materials, and reduce the generation of hazardous waste through various methods. To achieve greenhouse gas reduction targets, we continuously optimise the energy structure, promote the electrification and intelligent upgrading of products, and effectively reduce greenhouse gas emissions. To achieve energy efficiency targets, we actively promote the use of clean energy, apply energy-saving technologies, and develop green products, continuously optimising the energy structure. To achieve water efficiency targets, we improve water use efficiency through the control and monitoring of the water meter system, actively promote water monitoring and optimisation management, and effectively reduce water resource waste. In 2023, 2024, and 2025, our environmental compliance costs amounted to RMB0.8 million, RMB0.5 million, and RMB0.9 million, respectively.

Emissions Management

We comply with the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, and other laws and regulations. We have formulated internal management procedures such as Waste Management, Hazardous Waste Management, General Industrial Solid Waste Management, and Rainwater and Wastewater Management to strictly control the discharge of exhaust gas, wastewater and waste generated during our production and operation processes. We have also continuously improved the operation and management of our environmental protection facilities to minimize our environmental impact.

- **Exhaust gas management:** Our exhaust gas is mainly nitrogen oxides, sulfur dioxide, particulate matter and volatile organic compounds (VOCs), which are treated through environmental protection facilities to ensure discharge compliance with applicable standards. In 2023, 2024 and 2025, our total exhaust gas emissions were 363,472,600 m^3, 199,672,260 m^3 and 182,826,629 m^3, respectively.

- **Wastewater management:** We have formulated Procedural Documents for Rainwater and Sewage Management to regulate the discharge of domestic and industrial wastewater. All production wastewater is required to be treated at wastewater treatment stations before discharge, and direct discharge into sewage or rainwater pipelines is strictly prohibited.

- **Waste management:** Our hazardous waste is mainly waste oil, paint residues, phosphating sludge, sludge, waste lead-acid batteries (containing acid liquid) and spent activated carbon, which are handled by qualified suppliers in compliance with national laws and regulations. Our general waste mainly includes scrap iron, waste plastic powder and wooden pallets. We seek to minimize the generation of such general waste and prioritize recycling whenever possible. In 2023, 2024 and 2025, our hazardous waste generation was 81.45 tons, 122.42 tons and 270.94 tons, respectively.

Resource Utilization Management

We comply with the Energy Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and the Water Law of the People's Republic of China, among other applicable laws and regulations.

- **Energy management:** We focus on clean energy transition and energy efficiency improvement, advancing the systematic use of clean energy, the application of energy-saving technologies and the development of green products. We continuously optimize our energy structure to support the achievement of sustainable development goals.

- **Water resource management:** We strengthen water resource management, by installing remote water meter system, achieving real-time monitoring and optimizing water use management.

- **Packaging material management:** Our packaging material mainly stretch film and expanded polyethylene (EPE). We optimize packaging design to avoid excessive use of materials and implement centralized sorting, recycling and reuse of discarded packaging materials to form a closed-loop management system, thereby minimizing packaging material consumption. In 2023, 2024 and 2025, our packaging material consumption was 4.86 tons, 3.35 tons and 2.20 tons, respectively.

Indicator	Unit	2023	2024	2025
Comprehensive energy consumption	Tons of standard coal	3,119.43	3,482.39	3,389.92
Comprehensive energy consumption intensity	Tons of standard coal/million revenue	0.32	0.29	0.33
Electricity consumption	KWh	12,709,959	13,230,746	13,273,062
Electricity consumption intensity	KWh/million revenue	1,284.21	1,099.97	1,307.94
Water consumption	m^3	167,490	182,282	209,143
Water consumption intensity	m^3/million revenue	16.92	15.15	20.61
Diesel fuel consumption	Litres	63,773.25	37,942.40	36,189.00
Natural gas consumption	m^3	1,112,272.00	1,360,819.00	1,288,994.00

Climate Change Response

We actively respond to climate change by adhering to our strategic directions of deep electrification, broad digitalization and comprehensive decarbonization. Through optimizing our energy structure, advancing product electrification and intelligent upgrades, and other initiatives, we aim to reduce greenhouse gas emissions and contribute to the realization of China's "dual carbon" goals.

We conduct research on relevant policies and our internal operations to identify climate-related risks and opportunities, assess their potential impacts on our business and development, and formulate corresponding response measures to support the Company's long-term growth.

- **Physical risks:** In the context of global climate change, we may face acute risks such as typhoons, heavy rainfall and flooding, as well as chronic risks such as global warming. These factors could cause production disruptions, asset damage and supply chain interruptions. To address these potential events, we have established a control procedure titled Emergency Preparedness, Response and Control to manage natural disaster emergencies.

- **Transition risks:** The acceleration of global low-carbon transition presents risks such as policy tightening, technological innovation, market changes and brand reputation volatility. We closely monitor relevant policy trends, adjust our product portfolio and phase out non-compliant products; increase R&D investment and talent recruitment to maintain technological development; expand diversified market channels in response to changing market competition; and enhance brand crisis management and public communication mechanisms to strengthen stakeholder trust and safeguard brand reputation through transparency.

- **Potential opportunities:** With the growing popularity of sustainability concept, customers and markets show a growing preference for environmentally friendly products. We embrace the trends of electrification and digitalization, advance the green transformation of our products, and integrate eco-friendly principles into our business operations and development strategies, thereby enhancing brand competitiveness and achieving synergetic growth between commercial value and sustainable development.

We selected three peer companies to complete a comparative analysis of greenhouse gas emissions and resource consumption. In 2025, the industry average for Scope 1 emission intensity, Scope 2 emission intensity, electricity consumption intensity, and water consumption intensity among peers were 0.71 tons of CO_2 equivalent per million revenue, 2.97 tons of CO_2 equivalent per million revenue, 6,913.55 kWh per million revenue, and 45.56 tons per million revenue, respectively. Our Scope 1 greenhouse gas emission intensity, Scope 2 greenhouse gas emission intensity, electricity consumption intensity, and water consumption intensity are all lower than the data disclosed by our peers.

We fully recognize that global operations involve diverse legal frameworks and societal expectations. We strictly comply with ESG-related laws and regulations in all jurisdictions where we operates, ensuring that its business activities meet applicable ESG compliance requirements in areas such as environmental protection, labor rights, and corporate governance. During the Track Record Period and up to the Latest Practicable Date, we had complied with ESG-related laws and regulations in all jurisdictions in all material respects. By acting as a responsible corporate citizen, we seek to earn the trust of local governments, communities, and business partners. In 2023, 2024, and 2025, the ESG-related legal compliance costs of the Company's manufacturing facility in Mexico, which included environmental compliance expenses, legal and regulatory advisory fees, and labor advisory fees, amounted to RMB2.40 million, RMB1.92 million, and RMB5.35 million, respectively.

The following table shows our GHG emissions in 2023, 2024 and 2025:

Indicator	Unit	2023	2024	2025
Total GHG emissions (Scope 1+Scope 2)	Tons of carbon dioxide equivalent	9,423.78	10,176.94	10,037.89
GHG emission intensity (Scope 1+Scope 2)	Ton CO_2 eq/million revenue	0.95	0.85	0.99
Scope 1 GHG emissions	Tons of carbon dioxide equivalent	2,603.61	3,077.32	2,915.57
Scope 1 GHG emission intensity	Ton CO_2 eq/million revenue	0.26	0.26	0.29
Scope 2 GHG emissions	Tons of carbon dioxide equivalent	6,820.16	7,099.62	7,122.32
Scope 2 GHG emission intensity	Ton CO_2 eq/million revenue	0.69	0.59	0.70
Scope 3 GHG emissions	Tons of carbon dioxide equivalent	631.23	791.17	899.73
Scope 3 GHG emission intensity	Ton CO_2 eq/million revenue	0.0638	0.0658	0.0887

Note:

Scope 1 GHG emissions are mainly from the consumption of direct energy (such as diesel and natural gas) in our operations; Scope 2 GHG emissions are mainly from the consumption of indirect energy (outsourced electricity) in our operations. The emission factors refer to the Release of 2022 Power Grid CO_2 Emission Factors.Scope 3 GHG emissions are calculated with reference to *The Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard* for Category 5 (waste generated in operations). Emission factors are primarily sourced from the *Guidelines for the Preparation of Provincial Greenhouse Gas Inventories (Revised Edition)* issued by the Ministry of Ecology and Environment of the People's Republic of China, CPCD, the *UK Government GHG Conversion Factors for Company Reporting*, and the *Emission Factors for Greenhouse Gas Inventories* published by the US Environmental Protection Agency.

Regarding Scope 3 greenhouse gas emissions, we have set the target of "reducing Scope 3 greenhouse gas emissions Category 5 per million revenue by 6% by 2030, using 2025 as the baseline." To ensure the smooth achievement of this target, we plan to complete the installation of additional sludge and phosphating residue filter press equipment in 2027 in order to concentrate hazardous waste through filtration and reduce the generation of electrophoretic phosphating residue and sludge. At the same time, by strengthening on-site management, we aim to reduce the generation of general solid waste and household waste at the source, thereby reducing greenhouse gas emissions. In addition, we will continue to promote the construction of the Scope 3 greenhouse gas emission accounting management system and plan to carry out a carbon inventory by the end of 2026. Based on the inventory results and industry development trends at that time, we will further refine the Scope 3 greenhouse gas emission targets and plan to complete the specific carbon reduction pathway by the end of 2027 to support the achievement of the carbon reduction goal.

Social Responsibility

Employment

We strictly comply with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other applicable laws and regulations, and have established internal management policies such as the Employee Handbook to safeguard employees' legitimate rights and interests. We firmly prohibit the employment of child labor and any form of forced labor. The identities and ages of all job applicants are thoroughly verified to ensure that our recruitment process remains compliant and transparent. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any incidents involving child labor or forced labor.

We seek to foster a diverse, equitable and inclusive workplace and upholding the principle of fair employment. During recruitment, we strictly avoid any discriminatory language or bias and expressly prohibit differential treatment of applicants or employees on the basis of race, color, religion, belief, gender, age or nationality. As of December 31, 2025, we have 3,095 full-time employees worldwide, women accounted for 28.6% of the senior management team. In 2023, 2024, and 2025, our management-level employee turnover rates were 0%, 0%, and 12.5% respectively; excluding employees at the Mexico production facility, turnover rates were 14.0%, 15.3%, and 14.2% respectively; our employee turnover rates (including employees at the Mexico production facility) were 17.0%, 29.3%, and 24.0% respectively. The fluctuations in employee turnover data for 2024 and 2025 mainly reflect the initial stage of production launch of Mexico's manufacturing facility, which is a phased phenomenon that occurs during the rapid team formation and structural optimization process.

Training

We focus on creating opportunities for every employee to realize their personal value. We have established a differentiated and tiered training system tailored to employees in various positions and business functions, aimed at comprehensively enhancing their professional capabilities and overall competencies. In 2023, 2024 and 2025, our employee training coverage rate reached 100%.

Health and Safety

We prioritize employee occupational health and safety and strictly comply with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases,* and other applicable laws and regulations. We have established management policies such as the Occupational Health Management and Control System, continuously improved our occupational health and safety management system, and strengthened production safety management. Our management system has been certified under ISO 45001.

We place strong emphasis on enhancing employees' safety awareness and emergency response capabilities, integrating safety principles throughout the entire employee lifecycle. During the Track Record Period and up to the Latest Practicable Date, we did not experience any work-related fatalities.

Product Liability

We have formulated and implemented management policies such as the Quality Manual, and established a comprehensive quality management system and continuous improvement mechanism to ensure product stability and reliability. Our quality management system has been certified under ISO 9001. We also emphasize the cultivation of a strong quality and safety culture by providing regular technical skills and quality awareness training to our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any product recalls due to safety or health reasons.

We value the customer service experience and have formulated management systems such as the Crisis Incident Response and Management Standard to establish a comprehensive after-sales service system, ensuring customer satisfaction to the greatest extent possible. In handling after-sales incidents, we emphasize timely communication, proper documentation, and contingency planning.

Supply Chain Management

We have established a comprehensive supplier management system, formulating management regulations such as the *Supplier Admission Management Standards* and the *Monthly Supplier Evaluation Management Measures* to ensure the sustainability, transparency, and compliance of the supply chain. For new suppliers, we conduct strict qualification reviews based on the procurement management system, carrying out a comprehensive assessment from multiple dimensions including quality performance, delivery capability, cost efficiency, social responsibility, and environmental compliance. Only suppliers who pass internal audits and approvals can be included in the cooperation system. For existing suppliers, we implement a dynamic management mechanism, regularly conducting performance evaluations and on-site audits, continuously promoting quality improvement and risk prevention to ensure they consistently meet our standards and cooperation requirements. We require all suppliers to comply with relevant national laws and regulations, possess ISO 9001 or equivalent quality management system certification, and hold the required environmental management qualifications.

Anti-corruption

We strictly comply with the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, and other applicable laws and regulations. We have established internal management policies such as the Anti-Fraud Management System to ensure that all employees adhere to high standards of business ethics. To strengthen employees' awareness of ethical responsibility and accountability, we regularly conduct business ethics and anti-corruption training. We have also established a multi-channel and confidential reporting mechanism, ensuring that all reports are received and handled promptly, while strictly protecting the identity and information of whistleblowers.

Social Contribution

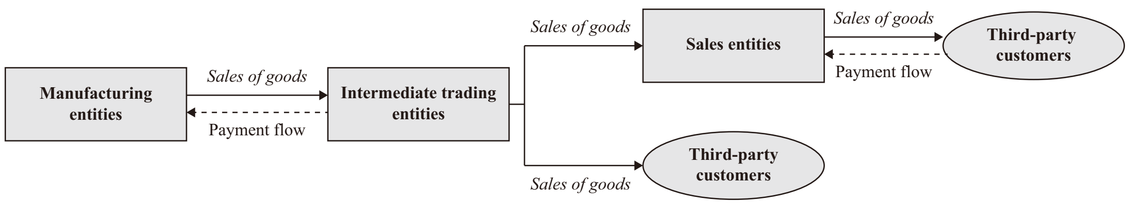
We actively engage in philanthropic activities and fulfill our social responsibilities, focusing on initiatives in education, disaster relief, and poverty alleviation. Through projects such as donating equipment to residents in economically underdeveloped regions, providing vocational training, and offering employment guidance, we support local economic development.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, our intra-group transactions are related-party sales transactions of finished goods occurred between parent and subsidiary companies and among subsidiaries within our group. The finished goods include mining equipment, aerial work platforms and material handling equipment. In 2023, 2024 and 2025, revenue from intra-group transactions were RMB2.5 billion, RMB3.7 billion and RMB3.8 billion, respectively. The details and transaction flow of the intra-group transactions are listed as follows:

- Our Group's manufacturing entities sell self-developed and self-produced products to our Group's domestic and overseas sales entities and third-party customers. Subsequently, these sales entities conduct marketing activities and sell the products to third party customers.

- Our Group's manufacturing entities sell self-developed and self-produced products to our Group's intermediate trading entities, these intermediate trading entities then directly transfer the products to third-party customers or sales entities without conducting sales activities. Subsequently, the sales entities are responsible for selling the products to end customers.



Notes:

(1) Manufacturing entites refer to the production companies located in China and Mexico. These companies were responsible for the R&D of finished goods, the procurement of raw materials, product manufacturing, as well as marketing and sales functions, and accordingly bore risks including R&D risk, production risk, market risk and inventory risk.

(2) Sales entities refer to domestic and overseas distribution companies located in China, the Netherlands, the United States, and other overseas regions. These companies are mainly responsible for purchasing finished goods from the full-fledged manufacturers, conducting local marketing and sales activities, and selling the finished goods to end customers. Accordingly, they bear market risk, etc. Therefore, a regular distributor is typically a distribution enterprise that assumed certain functions and risks.

(3) Intermediate trading entities acted as the trading platforms for the resale of products, undertaking responsibilities including product reselling, contract signing, and payment collection and disbursement, without bearing market risk.

The intra-group transactions should be conducted in accordance with an arm's-length principle according to the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**") promulgated by the Organization for Economic Cooperation and Development (the "**OECD**"), and the applicable laws and regulations in the tax jurisdictions involved in our intra-group transactions. The OECD Transfer Pricing Guidelines is the general guiding principle for the treatment of issues of transfer pricing worldwide. The OECD Transfer Pricing Guidelines is generally consistent with the transfer pricing regulations in the tax jurisdictions involved in our intra-group transactions. In this regard, we have engaged a professional firm (the "**transfer pricing consultant**"), to assist us to review whether the pricing policy of the Group's Covered Transactions complied with the arm's-length principle from the perspective of the OECD Transfer Pricing Guidelines.

Based on the OECD Transfer Pricing Guidelines Chapter V, and according to the transfer pricing regulations in the PRC and other relevant tax jurisdictions, if a company's related-party transaction amount reaches a certain threshold[1], it is required to prepare the transfer pricing documentation, namely the Local File. The Local File helps meet the objective of assuring that the taxpayer has complied with the arm's-length principle in its material transfer pricing positions affecting a specific jurisdiction.

1 For example, based on the regulations of the People's Republic of China, Announcement No. 42 (2016) of the State Administration of Taxation (SAT), a Chinese enterprise is required to prepare a Local File for a fiscal year if its annual related-party transaction value meets any one of the following quantitative thresholds: Transfer of tangible assets: Exceeds RMB200 million; Transfer of financial assets: Exceeds RMB100 million; Transfer of intangible assets: Exceeds RMB100 million; Other related-party transactions: Exceeds RMB40 million in total.

For those entities included in our Group's consolidated financial statements that simultaneously met the thresholds for preparing a Local File, all such entities have prepared the Local File as required by local transfer pricing regulations, and the intra-group transactions have been validated through the following transfer pricing benchmarking analyses. The transfer pricing review was conducted in the following steps:

Transfer Pricing Method and Transfer Pricing Benchmarking Analysis

Based on the overall functional and risk analysis of our Group, the positioning of the reviewed entities was categorized into the following types: (i) the manufacturing entities, (ii) the intermediate trading entities, and (iii) the sales entities. For details, see the transaction flows above.

The Transactional Net Margin Method ("**TNMM**") was used as the transfer pricing method to view whether the intra-group transactions were carried out in accordance with the arm's-length principle. The TNMM compares the net profit margin of the tested party engaged in the intra-group transactions with the net profit margins of independent companies engaged in comparable transactions. To enhance comparability, the benchmarking analysis selected region-specific comparable companies for entities in different jurisdictions, resulting in the establishment of distinct interquartile ranges for each relevant region.

For the manufacturing entities:

- Our PRC manufacturing entities sell products to related party entities, and have weighted average profit margins ranging from 5.00% to 12.93%, which fall within the interquartile range of the weighted average profit margins of comparable Asia-Pacific manufacturers, which ranges from 2.10% to 13.50%;
- Our Mexican manufacturing entity sells products to related party entities, and has an adjusted profit margin of 3.87%, which falls within the interquartile range of the weighted average profit margin of comparable Americas manufacturers, which ranges from 2.21% to 5.24%.

For the intermediate trading entities:

- The intermediate trading entities directly purchase products from manufacturing entities and transfer the products to related parties and third parties. Our PRC and HK intermediate trading entities have weighted average profit margins ranging from 4.20% to 8.74%. These profit margins are above the interquartile range of the weighted average profit margins of comparable Asia-Pacific intermediary traders, which ranges from 1.89% to 3.67%. The above circumstances did not result in a reduction in the corresponding tax jurisdiction's tax payable, and the associated risk is considered remote.

For the sales entities:

The sales entities purchase products from manufacturing entities and sells to third parties.

- Our Australian sales entity has a weighted average profit margin of 2.14%, which falls within the interquartile range of the weighted average profit margin of comparable distributors in the Asia-Pacific region, which ranges from 1.21% to 3.27%;
- Our Dutch sales entity has an adjusted profit margin of 1.73%, which falls within the interquartile range of the weighted average profit margin of comparable distributors in the European region, which ranges from 0.36% to 4.13%;
- Our American sales entity has an adjusted profit margin of 0.68%, which falls within the interquartile range of the weighted average profit margin of the comparable distributors in the Americas region, which ranges from 0.10% to 4.86%;

- Our Indonesian mining machinery distributor has a weighted average profit margin of 5.85%, which falls within the interquartile range of the weighted average profit margin of the comparable mining machinery distributors in the Asia-Pacific region, which ranges from 3.27% to 11.27%.

Consequently, according to the OECD Transfer Pricing Guidelines, the profit levels of the intra-group transactions were consistent with the arm's-length principle. The local transfer pricing regulations of the jurisdictions where the Covered Entities are located are generally aligned with OECD Transfer Pricing Guidelines. Within the relevant jurisdictions, the Covered Entities have complied with the compliance obligations in material aspects regarding the preparation and submission of Local File in accordance with the local tax and transfer pricing regulations.

As advised by the transfer pricing consultant according to the OECD Transfer Pricing Guidelines and applicable local transfer pricing regulations, we have conclusions that: (i) our intra-group transactions were in accordance with the arm's-length principle under the OECD Transfer Pricing Guidelines and the local transfer pricing regulations; (ii) no material transfer pricing compliance issues have been identified; and (iii) the risk of a material transfer pricing adjustment and any related tax payment arising from transfer pricing risks can be considered relatively low.

Furthermore, our Directors have confirmed that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to, nor were we aware of, any material outstanding enquiries, audit, investigation or challenge by any tax authorities in relation to our Covered Transactions and transfer pricing arrangements.

We have been and will continue to closely monitor our Group's transfer pricing arrangements, including periodically reviewing the reasonableness of intra-group transaction pricing policies. However, we cannot guarantee that our transfer pricing arrangements will not be reviewed or challenged by tax authorities in the future. We have reasonable grounds to defend ourselves against potential challenges. See "Risk Factors — Risks Relating to Our Business and the Industry in Which We Operate — We could be subject to changes in the tax preferential treatments we enjoy, the introduction of new tax regulations, or exposure to additional tax liabilities, which may adversely affect our results of operations and financial condition."

Transfer Pricing Compliance

With consultation with the transfer pricing consultant, we are of the view that our Group has been in compliance with the relevant transfer pricing laws and regulations during the Track Record Period and up to the Latest Practicable Date.

We have adopted and will continue to adopt the following measures to ensure continuous compliance with relevant transfer pricing laws and regulations in the PRC and the OECD Transfer Pricing Guidelines:

i. We will continue to engage an external tax consultant to advise us on transfer pricing matters annually. We will continue to follow the advice from the tax consultants on the application of transfer pricing methodology and evaluations.

ii. We will formulate our transfer pricing policies and budgeting plans based on and upon considering the transfer pricing advice of our tax consultants.

iii. We will conduct trainings for our senior management personnel on updates in transfer pricing laws and regulations in the relevant jurisdictions.

iv. Our Directors and chief financial officer shall review all reporting forms related to transfer pricing before submitting them to the relevant tax authority.

v. Our Directors and chief financial officer will ensure that the transfer pricing policies adopted are in line with the value contributions of each entity.

vi. Our Directors will review the terms of the material inter-company transactions and monitor, on a regular basis, our transfer pricing policy to ensure that the transactions are carried out at arm's length; and

vii. Our chief financial officer will document and file relevant supporting documents on value contribution of each party for risk management purposes. The documents will, include but not limited to, those related to function and risk profiles, correspondences.

INTELLECTUAL PROPERTY

We rely on a combination of patent, trademark, copyright and other intellectual property protections laws in the jurisdictions in which we operate, as well as fair trade practices, contractual arrangements and confidentiality procedures to establish and protect our proprietary technologies. As of December 31, 2025, we had 650 patents globally. In addition, as of December 31, 2025, we had 81 and 140 registered trademarks, respectively, in Chinese Mainland and foreign jurisdictions. Our robust intellectual property portfolio also consisted of over 40 software copyrights as of December 31, 2025.

We adopt a proactive approach to managing our intellectual property portfolio, implementing a comprehensive set of procedures for patent application, analysis, invalidation, operation, acquisition and asset evaluation. These practices ensure that our intellectual property rights are effectively protected and managed throughout their entire life cycle. Our legal department conducts regular oversight of our intellectual property assets and initiates appropriate actions whenever potential infringements are identified. We have established a robust intellectual property management system to safeguard our innovations and brand integrity. Our comprehensive measures comprise (i) obtaining certification for our intellectual property compliance management system from an accredited authority in 2024, demonstrating our continuous adherence to rigorous standards; (ii) institutionalizing our intellectual property protection by establishing dedicated committees, such as the Intellectual Property Rights Protection Committee and Trademark Management Committee, integrating intellectual property responsibilities across all relevant departments; (iii) proactively securing our intellectual properties through global registrations of trademarks, patents, domain names and copyrights; (iv) implementing structured internal policies, including the Trademark Management Measures, Patent Rights Management Regulation and Right Protection and Anti-Counterfeiting Management Standards, to standardize intellectual property governance; (v) launching a trade secret compliance initiative in 2025 to further strengthen our confidentiality framework; (vi) enhancing our process controls with systematic approval workflows and digital oversight via our legal management platform; and (vii) actively monitoring and pursuing legal action against third-party infringements of our trademarks, patents and trade secrets. Collectively, these efforts fortify our intellectual property protection capabilities and mitigate risks to our competitive advantage.

SEASONALITY

Our business and operating results are subject to seasonal fluctuations, particularly in the first quarter, due to factors such as winter weather and holidays. Seasonal factors are expected to result in fluctuations in our revenue. According to Frost & Sullivan, the sales of mining equipment exhibit certain degree of seasonality. Such seasonal fluctuations and are common within the industry and can be attributed to the combined effects of climatic conditions, downstream industry cycles and customer capital expenditure strategies. For example, key mining regions are affected by severe cold, ice and snow in winter, as well as rainfall during the summer flood season, making new equipment purchases to be concentrated in other seasons. Moreover, demand for coal and other energy products is driven by winter heating needs and peak summer electricity consumption, thereby affecting the sales of mining equipment. See "Risk Factors — Risks Relating to Our Business and the Industry in Which We Operate — Our results of operations are subject to seasonal fluctuations" for details.

COMPETITION

The markets we operate in are characterized by intense competition, driven by continuous technological development, product diversification and global regulatory policies. As our product portfolio spans multiple sectors, we encounter a wide range of competitors across different segmented markets. See "Risk Factors — Risks Relating to Our Business and the Industry in Which We Operate — We compete with both domestic and foreign companies and we may not be able to respond successfully to changes in the global and regional competitive landscape."

EMPLOYEES

We believe that our professional workforce is the driving force of our long-term growth. As of December 31, 2025, we had 3,095 full-time employees globally. As of December 31, 2025, we had 2,416 and 679 domestic employees and international employees, respectively. The table below sets forth breakdowns of our employees by function as of December 31, 2025.

Function	Number of Employees	Percentage of Employees
		(%)
Production	1,211	39.1
Sales and Marketing	805	26.0
R&D	576	18.6
Management	414	13.4
Finance	89	2.9
Total	**3,095**	**100.0**

Our workforce is composed of talented professionals with substantial industry experience. We recruit talented professionals from multiple channels, including internal and external referral, recruitment websites and head-hunters. We invest in employee development with a comprehensive training system, such as onboarding, product training, fire safety, workplace security and compliance policies. We also offer specialized programs to enhance professional skills, nurture key personnel and develop leadership abilities.

We offer our employees competitive packages of remuneration and benefits based on their job functions, performance evaluations and prevailing market standards. Our appraisal system takes into account factors such as competitive industry salary benchmarks and the responsibilities of individual roles. Our benefits package also includes holiday gifts, commercial health insurance, annual medical check-ups, and school placement assistance for employees' children.

We have established a labor union to facilitate communications among employees and to protect their rights. We believe that we have developed and maintained a good relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we had no strikes, protests or other material labor disputes that might have impaired our business and image.

INSURANCE

We maintain insurance coverage over our daily operations. Our principal insurance policies primarily include China export credit insurance, property all-risk insurance, engineering machinery and equipment insurance, commercial general liability insurance and group accidental injury insurance to mitigate operational and financial risks across our business activities, 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 available in the locations wherein we operate, or that are not generally required by laws. We believe that our insurance coverage is adequate for our business and in line with general market practice. We will continue to review and assess our risk portfolio and make all necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

PROPERTIES

Our headquarters office is located in Jinan, Shandong Province. We own and lease properties both in Chinese Mainland and overseas. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Owned Properties

As of the Latest Practicable Date, we owned 31 properties in Chinese Mainland which were primarily used as our manufacturing facilities and office premises. As of the Latest Practicable Date, we had not obtained valid title certificate for two owned properties with an aggregate GFA exceeding 42,600 sq.m. With respect to one of such properties, we had completed the payment for the property but had not completed the transfer registration procedures, as we intended to dispose of such office property and therefore had not considered it necessary to complete the title transfer prior to the confirmation of disposal plan. With respect to the other property, the seller was in the process of completing the title transfer procedure as of the Latest Practicable Date. Considering that (i) no property ownership disputes have arisen that would impact our use of the property; (ii) such properties are primarily used for office purposes, which are not essential to our core production and operations; and (iii) we expect to secure the title certificates for these two properties by 2026. Our PRC Legal Advisor is of the view that the aforementioned situation would not have any material adverse effect on our business and results of operations.

Leased Properties

As of the Latest Practicable Date, we leased ten properties in Chinese Mainland, which were primarily used for production, office premises and warehousing. The leases generally have a term ranging from one to five years. As of the date of this Document, we had not registered six lease agreements with the relevant government authorities, with an aggregate GFA of approximately 500 sq.m, primarily because the relevant lessor did not provide necessary documents for lease registration, which is beyond our control. As advised by our PRC Legal Advisor, the failure to register the lease agreements for our leased properties will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to complete the registration within certain time frame. The potential maximum penalty is estimated to be RMB60,000.

To ensure compliance with applicable laws and regulations relating to our properties, we have implemented the following internal control measures: (i) strengthening our review procedures for property-related documents, including title certificates, property ownership documents, identification information of lessors, sellers and other counterparties, as well as relevant authorization documents where applicable; (ii) following up on the collection of necessary documents for lease registration and filing procedures; and (iii) enhancing coordination among our legal, administrative and business departments to monitor compliance matters relating to property acquisition, leasing and registration procedures.

LICENSES, APPROVAL AND PERMITS

As advised by our PRC Legal Advisor, we have duly obtained the requisite licenses, permits, approvals and certificates which are material to our operations from applicable authorities, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. The table below sets forth the material licenses/permits obtained by our Group as of the Latest Practicable Date:

Holding Entity	Licenses and Permits	Approval Date	Expiry Date
The Company . . .	Manufacture License of Special Equipment (特種設備生產許可證)	February 21, 2025	February 20, 2029
The Company . . .	Safety Mark Certificate for Mining Products (礦用產品安全標誌證書)	April 11, 2024	April 10, 2029
The Company . . .	Bonded Warehouse Registration Certificate (保稅倉庫註冊登記證)	July 3, 2024	July 3, 2027
The Company . . .	High and New Technology Enterprise Certificate (高新技術企業證書)	December 7, 2024	December 6, 2027
The Company . . .	Pollutant Discharge Permit (排污許可證)	November 29, 2023	November 28, 2028

We renew the licenses, permits, approvals and certificates from time to time to comply with the relevant laws and regulations. We confirm that there is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations.

IMPACTS OF RECENT SANCTIONS AND EXPORT CONTROL POLICIES

Procurement Activities in relation to Procured Items subject to U.S. Export Controls

During the Track Record Period, we procured items subject to the EAR and classified as ECCN 5D002.c, 5D992.c and EAR99 ("**Procured Items**"). Provision of EAR controlled items to sanctioned entities, especially Specially Designated Nationals designated by the Office of Foreign Assets Control ("**SDNs**") or entities listed on the Entity List by the Bureau of Industry and Security, are prohibited. Most of these Procured Items are components of our construction machinery classified as EAR99, such as cylinder block assembly and shaft sleeve. Other Procured Items are software classified as 5D002.c and 5D992.c, such as centralised platform to manage product data and office software. These Procured Items, other than those classified as EAR99, are controlled for anti-terrorism reasons only. Items controlled for anti-terrorism are subject to license requirement for exports, reexports or transfers (in-country) involving (i) entities designated on the Entity List, Denied Persons List, or Unverified List; and/or (ii) entities headquartered in, ordinarily resident in, or owned or controlled by governments of any Comprehensively Sanctioned Countries, as well as Russia and Belarus (collectively, "**AT Sanctioned Countries**"; these entities under (i) and (ii) are collectively referred as "**AT Restrictions Sanctioned Targets**"). Those classified as EAR99 are generally low-technology consumer goods that do not require a license in most situations (including our procurement). See "Regulatory Overview — U.S. Export Controls" for details.

Since we are not AT Restrictions Sanctioned Targets, we do not require a license to procure these Procured Items. None of these Procured Items were supplied to any of the AT Sanctioned Countries or AT Restrictions Sanctioned Targets. As advised by our International Sanctions Legal Advisor after conducting procedures they deem necessary, screening the full customer and supplier list during the Track Record Period and up to the Latest Practicable Date and reviewing underlying sales documents, our procurement of theseProcured Items during the Track Record Period did not represent a violation of the applicable U.S. export controls. Our Directors are therefore of the view that our Group's business operations and financial performance are not materially adversely affected by the applicable U.S. export control restrictions.

Sales Activities in relation to Relevant Regions subject to International Sanctions

During the Track Record Period and up to the Latest Practicable Date, we have sold our products to various non-sanctioned customers and distributors in Belarus, Democratic Republic of the Congo, Egypt, Guinea, Hong Kong, Myanmar, Russia (excluding Crimea, so-called Donetsk People's Republic ("**DPR**") and Luhansk People's Republic ("**LPR**") regions, Zaporizhzhia and Kherson regions), Turkey, Tunisia, Ukraine (excluding Crimea, DPR, LPR, Zaporizhzhia and Kherson regions) and Zimbabwe ("**Relevant Regions**"). These Relevant Regions are not Comprehensively Sanctioned Countries, and are subject to limited sets of list-based sanctions programs. These limited list-based sanctions programs which are not territorial broad-based in nature and only target specified sanctioned entities or sectors in the country or region. As advised by our International Sanctions Legal Advisor, as discussed in details below, our transactions in these Relevant Regions did not represent a violation to the applicable primary International Sanctions regulations, and the risk is low that such transactions would result in secondary sanctions against the Relevant Persons (including us).

The total revenue generated from our sales to our customers in the Relevant Regions (excluding Hong Kong) was less than 10% for the three years ended December 31, 2025.

Primary Sanctions

There are two types of primary U.S. sanctions programs in place, i.e. "country-based (territorial broad-based) sanctions programs" and "list-based sanctions programs". Country-based sanctions programs target Comprehensively Sanctioned Countries by prohibiting U.S. persons from dealing in any manner with these Sanctioned Countries. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons). Typically, there are two situations constituting a primary sanction violation, (i) transactions involving U.S. nexus (such as use of U.S. dollar, bank system, products subject to the EAR, or involving U.S. persons) with Comprehensive Sanctioned Countries, and (ii) transactions involving U.S. nexus with SDNs. See "Regulatory Overview — Laws and Regulations in Relation to International Sanctions" for details.

Products that are of U.S.-origin or include more than the de minims value of U.S. origin-content (usually varies from 10-25%; for Chinese products, the applicable de minimis threshold for our products is 25%) would be subject to the EAR. During the Track Record Period, we have not transacted with any SDNs that were designated at the time of transaction, nor transacted with entities listed on the Entity List, Unverified List or Denied Persons List maintained by the U.S. Bureau of Industry and Security in these Relevant Regions. As advised by our International Sanctions Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, given that (i) we did not have business activities in Comprehensively Sanctioned Countries or with SDNs at the time of the transaction, (ii) our products are not subject to the EAR as we did not incorporate more than the de minimis threshold of U.S. origin contents (our Procured Items), (iii) our sales do not involve any U.S. nexus, therefore, our sales did not represent a violation to the applicable primary sanctions or represent Primary Sanctioned Activities as defined in Chapter 4.4 of the Guide.

Secondary Sanctions

U.S. also has "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons, including transactions with SDNs or certain sectors in sanctioned countries, even when the transaction has no U.S. nexus. Providing material support for such activities and sectors, or engaging in "significant" transactions with SDNs can be viewed as engaging in Secondary Sanctionable Activities as defined in Chapter 4.4 of the Guide. As advised by our International Sanctions Legal Advisor, among ourtransactions withthe Relevant Regions, only the transactions with Russia and Belarus would give rise to secondary sanctions risks concerns.

As advised by our International Sanctions Legal Advisor, given that (i) the products our Group sold to Russia and Belarus were limited to Chinese-origin self-designed construction machinery, such aerial work platform and mining equipment, which do not fall within scope of products 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; (ii) our Group did not engage in any sales to sanctioned entities in Russia or Belarus, including those listed on the SDN List at the time of transaction; and (iii) our Group's sales to Russia and Belarus (direct and indirect) throughout the Track Record Period were immaterial (below 10%) and is declining, the risk is low that our Group's activities with the Relevant Regions would be viewed as Secondary Sanctionable Activities that would result in the imposition of sanctions on the Relevant Persons. Our Directors are therefore of the view that our Group's business operations and financial performance are not materially adversely affected by the current International Sanctions restrictions.

Internal Control Measures on International Sanctions Risks

We will continue to monitor the international sanctions risks, and adopt the following measures to enhance our internal control: (i) we conduct mandatory pre-contract screening of all business partners against sanctioned entities and individuals, including U.S. OFAC lists, and maintain an integrated blacklist mechanism; (ii) we embed trade compliance clauses in sales and procurement contracts to prohibit any transfers to sanctioned parties or military use; (iii) we perform regular risk assessments of overseas operations and strengthen our internal decision-making and approval workflows; and (iv) we establish enforceable procedures and guidance documents including sanctioned country classifications and compliance manual, to provide clear guidance for internal management. Our Internal Control Consultant confirms that we maintained adequate and effective internal control measures on international sanctions risks, and no material deficiencies had been identified during the Track Record Period and up to the Latest Practicable Date.

IMPACT OF RECENT TARIFFS POLICIES

The table below sets forth applicable tariff rates as of the Latest Practicable Date in the United States and any other applicable jurisdiction(s) for products sold and raw materials/goods procured by us:

Jurisdiction	Details of tariffs
The U.S.	The applicable Section 301 Tariff rate on our products imposed by the U.S. government is 25% or 7.5% (in addition to any of the applicable most favored nation rate, reciprocal tariff rate, anti-dumping and countervailing tariff rate and Section 232 tariff). Our Group's products of Mexican origin involved in exports to the U.S., fall under the United States-Mexico-Canada Agreement and thus are subject to 0% tariff rates.
European Union	Our products involved in exports to the European Union from China are subject to a tariff of 4.5% under the European Union's Common Customs Tariff, whereas our products involved in exports to the European Union from Mexico are subject to a zero tariff under the EU-Mexico Global Agreement.

Jurisdiction	Details of tariffs
China	Raw materials and components imported into China for our production and subsequent export are subject to a zero tariff, whereas raw materials and components imported from the U.S. and used in the production of products for our domestic sales are subject to a reciprocal tariff rate of 10%.
Mexico	Raw materials and components imported into Mexico for our production and subsequent export are subject to a zero tariff.

Impact of U.S.Tariffs

As advised by our legal advisors, our Group's products involved in exports to the U.S. from China are subject to an additional 25% or 7.5% Section 301 Tariff (in addtion to any of the applicable most-favored nation rate, reciprocal tariff rate, anti-dumping and countervailing tariff rate and Section 232 tariff). Our Group's products involved in exports to the U.S. from Mexico, being manufactured in our manufacturing facility in Mexico, fall under the United States-Mexico-Canada Agreement and thus are subject to 0% Section 301 tariff rates.

In relation to our export activities to the U.S., during the Track Record Period, revenue generated from the U.S. accounted for 1.32%, 1.54% and 3.86% of our total revenue in 2023, 2024 and 2025, respectively. In particular, for 2024 and 2025, revenue generated from our U.S. sales from China only accounted for 0.2% and 0.3% of our total revenue respectively; all of our other sales to the U.S. were exported from Mexico. In addition, we have established a manufacturing facility in Mexico, products manufactured in which are subject to 0% Section 301 tariff rates, enabling us to reduce potential impacts from U.S. tariffs.

Given (i) our limited export activities in connection with the U.S. during the Track Record Period and up to the Latest Practicable Date, (ii) tariff on these exports have already been addressed and paid by the U.S.-based customers, and (iii) we intend for all our future U.S. sales to be made from our Mexico manufacturing facility, our Directors believe that the recent changes of U.S. tariff policies have not had and will not have any material adverse impact, directly or indirectly, on our business operations and financial performance.

We will continue to monitor the regulatory landscape but consider our exposure to U.S. trade policy to be limited.

Impact of Tariffs Policies in Other Jurisdictions

Our Group's products involved in exports to the European Union from China are generally subject to normal import duties at rates of approximately 4.5%, whereas our products originating from Mexico and involved in exports to the European are subject to a zero tariff under the EU-Mexico Global Agreement. During the Track Record Period, revenue generated from the European Union accounted for 4.1%, 6.1% and 4.7% of our total revenue in 2023, 2024 and 2025, respectively. Given (i) our limited export activities in connection with the European Union during the Track Record Period and up to the Latest Practicable Date; and (ii) products manufactured at our Mexico facility can be supplied to the European market and are not subject to tariffs duties under the EU-Mexico Global Agreement, our Directors are of the view that the EU import tariff regime and related trade measures have not had, and are not expected to have, any material adverse impact, directly or indirectly, on our supply chain, production, operations or financial performance during the Track Record Period and up to the Latest Practicable Date.

Raw materials and components imported into China for our production and subsequent export are subject to a zero tariff, whereas raw materials and components imported from the U.S. and used in the production of products for our domestic sales are subject to a reciprocal tariff rate of 10%. During the Track Record Period, raw materials and components imported into China by our Group are predominantly imported under bonded import arrangements and stored in bonded warehouses. They are also primarily used in the manufacturing of products for export and, as such, are exempt from import duties. For the limited portion of imported raw materials used in the production of products for domestic sales, the 10% reciprocal tariffs are reflected in cost-plus pricing and borne by our customers. Based on the foregoing, our Directors are of the view that the China's import tariff regime has no material adverse impact on our supply chain, production, operations, or financial performance during the Track Record Period and up to the Latest Practicable Date.

Raw materials and components imported into Mexico for use in the manufacturing of our Group's products are generally subject to standard import duties. Under this regime, imported raw materials are temporarily admitted without payment of import duties, provided they are used for manufacturing products for export. Given our Group's products manufactured at Mexico facility are used for export to the U.S. and Europe and thus are exempt from tariffs duties, our Directors are of the view that such tariff regime will not have any impact on supply chain, production, operations or financial performance during the Track Record Period and up to the Latest Practicable Date.

RISK MANAGEMENT AND INTERNAL CONTROL

We place great emphasis on risk management, continually refining our internal control procedures and strengthening oversight of their implementation. Each relevant department within our Group has adopted risk control measures and routinely carries out established risk management practices, which primarily include:

To ensure effective monitoring and execution of our risk management and corporate governance practices after the [**REDACTED**], we have implemented, and will continue to implement the following key measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control system. See "Directors, Supervisors and Senior Management — Board Committees — Audit Committee" for the qualifications and experience of the committee members;
- adopt policies to ensure adherence to the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure;
- conduct regular training sessions for our Board members and senior management on corporate governance, regulatory compliance, and directors' responsibilities in line with [**REDACTED**] requirements;
- develop an employee handbook that covers the entire business and operational procedures, addressing key areas such as human resources, intellectual property, financial management, legal regulations, anti-corruption and anti-bribery;
- establish risk assessment and management procedures, along with a series of monitoring systems to address and mitigate potential risks, including management of unexpected events;
- implement an information systems risk monitoring framework, focusing on data security management and ensuring the integrity and confidentiality of sensitive business data;
- enforce rigorous facility and inventory management procedures to track production processes, and maintain operational effectiveness; and
- set up a code of ethics and disciplinary framework for senior management and employees, promoting ethical behavior, accountability and adherence to our standards.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims proceedings arising from our 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.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. 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, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that we have complied, in all material respects, with all relevant laws and regulations in the jurisdictions in which we operate during the Track Record Period and up to the Latest Practicable Date.

Legal Proceeding with National Intellectual Property Administration

In 2023, Guangxi Liugong Group filed applications with the National Intellectual Property Administration seeking invalidation of four registered trademarks titled "LGMG" (designated color) owned by us. Guangxi Liugong Group alleged that the disputed trademarks constituted similar marks due to the similarity of the "LG" element in the LGMG design.

In 2024, the National Intellectual Property Administration declared four of our trademarks invalid. We subsequently initiated administrative lawsuits against the National Intellectual Property Administration, with Guangxi Liugong Group named as a third party to the proceedings. In May 2025, Beijing Intellectual Property Court rendered the first-instance judgment upholding the decisions of the National Intellectual Property Administration. In June 2025, we appealed to Beijing High People's Court. The court dismissed the appeal and affirmed the original judgments. In January 2026, we filed a non-infringement action (the "**Non-infringement Action**") with the Zhangqiu District People's Court of Jinan, seeking confirmation that our trademarks and use of the "LGMG" mark does not infringe the registered trademarks of Guangxi Liugong Group. In parallel, we filed retrial applications with the Supreme People's Court of the PRC to overturn the prior invalidation decisions and courts' judgments. The retrial case for the four trademarks had been accepted and had not yet been heard as of the Latest Practicable Date. As of the Latest Practicable Date, we had applied for a stay of proceedings in respect of the Non-infringement Action to facilitate the retrial process.

During the Track Record Period and up to the Latest Practicable Date, Guangxi Liugong Group had not filed any infringement claim with PRC court in relation to the disputed trademarks seeking monetary compensation against us, and no amount of relief had been specified.

After consultation with our PRC Legal Advisor, considering that (i) we own and start using valid registered trademarks incorporating our key identifier "LGMG", which can serve as substitutes, and (ii) we have implemented comprehensive measures to strengthen our intellectual property management, including (i) implementing a formal IP management policy under which the legal and compliance department takes primary responsibility for IP strategy, registration and enforcement, and business units are responsible for identifying and escalating potential risks or infringements; (ii) enhancing internal approval workflow and maintaining database to dynamically track our trademarks, covering status, usage scope, applications, oppositions and reviews procedures, to ensure proper documentation, timely action and compliance with regulatory requirements; and (iii) engaging external legal counsel to carry out routine risk assessment on quarterly basis and initiating appropriate legal actions on a case-by-case basis. The above litigation will not have any material adverse impact on our business, financial conditions and results of operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not fully contribute to certain social insurance and housing provident funds for some of our employees, primarily because (i) the social insurance registration procedures for some new employees have not yet been completed; (ii) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from them, and (iii) our human resources personnel did not fully understand the relevant requirements of the relevant PRC laws and regulations. Based on the estimation of our Directors, our shortfall of social insurance and housing provident fund contributions was approximately RMB56.4 million, RMB67.2 million and RMB69.9 million in 2023, 2024 and 2025, accounting for 0.6%, 0.6% and 0.7% of our total revenue for the same years, respectively.

As advised by our PRC Legal Advisor, according to applicable PRC laws and regulations, we may receive an order of correction from competent authority requiring the employer to make up the full contribution within a specified period of time, and from the date of default, a daily late fee of 0.05% of the overdue amount may be charged. If the payment is not made within the prescribed time limit, the relevant administrative department may impose a fine ranging from one to three times the unpaid amount.

Our Directors believe that the Interpretation II and the incident above do not have any material adverse impact on our business operation or financial condition, taking into consideration that (i) as advised by our PRC Legal Advisor, the Interpretation II does not repeal any currently effective PRC laws or regulations relating to social insurance, nor does it expand the scope of any applicable penalties relating to social insurance; (ii) as advised by our PRC Legal Advisor, we have obtained relevant credit report from the Shandong Social Credit Center, a competent provincial-level credit information service institution authorized and supervised by the competent authorities of Shandong Province, which confirms that we had no records of violations or administrative penalties in relation to our social insurance, medical insurance, or housing provident fund matters during the Track Record Period. The credit report serves as an official compliance verification document for enterprises specifically issued by the Shandong Social Credit Centers, and is accepted as evidence of no administrative violations; (iii) during the Track Record Period and up to the Latest Practicable Date, we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds; (iv) during the Track Record Period and up to the Latest Practicable Date, we did not experience any material employee complaints, reports, or related litigation or arbitration proceedings against our Group; and (v) if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice. As a result, we did not make any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period.

We have taken the following internal control measures to prevent future occurrences of such non-compliance: (i) the Legal and Human Resources departments regularly monitor the payment of social insurance and housing fund contributions; (ii) we conduct periodic reviews of the latest applicable PRC laws and regulations relating to social insurance and housing funds, and establish internal record-keeping and reporting mechanisms; and (iii) we have enhanced our trainings of personnel to reinforce employees' understanding of statutory obligations and related internal policies.

INFORMATION TECHNOLOGY

Information technology (IT) is a critical component of our competitive advantage and operational efficiency. We continuously adapt and enhance our IT systems to align with our business growth and diverse operational requirements. Our integrated IT systems ensure seamless data flow across all business functions while maintaining operational visibility at every stage. During the Track Record Period, we primarily invest in main IT systems including (i) Enterprise Resource Planning (ERP) systems for finance and manufacturing chain management; (ii) Computer-Aided Design systems for product design; (iii) a Customer Experience (CX) platform for marketing activities; (iv) Supplier Relationship Management (SRM) systems for supplier and procurement management; (v) a Warehouse Management System (WMS) for warehousing operations, including inbound and outbound management; and (vi) a Financial Shared Services system for financial process management. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

DATA PRIVACY AND INFORMATION SECURITY RISK MANAGEMENT

In the course of our business operations, we mainly collect, store and process data relating to our operations and transactions with our customers, such as our employees' information, customer details and supplier records in Chinese Mainland, the U.S., Europe, Hong Kong, Mexico and Zambia. We have established relevant policies to protect data security and personal privacy, including but not limited to a personal information security management system and a data security management system, and have designated dedicated personnel to be responsible for our data security, network security, and personal information protection. At the same time, we prevent inappropriate access, use, or disclosure of its data by employees through measures such as signing confidentiality agreements with employees and restricting employees' data access permissions. Additionally, we enhance our security protection capabilities by deploying technical measures such as situational awareness tools, firewalls, WAF devices, antivirus software, data transmission encryption, and data backup solutions.

With respect to the personal data collected within the PRC, cross-border transfers of data out of Chinese Mainland mainly occur under the following circumstances. In business scenarios, such as dispatching a small number of technical or service personnel to overseas subsidiaries or engaging in cross-border trade of company products, cross-border data transfers occurs. Cross-border transfers of data also occur when our overseas employees access office automation tools that facilitate daily workflows, while they can only access to the personal information of colleagues.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data or personal information leakage or loss, infringement of data or personal information, or information security incident. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material litigation or dispute related to data protection and personal information protection, nor had we been subject to or involved in any material investigation or penalty by relevant competent regulatory authorities in this regard. Furthermore, we have adopted measures aforesaid to protect data security and cybersecurity. Based on the foregoing, as advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we complied with the laws and regulations related to data security in the PRC in all material aspects.

For personal data collected in the aforementioned jurisdictions other than Chinese Mainland, we generally follow the principle of data minimization. We limit our data collection to the minimum extent necessary for business operations. Sensitive personal data, such as health information, social security numbers, or other special category data, is processed only when required by law or for minimum necessary business purposes in accordance with law, with access strictly controlled. We do not engage in large-scale or systematic personal data collection, processing or profiling. Cross-border transfers occur only to the minimum extent necessary for business operations and are subject to applicable legal safeguards, employee notifications and internal policies. Based on the foregoing, as advised by our Legal Advisors as to the laws of the U.S., Europe, Hong Kong, Mexico and Zambia, during the Track Record Period and up to the Latest Practicable Date, we complied with the laws and regulations related to data security in the aforementioned jurisdictions in all material aspects.

We recognize that data privacy and data security are critical to our long-term sustainable development. In our daily operations, we have established and implemented a comprehensive data protection framework in accordance with the applicable laws and regulations in the jurisdictions where we operate.

- ***Use of data.*** We manage data access and use through internal policies and procedures. Access rights are granted on a need-to-know basis and aligned with job responsibilities. Data processing activities are subject to approval procedures, and access permissions across our systems are regularly reviewed and audited to ensure that data is used in a controlled and secure manner.
- ***Transfer of data.*** Personal data collected is stored locally or in accordance with the data storage requirement under applicable laws and regulations in the jurisdictions where we operate. We adopt appropriate technical safeguards, such as encrypted transmission channels (including TLS and HTTPS), to protect data during transmission. Encryption technologies are progressively applied across our servers and databases to safeguard data confidentiality, integrity and security. We also maintain and manage system logs to prevent unauthorized alteration or deletion.
- ***Retention of data.*** We retain personal information only for the period necessary to achieve the relevant business purposes, unless a longer retention period is required by applicable laws and regulations, in which case we comply with such requirements.
- ***Destruction of data.*** Upon expiration of the applicable retention period, and subject to legal requirements, we delete personal information or anonymize it in accordance with applicable laws and our internal policies so that it can no longer be used to identify individuals.

AWARDS AND RECOGNITIONS

During the Track Record Period, we received awards and recognition in respect of our products, technology and innovation. The following table sets forth the major awards and recognitions that we received during the Track Record Period and up to the Latest Practicable Date:

Year	Name of Award or Recognition	Awarding Authority
2025 . .	2025 China Top 50 Mining Equipment Manufacturers (2025中國礦山設備製造商50強)	Organizing Committee of the Global Construction Machinery Summit (全球工程機械50強峰會組委會)
2024 . .	Hurun Research Institute Global Unicorn from 2024 to 2025 (2024年和2025年連續獲得胡潤研究院全球獨角獸)	Hurun Report (胡潤百富)
	2024 5G Factory Directory — Lingong Heavy Machinery 5G Smart Factory (《2024年5G工廠名錄》—臨工重機5G智慧工廠)	Ministry of Industry and Information Technology (工業和信息化部)
2023 . .	National Industrial Design Center (國家級工業設計中心)	Ministry of Industry and Information Technology (工業和信息化部)
	National Smart Manufacturing Demonstration Excellent Scenario (國家智能製造示範優秀場景)	Ministry of Industry and Information Technology (工業和信息化部)
	Shandong Governor's Quality Award (山東省省長質量獎)	Shandong Provincial Administration for Market Regulation (山東省市場監督管理局)