SANYI

SANY HEAVY EQUIPMENT INTERNATIONAL HOLDINGS COMPANY LIMITED

三一重裝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 631)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Sany Heavy Equipment International Holdings Company Limited (the "**Company**") hereby announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024, together with comparative figures for the year ended 31 December 2023. These annual results have been reviewed by the audit committee of the Company (the "**Audit Committee**"), comprising solely the independent non-executive Directors.

FINANCIAL SUMMARY

For the year ended 31 December 2024, the Group recorded revenue of approximately RMB21,909.6 million, representing an increase of approximately 8.0% as compared with approximately RMB20,277.9 million for the year ended 31 December 2023.

Profit attributable to owners of the parent recorded by the Group for the year ended 31 December 2024 was approximately RMB1,101.6 million, representing a decrease of approximately 42.9% as compared with approximately RMB1,929.0 million for the year ended 31 December 2023.

The Group's basic earnings per share for the year ended 31 December 2024 is RMB0.32.

The Board recommends a final dividend of HK$0.29 per share for the year ended 31 December 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	**2024** **RMB'000**	2023 RMB'000
REVENUE	4	**21,909,641**	20,277,944
Cost of sales		**(16,996,278)**	(14,830,890)
Gross profit		**4,913,363**	5,447,054
Other income and gains	4	**815,511**	715,197
Selling and distribution expenses		**(1,286,266)**	(1,262,226)
Administrative expenses		**(2,162,629)**	(2,213,353)
Impairment losses on financial and contract assets, net	5	**(130,030)**	(225,347)
Other expenses		**(501,750)**	(42,464)
Finance costs	6	**(228,600)**	(158,411)
Share of profits of a joint venture		**1,798**	—
PROFIT BEFORE TAX	5	**1,421,397**	2,260,450
Income tax expense	7	**(353,411)**	(421,696)
PROFIT FOR THE YEAR		**1,067,986**	1,838,754
Attributable to:			
Owners of the parent		**1,101,608**	1,928,992
Non-controlling interests		**(33,622)**	(90,238)
		1,067,986	1,838,754
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic (RMB Yuan)		**0.32**	0.58
Diluted (RMB Yuan)		**0.30**	0.52

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**1,067,986**	1,838,754
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements of the Company	**25,205**	31,776
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**25,205**	31,776
OTHER COMPREHENSIVE INCOME, NET OF TAX	**25,205**	31,776
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**1,093,191**	1,870,530
Attributable to:		
Owners of the parent	**1,126,813**	1,960,768
Non-controlling interests	**(33,622)**	(90,238)
	1,093,191	1,870,530

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**7,989,762**	7,275,832
Right-of-use assets		**1,413,073**	1,388,354
Goodwill	*10*	**2,066,775**	2,537,138
Intangible assets		**1,555,397**	1,407,913
Investment in a joint venture		**40,371**	28,535
Financial assets at fair value through profit or loss		**57,500**	37,500
Trade receivables	*13*	**964,142**	1,027,890
Non-current prepayments		**21,645**	27,745
Contract assets		**168,730**	117,746
Deferred tax assets		**423,232**	336,057
Total non-current assets		**14,700,627**	14,184,710
CURRENT ASSETS			
Inventories	*11*	**5,047,840**	3,432,210
Properties for sale	*12*	**475,549**	805,253
Trade receivables	*13*	**10,009,845**	8,355,990
Bills receivable	*13*	**1,131,661**	1,066,199
Contract assets		**157,705**	396,755
Prepayments, other receivables and other assets		**1,598,273**	1,261,432
Derivative financial instruments		**1,728**	15,668
Financial assets at fair value through profit or loss	*14*	**2,393,996**	2,160,426
Pledged deposits	*15*	**71,004**	43,300
Cash and cash equivalents	*15*	**5,339,500**	3,241,068
Total current assets		**26,227,101**	20,778,301

	Notes	**2024**	2023
		RMB'000	*RMB'000*
CURRENT LIABILITIES			
Trade and bills payables	*16*	**11,213,230**	8,098,198
Other payables and accruals		**5,155,009**	4,783,016
Dividend payable		**79,971**	101,288
Interest-bearing bank and other borrowings	*17*	**4,250,167**	2,652,576
Lease liabilities		**40,873**	28,289
Tax payable		**162,347**	237,332
Provision for warranties		**78,400**	75,462
Government grants		**229,796**	196,444
Total current liabilities		**21,209,793**	16,172,605
NET CURRENT ASSETS		**5,017,308**	4,605,696
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,717,935**	18,790,406
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	*17*	**5,684,432**	5,248,801
Lease liabilities		**48,169**	9,510
Government grants		**1,535,846**	1,720,221
Deferred tax liabilities		**274,228**	273,477
Total non-current liabilities		**7,542,675**	7,252,009
Net assets		**12,175,260**	11,538,397
EQUITY			
Equity attributable to owners of the parent			
Share capital	*18*	**317,394**	315,185
Reserves		**11,903,810**	11,274,274
		12,221,204	11,589,459
Non-controlling interests		**(45,944)**	(51,062)
Total equity		**12,175,260**	11,538,397

NOTES TO FINANCIAL STATEMENTS
31 December 2024

1. CORPORATE AND GROUP INFORMATION

Sany Heavy Equipment International Holdings Company Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 23 July 2009. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at No.25, 16 Kaifa Road, Economic and Technological Development Area, Shenyang City, Liaoning Province, the People's Republic of China (the "PRC"). During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the manufacture and sale of mining equipment, logistics equipment, petroleum equipment, new energy manufacturing equipment, electricity, power station project products, and spare parts and the provision of related services in Mainland China.

In the opinion of the directors of the Company (the "Directors"), the immediate holding company and the ultimate holding company of the Company are Sany Hongkong Group Limited ("Sany HK"), a company incorporated in Hong Kong, and Sany Heavy Equipment Investments Company Limited ("Sany BVI"), a company incorporated in the British Virgin Islands, respectively.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for bills receivable, financial assets at fair value through profit or loss and derivative financial instruments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to IAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services. During the year ended 31 December 2024, the Group completed several business combinations and the reportable operating segments increased from two to four to reflect the enlarged business structure. The four reportable operating segments are set out as follows:

(a) Mining equipment segment

The mining equipment segment engages in the production and sale of coal mining machinery, non-coal mining machinery, mining transport equipment and spare parts and the provision of related services;

(b) Logistics equipment segment

The logistics equipment segment engages in the production and sale of container equipment, bulk material equipment, general equipment and spare parts and the provision of related services;

(c) Oil & Gas equipment segment

The oil & gas equipment segment engages in the production and sale of fracturing units and spare parts for oil & gas fields, and the provision of oil & gas field cementing and stimulation technical services; and

(d) Emerging industry equipment segment

The emerging industry equipment segment mainly engages in the production and sales of li-ion battery manufacturing equipment, solar modules, electrolysis hydrogen production equipment, power exchange stations, li-ion batteries, electricity, power station project products and the provision of related services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that interest income, non-lease-related finance costs, as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, deferred tax liabilities, tax payables and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2024	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment segment *RMB'000*	Emerging industry equipment segment *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to customers *(note 4)*	**10,897,529**	**7,255,592**	**1,867,214**	**1,889,306**	**21,909,641**
Intersegment sales	**4,828**	**652,061**	**—**	**78,807**	**735,696**
Other revenue	**316,305**	**200,132**	**52,005**	**43,277**	**611,719**
	11,218,662	**8,107,785**	**1,919,219**	**2,011,390**	**23,257,056**
Reconciliation:					
Elimination of intersegment sales					**(735,696)**
Revenue from operations					**22,521,360**
Segment results	**1,634,092**	**840,259**	**(599,904)**	**(431,653)**	**1,442,794**
Reconciliation:					
Interest income	**112,756**	**67,190**	**16,845**	**7,001**	**203,792**
Finance costs (other than interest on lease liabilities)	**(133,205)**	**(54,199)**	**(8,683)**	**(29,102)**	**(225,189)**
Profit before tax					**1,421,397**
Income tax expense					**(353,411)**
Profit for the year					**1,067,986**
Segment assets	**16,817,509**	**10,912,922**	**4,802,548**	**5,860,665**	**38,393,644**
Reconciliation:					
Elimination of intersegment receivables					**(3,299,652)**
Corporate and other unallocated assets					**5,833,736**
Total assets					**40,927,728**
Segment liabilities	**8,417,461**	**6,435,332**	**2,073,596**	**4,674,586**	**21,600,975**
Reconciliation:					
Elimination of intersegment payables					**(3,299,652)**
Corporate and other unallocated liabilities					**10,451,145**
Total liabilities					**28,752,468**

Year ended 31 December 2024	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment segment *RMB'000*	Emerging industry equipment segment *RMB'000*	Total *RMB'000*
Other segment information					
Loss on disposal of items of property, plant and equipment	**3,225**	**2,787**	**529**	**246**	**6,787**
Impairment of property, plant and equipment	**—**	**4,500**	**—**	**3,246**	**7,746**
Impairment of goodwill	**—**	**—**	**470,363**	**—**	**470,363**
Impairment of properties for sale	**—**	**277,899**	**—**	**—**	**277,899**
Impairment of trade receivables, net	**105,601**	**17,916**	**2,804**	**8,306**	**134,627**
Impairment/(reversal of impairment) of other receivables, net	**651**	**62**	**(117)**	**(695)**	**(99)**
Reversal of impairment of contract assets, net	**(589)**	**(3,740)**	**(169)**	**—**	**(4,498)**
Provision against slow-moving and obsolete inventories	**11,222**	**9,323**	**9,094**	**18,953**	**48,592**
Depreciation and amortisation	**261,811**	**235,881**	**188,726**	**116,236**	**802,654**
Other non-cash expenses	**86,622**	**36,499**	**5,966**	**12,199**	**141,286**
Capital expenditure*	**289,275**	**185,571**	**50,848**	**970,359**	**1,496,053**

Year ended 31 December 2023	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment segment *RMB'000*	Emerging industry equipment segment *RMB'000*	Total *RMB'000*
Segment revenue					
Sales to customers *(note 4)*	12,501,388	5,783,233	1,502,419	490,904	20,277,944
Intersegment sales	102,379	37,371	51	6,033	145,834
Other revenue	348,475	190,217	14,306	(31,064)	521,934
	12,952,242	6,010,821	1,516,776	465,873	20,945,712
Reconciliation:					
Elimination of intersegment sales					(145,834)
Revenue from operations					20,799,878
Segment results	1,591,265	810,955	116,611	(294,791)	2,224,040
Reconciliation:					
Interest income	146,893	35,649	9,127	1,594	193,263
Finance costs (other than interest on lease liabilities)	(87,008)	(53,882)	(5,554)	(10,409)	(156,853)
Profit before tax					2,260,450
Income tax expense					(421,696)
Profit for the year					1,838,754
Segment assets	16,224,807	10,284,328	4,660,233	2,440,859	33,610,227
Reconciliation:					
Elimination of intersegment receivables					(2,267,641)
Corporate and other unallocated assets					3,620,425
Total assets					34,963,011
Segment liabilities	7,479,275	5,480,373	1,736,983	2,583,440	17,280,071
Reconciliation:					
Elimination of intersegment payables					(2,267,641)
Corporate and other unallocated liabilities					8,412,184
Total liabilities					23,424,614

Year ended 31 December 2023	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment segment *RMB'000*	Emerging industry equipment segment *RMB'000*	Total *RMB'000*
Other segment information					
Loss/(gain) on disposal of items of property, plant and equipment	3,379	11,762	343	(51)	15,433
Impairment of property, plant and equipment	—	4,149	—	—	4,149
Impairment of trade receivables, net	122,748	75,077	16,439	362	214,626
Impairment/(reversal of impairment) of other receivables, net	4,055	1,113	(3,426)	780	2,522
Impairment of contract assets, net	92	7,300	807	—	8,199
Provision against slow-moving and obsolete inventories	7,195	8,673	15,748	23,353	54,969
Depreciation and amortisation	213,937	194,186	72,126	45,066	525,315
Other non-cash expenses	72,983	23,463	—	6,742	103,188
Capital expenditure*	1,164,787	535,542	70,225	1,507,622	3,278,176

* Capital expenditure consists of additions to property, plant and equipment, right-of-use assets and intangible assets.

Geographical information

(a) Revenue from external customers

	2024 *RMB'000*	2023 *RMB'000*
Mainland China	**13,739,986**	13,916,244
Asia (excluding Mainland China)	**2,992,260**	2,824,144
Europe	**1,885,871**	1,782,671
Africa	**1,171,194**	543,660
United States of America	**844,189**	478,071
Brazil	**499,219**	204,513
Other countries/regions	**776,922**	528,641
Total revenue	**21,909,641**	20,277,944

The revenue information above is based on the locations of the customers.

(b) Non-current assets

More than 99% of the Group's non-current assets, excluding deferred tax assets, are located in Mainland China.

Information about major customers

Revenue of approximately RMB3,304,880,000 (2023: RMB3,732,883,000) was derived from sales to fellow subsidiaries, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	**21,909,641**	20,277,944

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2024

Segments	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment *RMB'000*	Emerging industry equipment *RMB'000*	Total *RMB'000*
Types of goods or services					
Sale of industrial products	**10,705,949**	**7,121,527**	**1,572,731**	**1,744,263**	**21,144,470**
Sale of electricity	—	—	—	**127,925**	**127,925**
Installation services	**2,491**	**65,048**	—	—	**67,539**
Oil field Service	—	—	**254,837**	—	**254,837**
Maintenance services and others	**189,089**	**69,017**	**39,646**	**17,118**	**314,870**
	10,897,529	**7,255,592**	**1,867,214**	**1,889,306**	**21,909,641**
Geographical markets					
Mainland China	**7,318,044**	**2,785,026**	**1,769,409**	**1,867,507**	**13,739,986**
Asia (excluding Mainland China)	**1,643,644**	**1,241,203**	**97,805**	**9,608**	**2,992,260**
Europe	**811,606**	**1,074,265**	—	—	**1,885,871**
Africa	**485,756**	**675,277**	—	**10,161**	**1,171,194**
United States of America	—	**844,189**	—	—	**844,189**
Brazil	**331,847**	**167,372**	—	—	**499,219**
Other countries/regions	**306,632**	**468,260**	—	**2,030**	**776,922**
	10,897,529	**7,255,592**	**1,867,214**	**1,889,306**	**21,909,641**
Timing of revenue recognition					
Goods transferred at a point in time	**10,705,949**	**7,169,114**	**1,572,731**	**1,872,188**	**21,319,982**
Services rendering over time	**191,580**	**86,478**	**294,483**	**17,118**	**589,659**
	10,897,529	**7,255,592**	**1,867,214**	**1,889,306**	**21,909,641**

For the year ended 31 December 2023

Segments	Mining equipment *RMB'000*	Logistics equipment *RMB'000*	Oil & Gas equipment *RMB'000*	Emerging industry equipment *RMB'000*	Total *RMB'000*
Types of goods or services					
Sale of industrial products	12,265,810	5,616,206	1,146,956	490,904	19,519,876
Installation services	33,592	57,470	—	—	91,062
Oil field Service	—	—	342,240	—	342,240
Maintenance services and others	201,986	109,557	13,223	—	324,766
	12,501,388	5,783,233	1,502,419	490,904	20,277,944
Geographical markets					
Mainland China	9,694,077	2,228,844	1,502,419	490,904	13,916,244
Asia (excluding Mainland China)	1,548,023	1,276,121	—	—	2,824,144
Europe	555,969	1,226,702	—	—	1,782,671
Africa	332,377	211,283	—	—	543,660
United States of America	—	478,071	—	—	478,071
Brazil	167,353	37,160	—	—	204,513
Other countries/regions	203,589	325,052	—	—	528,641
	12,501,388	5,783,233	1,502,419	490,904	20,277,944
Timing of revenue recognition					
Goods transferred at a point in time	12,265,810	5,694,997	1,146,956	490,904	19,598,667
Services rendering over time	235,578	88,236	355,463	—	679,277
	12,501,388	5,783,233	1,502,419	490,904	20,277,944

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 ***RMB'000***	2023 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	**1,511,625**	1,586,880

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon customer acceptance for the industrial products and payment is generally within one year from customer acceptance, except for new customers, where payment in advance is normally required.

Sale of electricity

The performance obligations are satisfied upon power transmission, and measured based on the volume of photovoltaic power transmitted and the applicable tariff rates.

Installation services

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of installation and customer acceptance, except for new customers, where payment in advance is normally required.

Oil field service

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of the services and customer acceptance, except for new customers, where payment in advance is normally required.

Maintenance and other services

The performance obligation is satisfied over time as services are rendered. Maintenance and other service contracts are for periods of one year or less, and are billed based on the time incurred.

	2024 ***RMB'000***	2023 *RMB'000*
Other income		
Bank interest income	**155,106**	152,050
Other interest income	**48,686**	41,213
Government grants	**425,668**	374,237
Rental income	**16,065**	13,626
Profit from sale of scrap materials *(note 5)*	**26,920**	4,001
Others	**37,902**	48,707
	710,347	633,834
Gains		
Fair value gain, net:		
Financial assets at fair value through profit or loss — mandatorily classified as such	**94,434**	86,910
Derivative instruments — transactions not qualifying as hedges	**(12,012)**	(5,547)
Gain on disposal of subsidiaries	**22,742**	—
	105,164	81,363
	815,511	715,197

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold		**16,188,560**	14,312,687
Cost of services provided		**452,910**	463,234
Depreciation of property, plant and equipment		**548,985**	396,463
Depreciation of right-of-use assets		**86,249**	44,113
Amortisation of intangible assets		**167,420**	84,739
Auditors' remuneration		**3,050**	3,050
Provision of warranties*		**28,317**	56,971
Research and development costs**		**1,524,346**	1,681,623
Lease payments not included in the measurement of lease liabilities		**58,951**	49,677
Impairment of goodwill***		**470,363**	—
Impairment of properties for sale*		**277,899**	—
Realisation of profits arising from sales to a joint venture in previous years		**(10,038)**	(8,535)
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages and salaries		**2,325,447**	2,209,858
Share option and share award expenses		**141,286**	103,188
Employee retirement benefits*****		**98,835**	101,152
Other staff welfare		**67,579**	70,221
		2,633,147	2,484,419
Foreign exchange differences, net***		**9,959**	17,360
Impairment of property, plant and equipment, net***		**7,746**	4,149
Impairment on financial assets and contract assets, net****:			
Impairment of trade receivables, net	*12*	**134,627**	214,626
(Reversal of impairment)/impairment of contract assets, net		**(4,498)**	8,199
(Reversal of impairment)/impairment of other receivables, net		**(99)**	2,522
		130,030	225,347
Provision against slow-moving and obsolete inventories*	*11*	**48,592**	54,969
Loss on disposal of items of property, plant and equipment, net***		**6,787**	15,433
Gains from sales of scrap materials***	*4*	**(26,920)**	(4,001)
Remeasurement of financial guarantee contracts***		**4,404**	5,522
Gain on disposal of subsidiaries***		**(22,742)**	—
Fair value (gains)/losses, net***:			
Financial assets at fair value through profit or loss — mandatorily classified as such		**(94,434)**	(86,910)
Derivative instruments — transactions not qualifying as hedges		**12,012**	5,547
		(82,422)	(81,363)

*	Included in “Cost of sales” in the consolidated statement of profit or loss
**	Included in “Administrative expenses” in the consolidated statement of profit or loss
***	Included in “Other income and gains” or “Other expenses” in the consolidated statement of profit or loss
****	Included in “Impairment losses on financial and contract assets, net” in the consolidated statement of profit or loss
*****	As at 31 December 2024, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2023: Nil)

6. FINANCE COSTS

	2024	2023
	RMB'000	*RMB'000*
Interest on interest-bearing bank and other borrowings	**246,218**	160,872
Interest on discounted bills	**15,484**	17,085
Interest on lease liabilities	**3,411**	1,558
	265,113	179,515
Less : Interest capitalised	**(36,513)**	(21,104)
	228,600	158,411

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of the Company are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, except for certain preferential tax treatments available to certain subsidiaries operating in Mainland China, the companies of the Group which operate in Mainland China were subject to Corporate Income Tax (“CIT”) at a rate of 25% on their respective taxable income for the year ended 31 December 2024.

Eleven of the Group’s principal operating companies, Sany Heavy Equipment Co., Ltd. (“Sany Heavy Equipment”), Sany Marine Heavy Industry Co., Ltd., Sany Intelligent Mining Technology Co., Ltd., Sany Petroleum Intelligent Equipment Co., Ltd., Sany Energy Equipment Co., Ltd., Sany Technology Equipment Co., Ltd., Sany Silicon Energy (Zhuzhou) Co., Ltd., Zhuzhou Sany Silicon Technology Co., Ltd., Sany Intelligence Equipment Co., Ltd., Sany Hydrogen Energy Co., Ltd., and Sany Lithium Energy Co., Ltd. were subject to CIT at a rate of 15% in 2024 as they have been recognised as High and New Technology Enterprises, and Zhuhai Sany Port Machinery Co., Ltd. was entitled to the preferential income tax rate of 15% as a qualified enterprise registered in Hengqin District of Zhuhai, a pilot free trade zone in the PRC.

	2024	2023
	RMB'000	*RMB'000*
Current — Hong Kong		
Charge for the year	**111,981**	142,690
Current — Elsewhere	**8,505**	—
Current — Mainland China		
Charge for the year	**307,157**	338,787
Underprovision in prior years	**20,962**	12,096
Deferred	**(95,194)**	(71,877)
Total tax charge for the year	**353,411**	421,696

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. Pillar Two legislation has been enacted or substantively enacted but not yet in effect as at 31 December 2024 in Indonesia, and has not been enacted or substantively enacted for the other jurisdictions in which the Group operates.

The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year and prior year 2023. As such, it may not be entirely representative of future circumstances. Based on the assessment, the Group should benefit from the transitional safe harbour for most of the jurisdictions in which the Group operates. There are a limited number of jurisdictions where the Pillar Two effective tax rate is below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for the location in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**1,421,397**		2,260,450	
Tax at the statutory tax rate	**355,349**	**25.0**	565,113	25.0
Entities subject to lower statutory income tax rates	**(168,446)**	**(11.9)**	(195,176)	(8.6)
Expenses not deductible for tax	**158,952**	**11.2**	7,349	0.3
Different tax rate when temporary difference is realised	**8,828**	**0.6**	(12,760)	(0.6)
Super — deduction of research and development costs	**(176,756)**	**(12.4)**	(208,069)	(9.2)
Adjustments in respect of current tax of previous periods	**20,962**	**1.5**	12,096	0.5
Profit attributable to a joint venture	**(270)**	**—**	—	—
Income not subject to tax	**(3,791)**	**(0.3)**	(147)	—
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**8,783**	**0.6**	4,560	0.2
Withholding tax for the profits of the Group's PRC subsidiaries distributed during the year	**84,410**	**5.9**	116,739	5.2
Tax losses not recognised	**65,390**	**4.6**	131,991	5.8
Tax charge at the Group's effective tax rate	**353,411**	**24.8**	421,696	18.6

8. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
Proposed final dividend — HK$0.29 (2023: HK$0.19) per ordinary share	**932,028**	606,036
Proposed final dividend — HK$0.29 (2023: HK$0.19) per preference share	**139,137**	91,158
	1,071,165	697,194
Equivalent to RMB'000	**988,774**	632,570

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

Dividend payable

A special dividend of HK$0.18 per share, totalling HK$633,746,000, was approved by the board of directors on 23 January 2018. HK$547,505,000 of the dividend was subsequently distributed during the year ended 31 December 2018 and the remaining amount of HK$86,241,000 (equivalent to RMB79,971,000 as at 31 December 2024 and RMB78,153,000 as at 31 December 2023) was recorded in "dividend payable" in the consolidated statement of financial position as at 31 December 2024 and 2023.

A dividend payable to a non-controlling shareholder of RMB23,135,000 was recorded in "dividend payable" in the consolidated statement of financial position as at 31 December 2023.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(a) Basic earnings per share

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of RMB1,101,608,000 (2023: RMB1,928,992,000), adjusted to reflect the distribution to convertible preference shares, and the weighted average number of ordinary shares of 3,199,064,983 (2023: 3,181,501,339) outstanding during the year.

(b) Diluted earnings per share

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of RMB1,101,608,000 (2023: RMB1,928,992,000). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation plus the weighted average number of ordinary shares, totaling 492,354,786 (2023: 516,583,944), assumed to have been issued at no consideration on the deemed exercise of share options or conversion of convertible preference shares and share awards into ordinary shares.

10. GOODWILL

	2024 ***RMB'000***	2023 *RMB'000*
Cost and net carrying amount at 1 January	**2,537,138**	1,129,520
Acquisition of subsidiaries	**—**	1,407,618
Impairment during the year	**(470,363)**	—
Cost and net carrying amount at 31 December	**2,066,775**	2,537,138
At 31 December		
Cost	**2,537,138**	2,537,138
Accumulated impairment	**(470,363)**	—
Net carrying amount	**2,066,775**	2,537,138

Impairment testing of goodwill

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

- Logistics equipment cash-generating unit;
- Oil & Gas equipment cash-generating unit;
- Li-ion battery manufacturing equipment cash-generating unit;
- Solar modules cash-generating unit; and
- Electrolysis hydrogen production equipment cash-generating unit.

The carrying amounts of goodwill allocated to the cash-generating units are as follows:

	2024	2023
	RMB'000	*RMB'000*
Logistics equipment cash-generating unit	**1,129,520**	1,129,520
Oil & Gas equipment cash-generating unit	**789,334**	1,259,697
Li-ion battery manufacturing equipment cash-generating unit	**72,112**	72,112
Solar modules cash-generating unit	**60,573**	60,573
Electrolysis hydrogen production equipment cash-generating unit	**15,236**	15,236
Carrying amount of goodwill	**2,066,775**	2,537,138

Logistics equipment cash-generating unit

Supported by an independent professional valuer, the recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 14% (2023: 16%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 2%), which was the same as the long-term average growth rate of the industry. The goodwill was not impaired based on the results of the above impairment testing.

Oil & Gas equipment cash-generating unit

Supported by an independent professional valuer, the recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 14% (2023: 16%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 2%), which was the same as the long-term average growth rate of the industry.

The carrying amount of the Oil & Gas equipment cash-generating unit and which belonged to Oil & Gas equipment segment the was impaired by RMB470,363,000 during the year ended 31 December 2024. Consequently, the carrying amount of goodwill was written down by RMB470,363,000. The impairment loss recognised was included in "Other expenses" in the consolidated statement of profit or loss. The recoverable amount of the cash-generating unit was RMB2,106,540,000 as at 31 December 2024. The impairment was attributable to the overall decline and intense in the oil and gas equipment industry in China in 2024 which led to a decrease in demand and selling prices of the Oil & Gas equipment products.

Li-ion battery manufacturing equipment cash-generating unit

Supported by an independent professional valuer, the recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 17% (2023: 21%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 3%), which was the same as the long-term average growth rate of the industry. The goodwill was not impaired based on the results of the above impairment testing.

Solar modules cash-generating unit

Supported by an independent professional valuer, the recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 15% (2023: 17%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 3%), which was the same as the long-term average growth rate of the industry. The goodwill was not impaired based on the results of the above impairment testing.

Electrolysis hydrogen production equipment cash-generating unit

Supported by an independent professional valuer, the recoverable amount of goodwill has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections is 18% (2023: 20%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2023: 3%), which was the same as the long-term average growth rate of the industry. The goodwill was not impaired based on the results of the above impairment testing.

Assumptions were used in the value in use calculation for 31 December 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected market development.

Discount rate — The discount rate used is before tax and reflects specific risk relating to the relevant unit.

The values assigned to the key assumptions on market development and discount rates are consistent with external information sources.

In the opinion of the directors of the Company, for the Oil & Gas equipment cash-generating unit, a reasonably possible change in the key assumptions of the cash flow projections would cause its carrying amount exceed its recoverable amount. If the discount rate increased or decreased by 1%, the impairment loss would increase by RMB205,897,000 or decrease by RMB243,621,000, respectively, during the year ended 31 December 2024. If the perpetual growth rate increased or decreased by 1%, the impairment loss would decrease by RMB136,248,000 or increase by RMB115,557,000, respectively, during the year ended 31 December 2024.

11. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Raw materials	**762,480**	689,257
Work in progress	**1,334,344**	936,515
Finished goods	**2,475,617**	1,924,973
Development cost of power station	**627,724**	—
	5,200,165	3,550,745
Less: Provision against slow-moving and obsolete inventories	**(152,325)**	(118,535)
	5,047,840	3,432,210

The movements in the provision against slow-moving and obsolete inventories are as follows:

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**118,535**	71,383
Charged for the year (note 5)	**66,145**	66,337
Write-back for the year (note 5)	**(17,553)**	(11,368)
Write-off for the year	**(14,802)**	(7,817)
At 31 December	**152,325**	118,535

12. PROPERTIES FOR SALE

	2024	2023
	RMB'000	*RMB'000*
Cost	**753,448**	805,253
Less: provision for impairment of properties held for sale (note 5)	**(277,899)**	—
	475,549	805,253

In the year ended 31 December 2024, the Group recognised an impairment loss of RMB277,899,000 (2023: nil), which was included in "Cost of sales" in the consolidated statement of profit or loss (note 5).

All properties for sale are situated in Mainland China.

13. TRADE AND BILLS RECEIVABLES

	2024 *RMB'000*	2023 *RMB'000*
Trade receivables	**11,692,009**	10,016,434
Impairment	**(718,022)**	(632,554)
	10,973,987	9,383,880
Less: Trade receivables due after one year	**(964,142)**	(1,027,890)
	10,009,845	8,355,990
Bills receivable	**1,131,661**	1,066,199

The Group generally requires its customers to make payments at various stages of the sales transactions, however, the Group grants certain credit periods to old customers with a good payment history. The credit periods of individual customers are considered on a case-by-case basis and are set out in the sales contracts, as appropriate. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. At the end of the reporting period, the Group had a certain concentration of credit risk as 2% (2023: 1%) of the Group's trade receivables were due from a single third-party customer, including a group of entities which are known to be under common control with that customer. Included in the trade receivables were amounts due from fellow subsidiaries of RMB2,433,709,000 (2023: RMB2,477,305,000) and the Group's joint venture of RMB14,241,000 (2023: RMB22,270,000) as at 31 December 2024 for sales of products by the Group, which accounted for 21% (2023: 25%) of the Group's trade receivables at the end of the reporting period. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within 180 days	**7,447,691**	5,952,064
181 to 365 days	**2,242,741**	2,430,609
1 to 2 years	**1,142,848**	885,403
2 to 3 years	**110,109**	104,020
Over 3 years	**30,598**	11,784
	10,973,987	9,383,880

The movements in the loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**632,554**	424,480
Disposal of subsidiaries	**(10,959)**	—
Impairment, net *(note 5)*	**134,627**	214,626
Amount written off as uncollectible	**(38,200)**	(6,552)
At end of year	**718,022**	632,554

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type, and coverage of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

		Past due				
	Current	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**Over 3 years**	**Total**
Expected credit loss rate	**2.12%**	**15.63%**	**41.63%**	**73.40%**	**99.73%**	**6.14%**
Gross carrying amount *(RMB'000)*	**9,536,393**	**1,725,722**	**292,783**	**48,947**	**88,164**	**11,692,009**
Expected credit losses *(RMB'000)*	**202,592**	**269,679**	**121,900**	**35,925**	**87,926**	**718,022**

As at 31 December 2023

		Past due				
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Expected credit loss rate	1.98%	9.94%	31.11%	80.07%	99.28%	6.32%
Gross carrying amount *(RMB'000)*	7,664,034	1,821,532	300,573	115,986	114,309	10,016,434
Expected credit losses *(RMB'000)*	151,681	181,017	93,505	92,865	113,486	632,554

Bills receivable have been classified as financial assets at fair value through other comprehensive income. The maturity profile of the bills receivable of the Group as at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within six months	**1,131,661**	1,059,931
Over six months	**—**	6,268
	1,131,661	1,066,199

Included in the bills receivable was an amount of RMB5,198,000 as at 31 December 2024 (2023: RMB58,952,000) which was pledged for the issuance of a letter of guarantee.

None of the bills receivable as at 31 December 2024 (2023: Nil) was endorsed to fellow subsidiaries for purchasing raw materials by the Group.

Transferred financial assets that are not derecognised in their entirety

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB520,845,000 (2023: RMB520,505,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB520,845,000 (2023: RMB520,505,000) as at 31 December 2024.

Transferred financial assets that are derecognised in their entirety

At 31 December 2024, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB3,484,352,000 (2023: RMB1,295,808,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the Directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 *RMB'000*	2023 *RMB'000*
Unlisted investments, at fair value		
Current	**2,393,996**	2,160,426
Non-current	**57,500**	37,500
Total	**2,451,496**	2,197,926

The current unlisted investments were wealth management products issued by banks and other financial institutions in Mainland China. The non-current unlisted investments are investments in a limited liability partnership and a limited liability company in Mainland China. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

15. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2024 *RMB'000*	2023 *RMB'000*
Cash and bank balances	**3,935,295**	2,956,618
Time deposits	**1,475,209**	327,750
	5,410,504	3,284,368
Less: Pledged time deposits for banking facilities	**(71,004)**	(43,300)
Cash and cash equivalents	**5,339,500**	3,241,068
Cash and cash equivalents, time deposits and pledged deposits denominated in		
— RMB	**2,505,678**	2,396,783
— Hong Kong dollar ("HK$")	**9,485**	17,713
— United States dollar ("US$")	**2,594,840**	768,226
— Euro ("EUR")	**287,832**	87,082
— Indonesia Rupiah ("IDR")	**10,141**	12,729
— Zambian Kwacha ("ZMW")	**693**	—
— Russian Ruble ("RUB")	**1,835**	—
— Singapore Dollar ("SGD")	**—**	1,835
	5,410,504	3,284,368

At the end of the reporting period, the cash and bank balances of the Group were denominated in RMB, HK$, US$, EUR, IDR, ZMW, RUB and SGD. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Pledged bank deposits represent balances pledged to banks for the issuance of the Group's bills payable and letters of credit.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

At 31 December 2024, bank balances of RMB479,895,000 (2023: RMB327,750,000) are deposited in Sanxiang Bank, a related company of the Group.

16. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**5,776,501**	5,182,215
31 to 90 days	**1,572,728**	1,746,673
91 to 180 days	**3,245,574**	902,910
181 to 365 days	**197,896**	199,395
Over 1 year	**420,531**	67,005
	11,213,230	8,098,198

The trade payables are non-interest-bearing and are normally with credit terms of 30 to 180 days.

The bills payable are normally due within 180 days.

Included in the trade and bills payables was an amount due to fellow subsidiaries in aggregate of RMB655,585,000 as at 31 December 2024 (2023: RMB322,533,000) for purchasing raw materials by the Group.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Effective interest rate *(%)*	**Maturity**	***RMB'000***	Effective interest rate *(%)*	Maturity	*RMB'000*
Current						
Bank loans — secured	**2.25–3.10**	**2025**	**2,686,554**	3.20	2024/On demand	2,260,212
Bank loans — unsecured	**1.95–2.40**	**2025**	**423,978**	2.20–3.25	2024	7,784
Other borrowings — secured	**3.50–3.98**	**2025**	**734,776**	—	—	—
Other borrowings — unsecured	**3.41–4.35**	**2025/On demand**	**342,232**	4.02–4.35	2024/On demand	346,808
Interest payable		**2025**	**62,627**		2024	37,772
			4,250,167			2,652,576
Non-current						
Bank loans — secured	**2.13–3.30**	**2026–2038**	**3,970,572**	2.65–3.20	2025–2038	4,510,388
Bank loans — unsecured	**2.20–2.75**	**2026–2038**	**763,611**	2.50–3.30	2025–2038	703,388
Other borrowings — secured	**3.50–3.98**	**2026–2027**	**915,224**	—	—	—
Other borrowings — unsecured	**4.28**	**2026–2031**	**35,025**	4.02–4.35	2025–2031	35,025
			5,684,432			5,248,801
			9,934,599			7,901,377

	2024 ***RMB'000***	2023 *RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year	**3,173,159**	2,305,768
In the second year	**2,704,587**	3,267,482
In the third to fifth years, inclusive	**1,078,278**	1,056,559
Beyond five years	**951,318**	889,735
	7,907,342	7,519,544
Analysed into:		
Other borrowings repayable:		
Within one year	**1,077,008**	346,808
In the second year	**575,202**	4,776
In the third to fifth years, inclusive	**355,638**	15,616
Beyond five years	**19,409**	14,633
	2,027,257	381,833
	9,934,599	7,901,377

(a) As at 31 December 2024, RMB830,000,000 and RMB10,860,000 of the Group's bank loans are secured by mortgages over the Group's leasehold land of RMB685,435,000 (31 December 2023: RMB701,564,000) and the Group's right of electricity charge of RMB64,550,000, respectively.

(b) As at 31 December 2024, Sany Group Co., Ltd. has guaranteed certain of the Group's bank loans up to RMB6,657,126,000 (2023: RMB6,111,645,000) as at the end of the reporting period.

(c) As at 31 December 2024 and 2023, all borrowings were denominated in RMB.

(d) Other borrowings of RMB312,000,000 (2023: RMB342,232,000) were due to Sany Group Co., Ltd. and were repayable on demand. Other borrowings of RMB35,025,000 were due to Sany Financial Leasing Co., Ltd. and were repayable by 96 monthly equal instalments commencing on 15 October 2023. Other borrowings of RMB1,650,000,000 werwe due to Industrial Bank Financial Leasing Co., Ltd. repayable by 1 to 3 years and secured by the Group's right of electricity charge.

(e) As at 31 December 2024, the Group has complied with all financial covenants in relation to the contracts of bank and other borrowings. The covenants are tested half-yearly, at 30 June and 31 December.

18. SHARE CAPITAL

Shares

	2024	2023
	HK$'000	*HK$'000*
Authorised:		
4,461,067,880 (2023: 4,461,067,880) ordinary shares of HK$0.10 each	**446,107**	446,107
538,932,120 (2023: 538,932,120) convertible preference shares of HK$0.10 each	**53,893**	53,893
Total authorised capital	**500,000**	500,000
Issued and fully paid:		
3,213,890,505 (2023: 3,189,660,321) ordinary shares of HK$0.10 each	**321,389**	318,966
479,781,034 (2023: 479,781,034) convertible preference shares of HK$0.10 each	**47,978**	47,978
Total issued and fully paid capital	**369,367**	366,944
Equivalent to RMB'000	**317,394**	315,185

On 19 December 2014, the Company issued 479,781,034 convertible preference shares ("CPS") of HK$0.10 each at an issue price of HK$2.009 per share. Each CPS is convertible into one ordinary share of the Company at any time after issuance (subject to standard anti-dilution adjustments) and has the same right as ordinary shares to receive dividends declared and other distribution made. The CPS are redeemable by the Company at any time after the third anniversary of the date of the issue of the CPS at the issue price or the fair market value of the CPS, whichever the higher. The holders of CPS are entitled to a preferred distribution at the rate of 0.01% per annum on the issue price.

A summary of movements in the Company's share capital is as follows:

	Number of convertible shares	Number of ordinary shares	Share capital	
			HK$'000	*Equivalent to RMB'000*
At 1 January 2023	479,781,034	3,162,987,143	364,277	312,789
Issue of shares *(note)*	—	26,673,178	2,667	2,396
At 31 December 2023	479,781,034	3,189,660,321	366,944	315,185

	Number of convertible shares	**Number of ordinary shares**	**Share capital**	
			HK$'000	***Equivalent to RMB'000***
At 1 January 2024	**479,781,034**	**3,189,660,321**	**366,944**	**315,185**
Issue of shares *(note)*	**—**	**24,230,184**	**2,423**	**2,209**
At 31 December 2024	**479,781,034**	**3,213,890,505**	**369,367**	**317,394**

Note:

During the year ended 31 December 2024, 3,295,000 (2023: 17,005,218) new ordinary shares were issued for the share options exercised and 20,935,184 (2023: 9,667,960) new ordinary shares were issued for the share award. Cash proceeds of HK$4,020,000 (equivalent to RMB3,645,000) (2023: HK$113,974,000 (equivalent to RMB103,948,000) were received with no transaction costs borne by the Company, and the related share option reserve of RMB1,986,000 (2023: RMB15,681,000) was transferred to share premium accordingly.

19. COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Buildings	**432,905**	322,145
Plant and machinery	**772,588**	1,240,274
	1,205,493	1,562,419

* Commitments as at 31 December 2024 mainly comprise RMB487,496,000 for the emerging industry equipment segment and RMB321,838,000 for the mining equipment segment for new production plants.

MANAGEMENT DISCUSSION AND ANALYSIS

Major product

The Group divides its products into four categories, namely (1) mining equipment, which includes coal mining machinery products, non-coal mining machinery, mining vehicle equipment and smart mine products; coal mining machinery products include roadheaders (all types of all-rock and semicoal-rock roadheader and integrated excavation, bolting and self-protection machine) and mining equipment (shearer, hydraulic support system, scraper conveyor etc.); non-coal mining machinery products, such as tunnel roadheader and mining machine; mining vehicle products, such as mining transport equipment (mechanical drive off-highway dump truck and electric drive off-highway dump truck) and widebodied vehicle and other relevant products; and smart mine products, such as unmanned driving, automated integrated mining and smart mine operation systems; (2) logistics equipment, which includes container equipment (including small port machinery such as front loader, stacking machine, etc., and large port machinery such as quayside gantry crane, etc.), bulk material equipment (gripper, elevated hoisting arm, etc.) and general equipment (heavy-weight forklift, telehandler, etc.); (3) oil and gas equipment, such as frac spreads, drilling and workover and automated pipe handling equipment and oil and gas field technical services; and (4) emerging industries, such as solar modules, hydrogen production equipment, power battery modules and energy storage systems.

Business review and prospects

In 2024, the Group adhered to the principle of high-quality development and further implemented its globalization, digitalization, and decarbonization strategy thoroughly, focusing on enhancing its operating capabilities while maintaining its leading position in the global industry. In 2024, the Group recorded a revenue of RMB21,909.6 million, representing a year-on-year increase of 8.0%. Profit attributable to owners of the parent recorded by the Group amounted to RMB1,101.6 million, representing a decrease of 42.9% year-on-year.

Adhering to the overall principle of "autonomy, localization and service first", the Group made every effort to explore the global market, with rapid growth in international sales revenue. In 2024, international revenue was RMB8,169.7 million, representing a year-on-year increase of 28.4%; the international revenue of mining equipment was RMB3,579.5 million, representing a year-on-year increase of 27.5%; the international revenue of logistics equipment was RMB4,470.6 million, representing a year-on-year increase of 25.8%. The products of large port machinery, small port machinery, mining trucks, coal mining machine and roadheaders were sold to Asia, Europe, Africa, America and other countries and regions.

The Group leads the industry with digital intelligence technology and establishes competitive advantages through cross-generation products. Continuous research and development of new products and technologies has led to the continuous improvement of the core competitiveness of our products. Roadheaders, wide-body trucks, small port machinery and frac spreads maintained their leading position in the industry. The Group continues to launch electric and intelligent new products, such as the 100-tonne hybrid rigid mining trucks which quickly became the best-selling products, and 150-300 tonne hybrid electric wheeled mining trucks that have been rolled out and achieved sales. The electric front loaders and electric stacking machines have a clear leading edge in domestic market.

In the future, the Group will implement the main theme of high-quality development and continue to move forward along the strategic directions of globalization, digital intellectualization and low carbon strategy. We will strengthen the investment in and development of our core businesses, enhance the construction of the double-cycle system, strengthen the cultivation and introduction of outstanding talents, and lower the break-even point. We will forge ahead to make coal machinery, mining trucks and port machinery "one of the best" in the industry, and strive to achieve a leading global market share. We will also strive to be the industry leader in the emerging industries and create a thriving "Second Curve" to ensure sustained growth.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2024, the Group recorded revenue of approximately RMB21,909.6 million, representing an increase of approximately 8.0% as compared with approximately RMB20,277.9 million for the year ended 31 December 2023. The increase was mainly due to (1) a marked increase in the revenue for the Group's large port machinery, small port machinery and solar modules; (2) a significant increase in the international sales revenue as a result of the successful expansion into international markets.

Other income and gains

For the year ended 31 December 2024, the Group's other income and gains were approximately RMB815.5 million, representing an increase of approximately 14.0% as compared with approximately RMB715.2 million for the year ended 31 December 2023. The change was mainly due to the increase in the government grant and the net gain of RMB22.7 million from the disposal of Sany Robot Technology Co., Ltd. ("**Sany Robot**").

Cost of sales

For the year ended 31 December 2024, the Group's cost of sales was approximately RMB16,996.3 million, representing an increase of approximately 14.6% as compared with approximately RMB14,830.9 million for the year ended 31 December 2023. The change was mainly due to the increase in the Group's product sales revenue.

Gross profit margin

For the year ended 31 December 2024, the gross profit margin of the Group was approximately 22.4%, representing a decrease of approximately 4.5 percentage points from approximately 26.9% for the year ended 31 December 2023. Such change was mainly due to (1) the increase in the proportion of sales revenue of products with lower gross profit margin; (2) impairment loss on properties for sale; (3) the decrease in gross margins for oil and gas equipment and emerging industry products.

Selling and distribution expenses

For the year ended 31 December 2024, the selling and distribution expenses of the Group were approximately RMB1,286.3 million, representing an increase of approximately 1.9% as compared with approximately RMB1,262.2 million for the year ended 31 December 2023.

For the year ended 31 December 2024, the ratio of the Group's selling and distribution expenses to revenue was approximately 5.9%, representing a decrease of approximately 0.3 percentage points as compared with approximately 6.2% for the year ended 31 December 2023. Such change was mainly due to the decrease in the consolidated expense ratio as a result of the Group's further expense control and the increase in the scale of overseas sales.

Research and development ("R&D") expenses

For the year ended 31 December 2024, the R&D expenses of the Group were approximately RMB1,524.3 million, representing a decrease of approximately 9.4% as compared with approximately RMB1,681.6 million for the year ended 31 December 2023. For the year ended 31 December 2024, the ratio of R&D expenses to revenue was approximately 7.0%, representing a decrease of approximately 1.3 percentage points as compared with approximately 8.3% for the year ended 31 December 2023. Such change was mainly due to the Group's management changes in its R&D system, focusing on core product R&D, and further rationalisation of its investment in R&D resources.

Administrative expenses

For the year ended 31 December 2024, administrative expenses of the Group were approximately RMB2,162.6 million (for the year ended 31 December 2023: approximately RMB2,213.4 million). The administrative expenses excluding R&D expenses were approximately RMB638.3 million (for the year ended 31 December 2023: approximately RMB531.7 million), which accounted for approximately 2.9% of the revenue, representing an increase of approximately 0.3 percentage points as compared with that for the year ended 31 December 2023 (for the year ended 31 December 2023: approximately 2.6%). Such change was mainly due to the increase in depreciation of fixed assets such as buildings in Xi'an and Zhuhai Industrial Park.

Other expenses

For the year ended 31 December 2024, other expenses of the Group were approximately RMB501.8 million (for the year ended 31 December 2023: approximately RMB42.5 million). Such change was mainly due to the impairment loss on goodwill of approximately RMB470.4 million recorded in the Group's oil and gas equipment business (i.e. Oil & Gas equipment cash-generating unit) as a result of:

(1) *Strict control of receivable risks, enhancement of closing conditions and proactive abandonment of some high-risk orders*

The Group adheres to the principle of high-quality operation and development, and strictly controls the operation risk. The Oil & Gas Equipment Business was conducted with a comprehensive assessment of the long-term operation ability and settlement and payment ability of customers with transaction intention in 2024. The Group screened and selectively gave up the orders with high operation risk, capital risk and settlement risk and without additional credit enhancement measures, so as to realise the control of the risk of trade receivable.

(2) *Decrease in total industry demand led to a decrease in operating income of the Oil & Gas Equipment Business*

Based on the Company's research and forecast at the end of 2024, the capital expenditures of oil and gas development of China's major oil and gas development companies are expected to decline by 11% year-on-year. As oil and gas development companies are the ultimate purchasers of products and services of the Oil & Gas Equipment Business, the decrease in its capital expenditure of oil and gas development will lead to a decrease in the level of demand in the industry, and the operating revenue of the Oil & Gas Equipment Business of the Group experienced a decrease in 2024.

(3) *Decrease in market share and gross profit margin of the Oil & Gas Equipment Business due to intensified competition in the industry*

In 2024, major oil and gas development companies in China have put forward the target of reducing crude oil costs successively and adjusted the settlement policy of supply chain companies related to oil and gas development by extending the original settlement cycle. The oil and gas development supply chain companies, being the direct customers of the Oil & Gas Equipment Business, were affected by the aforesaid policies, resulting in a significant decrease in their profitability and cash flow. As a result, the oil and gas development supply chain companies further reduced their total demand for purchases and sought for equipment suppliers with more favourable transaction prices and conditions, which resulted in a decrease in market share and gross profit margin of the Oil & Gas Equipment Business of the Group.

(4) Late start in internationalisation business, unable to hedge against the declining trend of domestic demand

With the rapid changes in the international geopolitical environment from 2022 to 2024, the oil and gas industry achieved a significant increase in demand in the international market. However, internationalisation team of the Oil & Gas Equipment Business was established in 2023 and failed to deliver results in that year. Although the internationalisation team made some progress in 2024, it was still unable to effectively hedge against the trend of declining domestic demand.

Finance costs

For the year ended 31 December 2024, finance costs of the Group were approximately RMB228.6 million (for the year ended 31 December 2023: approximately RMB158.4 million). Such change was mainly due to an increase in bank borrowings.

Profit margin before tax

The Group's profit margin before tax for the year ended 31 December 2024 was approximately 6.5%, representing a decrease of approximately 4.6 percentage points as compared with approximately 11.1% for the year ended 31 December 2023. Such change was mainly attributable to the impairment loss on goodwill of approximately RMB470.4 million recorded in the Group's oil and gas equipment business and the impairment loss of properties for sale of approximately RMB277.9 million.

Taxation

For the year ended 31 December 2024, the Group's effective tax rate was 24.9% (for the year ended 31 December 2023: 18.7%). For details regarding income tax, please refer to note 7 on pages 19 to 21 hereof.

Profit attributable to owners of the parent

Profit attributable to owners of the parent recorded by the Group for the year ended 31 December 2024 was approximately RMB1,101.6 million, representing a decrease of approximately 42.9% as compared with approximately RMB1,929.0 million for the year ended 31 December 2023. For the main reasons of such change, please refer to the above paragraphs headed "Revenue", "Gross profit margin" and "Profit margin before tax".

Liquidity and financial resources

As at 31 December 2024, total current assets of the Group were approximately RMB26,227.1 million (31 December 2023: RMB20,778.3 million). As at 31 December 2024, total current liabilities of the Group were approximately RMB21,209.8 million (31 December 2023: RMB16,172.6 million).

As at 31 December 2024, total assets of the Group were approximately RMB40,927.7 million (31 December 2023: approximately RMB34,963.0 million), and total liabilities were approximately RMB28,752.5 million (31 December 2023: approximately RMB23,424.6 million). As at 31 December 2024, the gearing ratio (the net debt divided by the equity plus net debt) was approximately 63.2% (31 December 2023: 60.2%).

Trade and bills receivables

As at 31 December 2024, the Group's gross balance of trade and bills receivables was approximately RMB12,823.7 million, representing an increase of approximately 15.7% as compared with approximately RMB11,082.6 million as at 31 December 2023, among which trade receivables were approximately RMB11,692.0 million, representing an increase of approximately 16.7% as compared with approximately RMB10,016.4 million as at 31 December 2023. Such change was mainly attributable to the increase in sales revenue. Bills receivables were approximately RMB1,131.7 million, representing an increase of approximately 6.1% as compared with RMB1,066.2 million as at 31 December 2023. Such change was mainly due to the increase in receipt of bills.

Interest-bearing bank and other borrowings

As at 31 December 2024, interest-bearing bank and other borrowings of the Group were approximately RMB9,934.6 million (31 December 2023: approximately RMB7,901.4 million). The main reason for the increase in the Group's borrowings was to cater for the operational requirements of the emerging industry business.

As at 31 December 2024, the Group's secured bank and other borrowings carried interests between 2.13% and 3.98% per annum (31 December 2023: between 2.65% and 3.2%) and the unsecured bank and other borrowings carried interests between 1.95% and 4.35% per annum (31 December 2023: between 2.2% and 4.35% per annum).

Cash flow

As at 31 December 2024, the cash and cash equivalents and the term deposits with maturity of three months or more of the Group were approximately RMB5,339.5 million in total.

For the year ended 31 December 2024, the net cash inflow of the Group from operating activities was approximately RMB2,152.1 million (for the year ended 31 December 2023: approximately RMB2,524.0million). Such change was mainly due to the increase in trade receivables and operating cash outflow of emerging industry.

For the year ended 31 December 2024, the net cash outflow of investing activities of the Group was approximately RMB973.4 million (for the year ended 31 December 2023: net cash outflow of approximately RMB4,965.1 million). Such change was mainly due to the decrease in cash outflow of the acquisition of subsidiaries and purchase of property, plant and equipment.

For the year ended 31 December 2024, the net cash inflow of the Group from financing activities was approximately RMB894.5 million (for the year ended 31 December 2023: net cash inflow of approximately RMB2,960.6 million). Such change was mainly due to a significant decrease in the borrowings amount that was newly incepted during the year compared to last year.

Turnover days

As at 31 December 2024, the Group's average turnover days of inventory were approximately 94.0 days, representing an increase of approximately 4.5 days over approximately 89.5 days as at 31 December 2023, which was mainly because of the increase in inventory of emerging industries.

The turnover days of trade and bills receivables increased by approximately 19.8 days from approximately 179.3 days as at 31 December 2023 to approximately 199.1 days as at 31 December 2024. Such change was mainly due to the increase in proportion of products with long payment cycles.

The turnover days of trade and bills payables increased by approximately 23.7 days from approximately 183.7 days as at 31 December 2023 to approximately 207.4 days as at 31 December 2024. Such change was mainly due to the extension of payment period resulting from the offline settlement.

Financing guarantee contracts

The financial guarantee contracts represent guarantees given to financial institutions or finance lease companies in connection with facilities granted to the Group's customers. Allowance of RMB17.2 million (31 December 2023: RMB12.8 million) was provided for the unsettled loans and lease amounts of RMB5,829,5 million (31 December 2023: RMB5,112.2 million) as at 31 December 2024.

Capital commitment

As at 31 December 2024, the contracted capital commitments of the Group which are not provided for in the financial statements were approximately RMB1,205.5 million (31 December 2023: approximately RMB1,562.4 million).

Employees and remuneration policy

As at 31 December 2024, the Group had 7,872 (2023: 9,324) full-time employees. Such change was mainly due to the streamlining of some workforce resulting from consolidation of operating resources and enhancement of business structure, and exclusion of the employees of Sany Robot upon its disposal.

The Group persists in training and developing talents. Accordingly, it provides regular internal training, external training and corresponding courses to its staff according to their ranking and working stage, with an aim to improve their skills relevant to work as well as enhance their sense of belonging. The Group pays year-end bonuses to staff to reward them for their contributions and dedication to the Group. In addition, the Group implements share award schemes and share option schemes for core employees to share the Company's development results. The remuneration of the Directors is determined with reference to their positions, responsibilities, experience and prevailing market conditions.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures

On 14 May 2024, Sany Heavy Equipment, a wholly-owned subsidiary of the Company, and Sany Group Limited* (三一集團有限公司) (hereinafter referred to as "**Sany Group**") entered into an agreement, pursuant to which Sany Heavy Equipment has conditionally agreed to dispose of, and Sany Group has conditionally agreed to purchase: (i) 45.5% equity interest in Sany Robot; (ii) 99.9% equity interest in Changsha Zhiding Enterprise Management Partnership* (長沙智頂企業管理合夥企業), which in turn holds 15% equity interest in Sany Robot; and (iii) 82.13% equity interest in Changsha Zhiqiang Enterprise Management Partnership* (長沙智強企業管理合夥企業), which in turn holds 15% equity interest in Sany Robot, at an aggregate consideration of RMB45.5 million. Details of this acquisition are set out in the Company's announcement dated 14 May 2024.

As at 31 December 2024, the Group subscribed certain assets management products from CITIC Securities Company Limited and its subsidiaries at an aggregated subscription amount of approximately RMB1,202.0 million. These products carried an estimated investment return rates ranging from 4.0% to 4.5% per annum. The Group adopted a prudent approach in choosing these products which are with low investment risks. By investing in these products, the Group would earn investment income by using its temporary idle funds, which is in the interests of the Company and its shareholders (the "**Shareholders**") as a whole.

Save as disclosed above, there were no other significant investments held, and no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024, nor was there any plan authorized by the Board for material investments or capital assets as at 31 December 2024.

Pledge on assets

As at 31 December 2024, the Group recorded pledged bank deposits of approximately RMB71.0 million (31 December 2023: approximately RMB43.3 million) for the purpose of issuing security deposit for bank acceptance bills. As at 31 December 2024, the Group's leasehold land of approximately RMB685.4 million (31 December 2023: RMB701.6 million) and the Group's right of electricity charge of RMB64.6 million were pledged for the Group's bank loans of RMB830.0 million and RMB10.9 million.

Foreign exchange risk

As at 31 December 2024, the Group's cash and bank balances denominated in foreign currencies such as US$ and EUR were equivalent to approximately RMB2,904.8 million. The Group will monitor the risk exposures and consider hedging against material currency risk if and when necessary.

SOCIAL RESPONSIBILITY

Consistently adhering to the concept of "Quality changes the world", the Group actively fulfils its corporate social responsibility, and is committed to promoting low-carbon development and providing green, intelligent and sustainable products and services to customers around the world. The Group's intelligent control technology for coal mining machines has significantly enhanced the automation level and work efficiency of coal mining and accelerated the upgrading of the industry's intelligence. Pure water hydraulic supports have been installed in a number of coal mines, significantly reducing energy consumption and wastewater discharge and contributing to the construction of green mines. New energy products such as electric front loaders, electric stacking machines, electric forklifts and electric trucks led the electrification race with their low energy consumption and high safety performance, promoting the construction of green ports around the world. The Group's photovoltaic energy storage micro-grid power generation projects in African copper mines and the Ruida mine in Zambia are important initiatives to integrate the Group's development strategy of globalization, intellectualization and low carbon into the high-quality construction of "The Belt and Road", and to actively practise a green, low-carbon, recycling and sustainable mode of production overseas.

We have fully integrated environmental, social and governance concepts into our business operations and management. Sany Marine Industry was awarded the Carbon Footprint Certificate for Electric Gathering Trucks by SÜD Certification and Testing (China) Co., Ltd., which is the first carbon footprint certificate in the domestic harbour machinery industry, signifying the Group's progress in green manufacturing and low-carbon development. In December 2024, we officially welcomed the appointment of our first female director, Ms. Zhou Lan. This is an important step taken by the Group to continuously improve its management system, enhance the gender diversity of the Board and promote the professionalisation of the Group's governance.

Final Dividend

On 31 March 2025, the Board resolved the declaration and payment of the final dividend of HK$0.29 per ordinary share of the Company, amounting to HK$932,028,246.5 in total based on the total number of 3,213,890,505 shares of the Company as at 28 February 2025, to be payable to the Shareholders whose names appear on the Company's register of members at the close of business on Tuesday, 10 June 2025. Should there be any change in the Company's total number of shares between 28 February 2025 and the record date for the dividend distribution, the dividend per ordinary share of the Company shall remain unchanged and the total dividends amount shall be adjusted accordingly. The final dividend is subject to the approval of the Shareholders at the Company's forthcoming annual general meeting. Such final dividend is expected to be paid on or around 20 June 2025.

Reference is also made to the circular of the Company dated 30 November 2014 in relation to, among others, issue of 479,781,034 convertible preference shares (the "**Convertible Preference Shares**") of the Company to Sany Hongkong Group Limited. According to the terms of the Convertible Preference Shares, (1) each Convertible Preference Share shall confer on the holder thereof the right to receive a preferred distribution (the "**Preferred Distribution**") from the issue date of the Convertible Preference Share at a rate of 0.01% per annum on the issue price, and (2) in addition to the Preferred Distribution, each outstanding Convertible Preference Share shall confer, in case of any dividend or distribution being declared and paid by the Company to holders of the ordinary shares, on the holder thereof the same entitlement to dividend or distribution as holder of the number of ordinary shares into which such Convertible Preference Share may be converted upon exercise of conversion rights attached thereto.

As at the date of this announcement, there are 479,781,034 outstanding Convertible Preference Shares registered under the name of Sany Hongkong Group Limited. Accordingly, holders of the outstanding Convertible Preference Shares are entitled to (a) the Preferred Distribution of approximately HK$96,388 representing the Preferred Distribution accumulated from 1 January 2024 to 31 December 2024, and (b) the final dividend of HK$0.29 per Convertible Preference Share, amounting to approximately HK$139,136,499.9. The Preferred Distribution and the dividend on the Convertible Preference Shares are proposed to be distributed on or around 20 June 2025, on the same distribution date as the final dividend on ordinary shares.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible enterprise which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards. The Board focuses on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency of all operations of the Company. The Company believes that effective corporate governance is the foundation for creating more values for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to maximize returns for the Shareholders.

During the year ended 31 December 2024, the Company has complied with the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in force during the year ended 31 December 2024.

EVENTS AFTER THE REPORTING PERIOD

On 12 March 2025, Sany Marine Heavy Industry Co., Ltd. Hunan Branch* (三一海洋重工有限公司湖南分公司) ("**Sany Marine Heavy Industry (Hunan)**"), a branch of a wholly-owned subsidiary of the Company, Hunan Anren Sany Heavy Steel Structure Co., Ltd.* (湖南安仁三一重型鋼構有限公司) ("**Sany Heavy Steel**"), a wholly-owned subsidiary of the Company, and Hunan Sany Tower Technology Co., Ltd.* (湖南三一塔筒科技有限公司) ("**Sany Turbine Tower Technology**") entered into an agreement, pursuant to which Sany Marine Heavy Industry (Hunan) and Sany Heavy Steel have conditionally agreed to dispose of, and Sany Turbine Tower Technology has conditionally agreed to purchase, certain turbine tower assets, at an aggregate consideration of approximately RMB52.9 million. Details of such disposal are set out in the announcement of the Company dated 12 March 2025.

Save as disclosed above, there has been no important events affecting the Group since 31 December 2024 and up to the date of this announcement.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be convened and held on Wednesday, 28 May 2025. A notice convening the annual general meeting will be published and dispatched to the Shareholders (if requested) in due course pursuant to the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS — ANNUAL GENERAL MEETING

The register of members of the Company will be closed from Thursday, 22 May 2025 to Wednesday, 28 May 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for entitlement to attend and vote at the annual general meeting is Wednesday, 28 May 2025. In order to determine the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 28 May 2025, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 21 May 2025.

CLOSURE OF REGISTER OF MEMBERS — FINAL DIVIDEND PAYMENT

The register of members of the Company will also be closed from Thursday, 5 June 2025 to Tuesday, 10 June 2025, both days inclusive, during which period no transfer of shares will be registered. The record date for entitlement to the proposed dividends is Tuesday, 10 June 2025. In order determine the entitlement of Shareholders to the proposed dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 4 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed securities of the Company (including sale of treasury shares) (2023: Nil). As at 31 December 2024, the Company had no treasury shares.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Upon specific enquiries made with all Directors, each of them confirmed that they had complied with the Model Code throughout the year ended 31 December 2024.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in place in compliance with the CG Code. The Audit Committee consists of four members, namely Mr. Ng Yuk Keung, Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Mr. Yang Shuyong, all of whom are independent non-executive Directors. Mr. Poon Chiu Kwok, who possesses professional accounting qualifications, was appointed as the chairman of the Audit Committee. The Audit Committee has convened meetings to discuss the auditing, internal control, risk management and financial reporting matters, including the review of the consolidated annual results of the Group for the year ended 31 December 2024, including the accounting principles and standard practices adopted by the Group and selection and appointment of its external auditors.

REVIEW OF ANNUAL RESULTS

The annual results announcement has been reviewed by the Audit Committee.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. No assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company had maintained sufficient public float throughout the year ended 31 December 2024 and up to the date of this announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at http://www.sanyhe.com. The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to the Shareholders (if requested) and published on the websites of the Stock Exchange and the Company in due course.

By the Order of the Board
Sany Heavy Equipment International Holdings Company Limited
Liang Zaizhong
Chairman

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. Liang Zaizhong, Mr. Qi Jian and Mr. Fu Weizhong, the non-executive Directors are Mr. Tang Xiuguo and Mr. Xiang Wenbo, and the independent non-executive Directors are Mr. Ng Yuk Keung, Mr. Poon Chiu Kwok, Mr. Hu Jiquan, Mr. Yang Shuyong and Ms. Zhou Lan.

* *for identification purpose only*