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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 2025

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 2025, together with comparative figures for the year ended 31 December 2024. 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 2025, the Group recorded revenue of approximately RMB24,333.6 million, representing an increase of approximately 11.1% as compared with approximately RMB21,909.6 million for the year ended 31 December 2024.

Profit attributable to owners of the parent recorded by the Group for the year ended 31 December 2025 was approximately RMB1,778.8 million, representing an increase of approximately 61.5% as compared with approximately RMB1,101.6 million for the year ended 31 December 2024.

The Group’s basic earnings per share for the year ended 31 December 2025 is RMB0.51.

The Board recommends a final dividend of HK\$0.35 per share for the year ended 31 December 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	4	24,333,593	21,909,641
Cost of sales		<u>(18,909,604)</u>	<u>(16,996,278)</u>
Gross profit		5,423,989	4,913,363
Other income and gains	4	1,004,955	815,511
Selling and distribution expenses		(1,358,197)	(1,286,266)
Administrative expenses		(2,173,869)	(2,162,629)
Impairment losses on financial and contract assets, net	5	(289,115)	(130,030)
Other expenses		(171,312)	(501,750)
Finance costs	6	(252,868)	(228,600)
Share of (loss)/profit of a joint venture		<u>(5,043)</u>	<u>1,798</u>
PROFIT BEFORE TAX	5	2,178,540	1,421,397
Income tax expense	7	<u>(430,512)</u>	<u>(353,411)</u>
PROFIT FOR THE YEAR		<u>1,748,028</u>	<u>1,067,986</u>
Attributable to:			
Owners of the parent		1,778,814	1,101,608
Non-controlling interests		<u>(30,786)</u>	<u>(33,622)</u>
		<u>1,748,028</u>	<u>1,067,986</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic (RMB Yuan)		<u>0.51</u>	<u>0.32</u>
Diluted (RMB Yuan)		<u>0.48</u>	<u>0.30</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
PROFIT FOR THE YEAR	<u>1,748,028</u>	<u>1,067,986</u>
OTHER COMPREHENSIVE INCOME		
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(4,452)</u>	<u>4,733</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	<u>(4,452)</u>	<u>4,733</u>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of financial statements of the Company	<u>(73,060)</u>	<u>20,472</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>(73,060)</u>	<u>20,472</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX	<u>(77,512)</u>	<u>25,205</u>
TOTAL COMPREHENSIVE INCOME, NET OF TAX	<u>1,670,516</u>	<u>1,093,191</u>
Attributable to:		
Owners of the parent	1,701,302	1,126,813
Non-controlling interests	<u>(30,786)</u>	<u>(33,622)</u>
	<u>1,670,516</u>	<u>1,093,191</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		8,442,147	7,989,762
Investment properties		113,922	—
Right-of-use assets		1,382,287	1,413,073
Goodwill	<i>10</i>	1,994,663	2,066,775
Other intangible assets		1,390,739	1,555,397
Investment in a joint venture		35,328	40,371
Financial assets at fair value through profit or loss	<i>14</i>	107,500	57,500
Trade receivables	<i>13</i>	1,113,884	964,142
Non-current prepayments		20,598	21,645
Contract assets		267,842	168,730
Deferred tax assets		407,440	423,232
		<hr/>	<hr/>
Total non-current assets		15,276,350	14,700,627
CURRENT ASSETS			
Inventories	<i>11</i>	5,844,803	5,047,840
Properties for sale	<i>12</i>	448,240	475,549
Trade receivables	<i>13</i>	10,869,887	10,009,845
Bills receivable	<i>13</i>	1,139,411	1,131,661
Contract assets		308,484	157,705
Prepayments, other receivables and other assets		1,682,305	1,598,273
Derivative financial instruments		436	1,728
Financial assets at fair value through profit or loss	<i>14</i>	3,060,345	2,393,996
Pledged deposits	<i>15</i>	226,786	71,004
Cash and cash equivalents	<i>15</i>	6,064,167	5,339,500
		<hr/>	<hr/>
Total current assets		29,644,864	26,227,101

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
CURRENT LIABILITIES			
Trade and bills payables	<i>16</i>	12,126,140	11,213,230
Other payables and accruals		6,253,684	5,155,009
Dividend payable		91,871	79,971
Interest-bearing bank and other borrowings	<i>17</i>	4,268,701	4,250,167
Lease liabilities		52,586	40,873
Tax payable		63,192	162,347
Provision for warranties		91,263	78,400
Government grants		171,332	229,796
		<u>23,118,769</u>	<u>21,209,793</u>
Total current liabilities			
		<u>23,118,769</u>	<u>21,209,793</u>
NET CURRENT ASSETS			
		<u>6,526,095</u>	<u>5,017,308</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>21,802,445</u>	<u>19,717,935</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	<i>17</i>	6,792,020	5,684,432
Lease liabilities		141,967	48,169
Government grants		1,422,499	1,535,846
Deferred tax liabilities		276,900	274,228
		<u>8,633,386</u>	<u>7,542,675</u>
Total non-current liabilities			
		<u>8,633,386</u>	<u>7,542,675</u>
Net assets		<u>13,169,059</u>	<u>12,175,260</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	<i>18</i>	319,097	317,394
Reserves		12,873,270	11,903,810
		<u>13,192,367</u>	<u>12,221,204</u>
Non-controlling interests		<u>(23,308)</u>	<u>(45,944)</u>
Total equity		<u>13,169,059</u>	<u>12,175,260</u>

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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 the Chinese mainland.

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 2025. 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 amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, 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 and has four reportable operating segments 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, the provision of oil & gas field cementing and stimulation technical services and the provision of construction services; and

(d) Emerging industry equipment segment

The emerging industry equipment segment mainly engages in the production and sale of lithium battery manufacturing equipment, solar modules, electrolysis hydrogen production equipment, power exchange stations, lithium batteries, electricity, power station project products and the provision of construction services and other 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 2025	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 <i>(note 4)</i>	8,994,186	8,021,715	2,748,318	4,569,374	24,333,593
Intersegment sales	—	746,865	2,674	216,663	966,202
Other revenue	<u>409,433</u>	<u>194,031</u>	<u>44,499</u>	<u>64,454</u>	<u>712,417</u>
	<u>9,403,619</u>	<u>8,962,611</u>	<u>2,795,491</u>	<u>4,850,491</u>	<u>26,012,212</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(966,202)</u>
Revenue from operations					<u><u>25,046,010</u></u>
Segment results	1,211,468	1,251,808	37,691	(370,955)	2,130,012
<i>Reconciliation:</i>					
Interest income	188,718	81,676	15,077	7,067	292,538
Finance costs (other than interest on lease liabilities)	<u>(113,059)</u>	<u>(66,709)</u>	<u>(5,019)</u>	<u>(59,223)</u>	<u>(244,010)</u>
Profit before tax					2,178,540
Income tax expense					<u>(430,512)</u>
Profit for the year					<u><u>1,748,028</u></u>
Segment assets	18,901,412	11,792,869	4,880,680	7,383,925	42,958,886
<i>Reconciliation:</i>					
Elimination of intersegment receivables					<u>(4,736,065)</u>
Corporate and other unallocated assets					<u>6,698,393</u>
Total assets					<u><u>44,921,214</u></u>
Segment liabilities	8,506,219	7,553,006	2,284,011	6,652,300	24,995,536
<i>Reconciliation:</i>					
Elimination of intersegment payables					<u>(4,736,065)</u>
Corporate and other unallocated liabilities					<u>11,492,684</u>
Total liabilities					<u><u>31,752,155</u></u>

Year ended 31 December 2025	Mining equipment <i>RMB'000</i>	Logistics equipment <i>RMB'000</i>	Oil & Gas equipment segment <i>RMB'000</i>	Emerging industry equipment segment <i>RMB'000</i>	Total <i>RMB'000</i>
Other segment information					
Loss on disposal of items of property, plant and equipment	1,071	1,600	259	682	3,612
Impairment of property, plant and equipment	13,671	—	344	9,063	23,078
Impairment of goodwill	—	—	—	72,112	72,112
Impairment of trade receivables, net	157,964	31,207	16,981	11,079	217,231
Impairment of other receivables, net	9	6,425	25,843	33,600	65,877
Impairment of contract assets, net	4,726	745	536	—	6,007
Provision/(reversal) against slow-moving and obsolete inventories	7,574	(10,209)	(2,873)	31,828	26,320
Depreciation and amortisation	318,412	270,764	221,486	354,270	1,164,932
Other non-cash expenses	59,783	39,040	12,043	18,035	128,901
Capital expenditure*	<u>77,442</u>	<u>373,705</u>	<u>169,158</u>	<u>1,290,759</u>	<u>1,911,064</u>

Year ended 31 December 2024	Mining equipment <i>RMB'000</i>	Logistics equipment <i>RMB'000</i>	Oil & Gas equipment segment <i>RMB'000</i>	Emerging industry equipment segment <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue					
Sales to customers (<i>note 4</i>)	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
	<u>11,218,662</u>	<u>8,107,785</u>	<u>1,919,219</u>	<u>2,011,390</u>	<u>23,257,056</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(735,696)</u>
Revenue from operations					<u>22,521,360</u>
Segment results	1,634,092	840,259	(599,904)	(431,653)	1,442,794
<i>Reconciliation:</i>					
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)	<u>(225,189)</u>
Profit before tax					1,421,397
Income tax expense					<u>(353,411)</u>
Profit for the year					<u>1,067,986</u>
Segment assets	16,817,509	10,912,922	4,802,548	5,860,665	38,393,644
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(3,299,652)
Corporate and other unallocated assets					<u>5,833,736</u>
Total assets					<u>40,927,728</u>
Segment liabilities	8,417,461	6,435,332	2,073,596	4,674,586	21,600,975
<i>Reconciliation:</i>					
Elimination of intersegment payables					(3,299,652)
Corporate and other unallocated liabilities					<u>10,451,145</u>
Total liabilities					<u>28,752,468</u>

Year ended 31 December 2024	Mining equipment <i>RMB'000</i>	Logistics equipment <i>RMB'000</i>	Oil & Gas equipment segment <i>RMB'000</i>	Emerging industry equipment segment <i>RMB'000</i>	Total <i>RMB'000</i>
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

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

Geographical information

(a) Revenue from external customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Chinese mainland	15,099,376	13,739,986
Asia (excluding Chinese mainland)	3,993,421	2,992,260
Europe	1,823,337	1,885,871
Africa	1,446,792	1,171,194
United States of America	608,981	844,189
Brazil	576,865	499,219
Other countries/regions	784,821	776,922
	<u>24,333,593</u>	<u>21,909,641</u>
Total revenue	<u>24,333,593</u>	<u>21,909,641</u>

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

(b) Non-current assets

More than 95% of the Group's non-current assets, excluding deferred tax assets, are located in the Chinese mainland.

Information about major customers

Revenue of approximately RMB5,353,065,000 (2024: RMB3,304,883,000) 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>24,333,593</u>	<u>21,909,641</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

<u>Segments</u>	Mining equipment <i>RMB'000</i>	Logistics equipment <i>RMB'000</i>	Oil & Gas equipment <i>RMB'000</i>	Emerging industry equipment <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of industrial products	8,879,140	7,873,246	1,429,689	4,430,086	22,612,161
Construction services	—	—	678,130	5,447	683,577
Sale of electricity	—	—	—	103,144	103,144
Installation services	—	65,761	—	—	65,761
Oil field Service	—	—	623,781	—	623,781
Maintenance services and others	115,046	82,708	16,718	30,697	245,169
	<u>8,994,186</u>	<u>8,021,715</u>	<u>2,748,318</u>	<u>4,569,374</u>	<u>24,333,593</u>
Geographical markets					
Chinese Mainland	5,171,730	2,897,093	2,731,728	4,298,825	15,099,376
Asia (excluding Chinese Mainland)	1,557,241	2,269,775	—	166,405	3,993,421
Europe	968,178	847,761	—	7,398	1,823,337
Africa	617,806	757,056	13,736	58,194	1,446,792
United States of America	—	604,067	2,854	2,060	608,981
Brazil	363,584	209,819	—	3,462	576,865
Other countries/regions	315,647	436,144	—	33,030	784,821
	<u>8,994,186</u>	<u>8,021,715</u>	<u>2,748,318</u>	<u>4,569,374</u>	<u>24,333,593</u>
Timing of revenue recognition					
Goods transferred at a point in time	8,879,140	7,902,947	1,429,689	4,533,230	22,745,006
Services rendering over time	115,046	118,768	1,318,629	36,144	1,588,587
	<u>8,994,186</u>	<u>8,021,715</u>	<u>2,748,318</u>	<u>4,569,374</u>	<u>24,333,593</u>

For the year ended 31 December 2024

<u>Segments</u>	Mining equipment <i>RMB'000</i>	Logistics equipment <i>RMB'000</i>	Oil & Gas equipment <i>RMB'000</i>	Emerging industry equipment <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of industrial products	10,705,949	7,121,527	1,572,731	1,840,216	21,240,423
Sale of electricity	—	—	—	31,972	31,972
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
	<u>10,897,529</u>	<u>7,255,592</u>	<u>1,867,214</u>	<u>1,889,306</u>	<u>21,909,641</u>
Geographical markets					
Chinese Mainland	7,318,044	2,785,026	1,769,409	1,867,507	13,739,986
Asia (excluding Chinese Mainland)	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
	<u>10,897,529</u>	<u>7,255,592</u>	<u>1,867,214</u>	<u>1,889,306</u>	<u>21,909,641</u>
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
	<u>10,897,529</u>	<u>7,255,592</u>	<u>1,867,214</u>	<u>1,889,306</u>	<u>21,909,641</u>

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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	<u>1,632,498</u>	<u>1,511,625</u>

(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.

Construction services

Revenue from the provision of construction services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the construction services.

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.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Other income		
Bank interest income	218,111	155,106
Other interest income	74,427	48,686
Government grants	474,761	425,668
Rental income	9,776	16,065
Profit from sale of scrap materials	41,491	26,920
Others	44,086	37,902
	<u>862,652</u>	<u>710,347</u>
Gains		
Fair value gain, net:		
Financial assets at fair value through profit or loss — mandatorily classified as such	142,503	94,434
Derivative instruments — transactions not qualifying as hedges	(200)	(12,012)
Gain on disposal of subsidiaries	—	22,742
	<u>142,303</u>	<u>105,164</u>
	<u><u>1,004,955</u></u>	<u><u>815,511</u></u>

5. PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of inventories sold		18,054,448	16,188,560
Cost of services provided		746,274	452,910
Depreciation of property, plant and equipment		828,426	548,985
Depreciation of investment properties		5,020	—
Depreciation of right-of-use assets		134,481	86,249
Amortisation of other intangible assets*****		197,005	167,420
Auditors' remuneration		3,200	3,050
Provision of warranties*		82,562	28,317
Research and development costs**		1,435,262	1,524,346
Lease payments not included in the measurement of lease liabilities		65,307	58,951
Impairment of goodwill***		72,112	470,363
Impairment of properties for sale*		—	277,899
Realisation of profits arising from sales to a joint venture in previous years		—	(10,038)
Employee benefit expenses (including directors' and chief executive's remuneration):			
Wages and salaries		2,097,916	2,325,447
Share option and share award expenses		128,901	141,286
Employee retirement benefits*****		95,124	98,835
Other staff welfare		59,675	67,579
		<u>2,381,616</u>	<u>2,633,147</u>
Foreign exchange differences, net***		33,996	9,959
Impairment of property, plant and equipment, net***		23,078	7,746
Impairment on financial assets and contract assets, net****:			
Impairment of trade receivables, net	<i>13</i>	217,231	134,627
Impairment of contract assets, net		6,007	(4,498)
Impairment of other receivables, net		65,877	(99)
		<u>289,115</u>	<u>130,030</u>
Provision against slow-moving and obsolete inventories*	<i>11</i>	26,320	48,592
Loss on disposal of items of property, plant and equipment, net***		3,612	6,787
Gains from sales of scrap materials***	<i>4</i>	(41,491)	(26,920)
Remeasurement of financial guarantee contracts***		37,040	4,404
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		(142,503)	(94,434)
Derivative instruments — transactions not qualifying as hedges		200	12,012
		<u>(142,303)</u>	<u>(82,422)</u>

- * 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 2025, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2024: Nil)
- ***** Included in “Cost of sales”, “Selling and distribution expenses” and “Administrative expenses” in the consolidated statement of profit or loss

6. FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on interest-bearing bank and other borrowings	237,056	246,218
Interest on discounted bills	9,244	15,484
Interest on lease liabilities	<u>8,858</u>	<u>3,411</u>
	255,158	265,113
Less : Interest capitalised	<u>(2,290)</u>	<u>(36,513)</u>
	<u><u>252,868</u></u>	<u><u>228,600</u></u>

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% (2024: 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 (2024: HK\$2,000,000) of assessable profits of the Company are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

Pursuant to the PRC Income Tax Law and the respective regulations, the companies of the Group which operate in the Chinese mainland were subject to Corporate Income Tax (“CIT”) at a rate of 25% on their respective taxable income for the year ended 31 December 2025, except for those which are subject to tax concessions as set out below:

- Entities that qualify as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%;
- Qualified entities that registered in Hengqin District of Zhuhai, a pilot free trade zone in the PRC are entitled to a preferential income tax rate of 15%.

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current — Hong Kong profits tax Charge for the year	47,549	27,570
Current — Elsewhere	4,250	8,505
Current — Chinese Mainland Charge for the year	331,266	391,568
Underprovision in prior years	28,983	20,962
Deferred	18,464	(95,194)
Total tax charge for the year	430,512	353,411

8. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Proposed final dividend — HK\$0.35 (2024: HK\$0.29) per ordinary share	1,151,399	932,028
Proposed final dividend — HK\$0.35 (2024: HK\$0.29) per preference share	167,923	139,137
	1,319,322	1,071,165
Equivalent to RMB'000	1,162,151	988,774

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

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 RMB1,778,814,000 (2024: RMB1,101,608,000), adjusted to reflect the distribution to convertible preference shares, and the weighted average number of ordinary shares of 3,225,284,879 (2024: 3,199,064,983) 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 RMB1,778,814,000 (2024: RMB1,101,608,000). 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, totalling 508,765,556 (2024: 492,354,786), 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost and net carrying amount at 1 January	2,066,775	2,537,138
Impairment during the year (<i>note 5</i>)	<u>(72,112)</u>	<u>(470,363)</u>
Cost and net carrying amount at 31 December	<u>1,994,663</u>	<u>2,066,775</u>
At 31 December		
Cost	2,537,138	2,537,138
Accumulated impairment	<u>(542,475)</u>	<u>(470,363)</u>
Net carrying amount	<u>1,994,663</u>	<u>2,066,775</u>

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;
- Lithium 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:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Logistics equipment cash-generating unit	1,129,520	1,129,520
Oil & Gas equipment cash-generating unit	789,334	789,334
Lithium battery manufacturing equipment cash-generating unit	—	72,112
Solar modules cash-generating unit	60,573	60,573
Electrolysis hydrogen production equipment cash-generating unit	15,236	15,236
	<u>1,994,663</u>	<u>2,066,775</u>

The carrying amount of the lithium battery manufacturing equipment cash-generating unit which belonged to the emerging industry manufacturing equipment segment was impaired by RMB72,112,000 during the year ended 31 December 2025. Consequently, the carrying amount of goodwill was written down by RMB72,112,000. The impairment loss recognised was included in “Other expenses” in the consolidated statement of profit or loss.

Assumptions were used in the value in use calculation for 31 December 2025. 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.

11. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	1,001,090	762,480
Work in progress	1,508,669	1,334,344
Finished goods	2,828,468	2,475,617
Development cost of power station	683,555	627,724
	<u>6,021,782</u>	5,200,165
Less: Provision against slow-moving and obsolete inventories	<u>(176,979)</u>	<u>(152,325)</u>
	<u>5,844,803</u>	<u>5,047,840</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
At 1 January	152,325	118,535
Charged for the year (<i>note 5</i>)	46,810	66,145
Write-back for the year (<i>note 5</i>)	(20,490)	(17,553)
Write-off for the year	<u>(1,666)</u>	<u>(14,802)</u>
At 31 December	<u><u>176,979</u></u>	<u><u>152,325</u></u>

12. PROPERTIES FOR SALE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost	726,139	753,448
Less: Provision for impairment of properties held for sale (<i>note 5</i>)	<u>(277,899)</u>	<u>(277,899)</u>
	<u><u>448,240</u></u>	<u><u>475,549</u></u>

No more impairment loss was recognised for the asset in the year ended 31 December 2025.

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

All properties for sale are situated in the Chinese mainland.

13. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	12,899,286	11,692,009
Impairment	<u>(915,515)</u>	<u>(718,022)</u>
	11,983,771	10,973,987
Less: Trade receivables due after one year	<u>(1,113,884)</u>	<u>(964,142)</u>
	<u><u>10,869,887</u></u>	<u><u>10,009,845</u></u>
Bills receivable	<u><u>1,139,411</u></u>	<u><u>1,131,661</u></u>

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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 180 days	7,662,865	7,447,691
181 to 365 days	2,595,214	2,242,741
1 to 2 years	1,402,637	1,142,848
2 to 3 years	296,062	110,109
Over 3 years	26,993	30,598
	<u>11,983,771</u>	<u>10,973,987</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of year	718,022	632,554
Disposal of subsidiaries	—	(10,959)
Impairment, net (<i>note 5</i>)	217,231	134,627
Amount written off as uncollectible	<u>(19,738)</u>	<u>(38,200)</u>
At end of year	<u>915,515</u>	<u>718,022</u>

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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within six months	1,133,631	1,131,661
Over six months	<u>5,780</u>	<u>—</u>
	<u>1,139,411</u>	<u>1,131,661</u>

Included in the bills receivable was an amount of RMB58,952,000 as at 31 December 2025 (2024: RMB5,198,000) which was pledged for the issuance of a letter of guarantee.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Unlisted investments, at fair value		
Current	3,060,345	2,393,996
Non-current	<u>107,500</u>	<u>57,500</u>
Total	<u><u>3,167,845</u></u>	<u><u>2,451,496</u></u>

The current unlisted investments were wealth management products issued by banks and other financial institutions in the Chinese mainland. The non-current unlisted investments are investments in a limited liability partnership and limited liability companies in the Chinese mainland. 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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cash and bank balances	3,600,053	3,935,295
Time deposits	<u>2,690,900</u>	<u>1,475,209</u>
	6,290,953	5,410,504
Less: Pledged time deposits for banking facilities	<u>(226,786)</u>	<u>(71,004)</u>
Cash and cash equivalents	<u><u>6,064,167</u></u>	<u><u>5,339,500</u></u>
Cash and cash equivalents, time deposits and pledged deposits denominated in		
— RMB	2,651,956	2,505,678
— Hong Kong dollar (“HK\$”)	19,794	9,485
— United States dollar (“US\$”)	3,204,283	2,594,840
— Euro (“EUR”)	49,693	287,832
— Indonesia Rupiah (“IDR”)	108,393	10,141
— Zambian Kwacha (“ZMW”)	186	693
— Russian Ruble (“RUB”)	206,535	1,835
— Singapore Dollar (“SGD”)	75	—
— Australian Dollar (“RON”)	2	—
— Japanese Yen (“JPY”)	<u>50,036</u>	<u>—</u>
	<u><u>6,290,953</u></u>	<u><u>5,410,504</u></u>

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, SGD, RON and JPY. The RMB is not freely convertible into other currencies, however, under the Chinese mainland'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.

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:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 30 days	4,981,436	5,776,501
31 to 90 days	2,777,998	1,572,728
91 to 180 days	2,634,827	3,245,574
181 to 365 days	1,277,351	197,896
Over 1 year	454,528	420,531
	<u>12,126,140</u>	<u>11,213,230</u>

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.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	1.8–2.5	2026	2,873,708	2.25–3.10	2025	2,686,554
Bank loans — unsecured	1.95–2.40	2026	475,175	1.95–2.40	2025	423,978
Other borrowings — secured	2.34–3.5	2026	570,000	3.50–3.98	2025	734,776
Other borrowings — unsecured	3.41–4.35	2026/On demand	279,405	3.41–4.35	2025/On demand	342,232
Interest payable		2026	70,413		2025	62,627
			<u>4,268,701</u>			<u>4,250,167</u>
Non-current						
Bank loans — secured	2.10–3.05	2027–2038	5,027,378	2.13–3.30	2026–2038	3,970,572
Bank loans — unsecured	2.15–2.3	2027–2038	798,779	2.20–2.75	2026–2038	763,611
Other borrowings — secured	2.34–3.5	2027–2038	912,879	3.50–3.98	2026–2027	915,224
Other borrowings — unsecured	3.05–4.28	2027–2038	52,984	4.28	2026–2031	35,025
			<u>6,792,020</u>			<u>5,684,432</u>
			<u>11,060,721</u>			<u>9,934,599</u>
				2025	2024	
				RMB'000	RMB'000	
Analysed into:						
Bank loans repayable:						
Within one year				3,419,296	3,173,159	
In the second year				4,312,162	2,704,587	
In the third to fifth years, inclusive				888,597	1,078,278	
Beyond five years				625,398	951,318	
				<u>9,245,453</u>	<u>7,907,342</u>	
Analysed into:						
Other borrowings repayable:						
Within one year				849,405	1,077,008	
In the second year				358,748	575,202	
In the third to fifth years, inclusive				28,445	355,638	
Beyond five years				578,670	19,409	
				<u>1,815,268</u>	<u>2,027,257</u>	
				<u>11,060,721</u>	<u>9,934,599</u>	

18. SHARE CAPITAL

Shares

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised:		
4,461,067,880 (2024: 4,461,067,880) ordinary shares of HK\$0.10 each	446,107	446,107
538,932,120 (2024: 538,932,120) convertible preference shares of HK\$0.10 each	<u>53,893</u>	<u>53,893</u>
Total authorised capital	<u><u>500,000</u></u>	<u><u>500,000</u></u>
Issued and fully paid:		
3,232,417,929 (2024: 3,213,890,505) ordinary shares of HK\$0.10 each	323,242	321,389
479,781,034 (2024: 479,781,034) convertible preference shares of HK\$0.10 each	<u>47,978</u>	<u>47,978</u>
Total issued and fully paid capital	<u><u>371,220</u></u>	<u><u>369,367</u></u>
Equivalent to RMB'000	<u><u>319,097</u></u>	<u><u>317,394</u></u>

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 <i>HK\$'000</i>	<i>Equivalent to RMB'000</i>
At 1 January 2024	479,781,034	3,189,660,321	366,944	315,185
Issue of shares (<i>note</i>)	<u>—</u>	<u>24,230,184</u>	<u>2,423</u>	<u>2,209</u>
At 31 December 2024	<u><u>479,781,034</u></u>	<u><u>3,213,890,505</u></u>	<u><u>369,367</u></u>	<u><u>317,394</u></u>

	Number of convertible shares	Number of ordinary shares	Share capital	
			HK\$'000	Equivalent to RMB'000
At 1 January 2025	479,781,034	3,213,890,505	369,367	317,394
Issue of shares (<i>note</i>)	—	18,527,424	1,853	1,703
At 31 December 2025	<u>479,781,034</u>	<u>3,232,417,929</u>	<u>371,220</u>	<u>319,097</u>

Note:

During the year ended 31 December 2025, 1,713,825 (2024: 3,295,000) new ordinary shares were issued for the share options exercised and 16,813,599 (2024: 20,935,184) new ordinary shares were issued for the share award. Cash proceeds of HK\$12,172,000 (equivalent to RMB11,084,000) (2024: HK\$4,020,000 (equivalent to RMB3,645,000)) were received with no transaction costs borne by the Company, and the related share option reserve of RMB16,281,000 (2024: RMB1,986,000) was transferred to share premium accordingly.

19. COMMITMENTS

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

	2025 RMB'000	2024 RMB'000
Buildings	249,233	432,905
Plant and machinery	450,560	772,588
	<u>699,793</u>	<u>1,205,493</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Major products

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 wide-bodied 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, construction services and oil and gas field technical services; and (4) emerging industries, such as solar modules, hydrogen production equipment, power battery modules, electricity and energy storage systems.

Business review and prospects

In 2025, the Group's strategy of globalisation, digitalisation and decarbonisation has yielded significant results: globalisation reached new heights, the foundation for digitalisation was continuously consolidated, and decarbonisation achieved rapid growth, taking solid strides on the path towards high-quality development. In 2025, the Group recorded a revenue of RMB24,333.6 million, representing a year-on-year increase of 11.1%. Profit attributable to owners of the parent recorded by the Group amounted to RMB1,778.8 million, representing an increase of 61.5% year-on-year.

In 2025, the Group accelerated exploring the global market, with rapid growth in international sales revenue. In 2025, international revenue was RMB9,234.2 million, representing a year-on-year increase of 13.0%; the international revenue of mining equipment was RMB3,822.5 million, representing a year-on-year increase of 6.8%; the international revenue of logistics equipment was RMB5,124.6 million, representing a year-on-year increase of 14.6%. 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 has advanced its digital and intelligent leap thoroughly and steadfastly fulfilled its low-carbon mission, continuously deepening its efforts in three key areas including intelligent products, intelligent manufacturing, and intelligent operations. The Group's intelligent products, such as comprehensive smart customs clearance equipment, have been deeply involved in major national projects. Its electrified products, including electric wheeled mining trucks, electric front loaders, electric stacking machines and electric trucks, have led the industry development trend. Micro-grid projects have been successively implemented overseas, and the layout of the new energy industry has been continuously consolidated.

In the future, challenges and opportunities still lie ahead. Facing the complex and evolving international landscape and the continuous advancement of the technological revolution, the Group will continue to resolutely advance its “Globalisation, Digitalisation and Low-carbonisation” strategy. We will steadfastly participate in the development of global channel systems and service systems, enhance overseas manufacturing capabilities, continuously promote the implementation of digitalisation achievements, strengthen the construction of the electrification industry chain, and accelerate the global rollout of comprehensive electrification solutions. The Group will continue to lead in R&D and innovation and strive to establish itself as a leader in the mining equipment, logistics equipment and oil and gas equipment industries. All employees of the Group will unite our efforts and forge ahead to achieve the goal of RMB57.5 billion in sales revenue and an increase in gross profit margin to 24% by 2028.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded revenue of approximately RMB24,333.6 million, representing an increase of approximately 11.1% as compared with approximately RMB21,909.6 million for the year ended 31 December 2024. The increase was mainly due to (1) a marked increase in the revenue for the Group's large port machinery and power battery; (2) a significant increase in the international sales revenue as a result of the successful expansion into international markets; (3) on 22 July 2024, the Group completed the acquisition of the lithium energy business, which brought a new source of revenue.

Other income and gains

For the year ended 31 December 2025, the Group's other income and gains were approximately RMB1,005.0 million, representing an increase of approximately 23.2% as compared with approximately RMB815.5 million for the year ended 31 December 2024. The change was mainly due to the increase in the bank interest income and government grant.

Cost of sales

For the year ended 31 December 2025, the Group's cost of sales was approximately RMB18,909.6 million, representing an increase of approximately 11.3% as compared with approximately RMB16,996.3 million for the year ended 31 December 2024. The change was mainly due to the increase in the Group's product sales revenue.

Gross profit margin

For the year ended 31 December 2025, the gross profit margin of the Group was approximately 22.3%, representing a decrease of approximately 0.1 percentage points as compared to approximately 22.4% for the year ended 31 December 2024. Such change was mainly due to the increase in the proportion of sales revenue of products with lower gross profit margin.

Selling and distribution expenses

For the year ended 31 December 2025, the selling and distribution expenses of the Group were approximately RMB1,358.2 million, representing an increase of approximately 5.6% as compared with approximately RMB1,286.3 million for the year ended 31 December 2024.

For the year ended 31 December 2025, the ratio of the Group's selling and distribution expenses to revenue was approximately 5.6%, representing a decrease of approximately 0.3 percentage points as compared with approximately 5.9% for the year ended 31 December 2024. 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 2025, the R&D expenses of the Group were approximately RMB1,435.3 million, representing a decrease of approximately 5.8% as compared with approximately RMB1,524.3 million for the year ended 31 December 2024. For the year ended 31 December 2025, the ratio of R&D expenses to revenue was approximately 5.9%, representing a decrease of approximately 1.1 percentage points as compared with approximately 7.0% for the year ended 31 December 2024. Such change was mainly due to the Group's management changes in its R&D system, focusing on core product R&D, and improvement in R&D investment efficiency.

Administrative expenses

For the year ended 31 December 2025, administrative expenses of the Group were approximately RMB2,173.9 million (for the year ended 31 December 2024: approximately RMB2,162.6 million). The administrative expenses excluding R&D expenses were approximately RMB738.6 million (for the year ended 31 December 2024: approximately RMB638.3 million), which accounted for approximately 3.0% of the revenue, representing an increase of approximately 0.1 percentage points as compared with that for the year ended 31 December 2024 (for the year ended 31 December 2024: approximately 2.9%). Such change was mainly due to the increase in non-operational expenses for logistics equipment business.

Finance costs

For the year ended 31 December 2025, finance costs of the Group were approximately RMB252.9 million (for the year ended 31 December 2024: approximately RMB228.6 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 2025 was approximately 9.0%, representing an increase of approximately 2.5 percentage points as compared with approximately 6.5% for the year ended 31 December 2024. Such change was mainly attributable to a significant decrease in impairment losses on certain assets of the Group for the year ended 31 December 2024: (i) the Group's oil and gas equipment business recorded goodwill impairment loss of approximately RMB470.4 million; and (ii) the Group recorded impairment loss on properties held for sale of approximately RMB277.9 million. For the year ended 31 December 2025, the Group recorded goodwill impairment loss of approximately RMB72.1 million, and no further impairment loss on properties held for sale.

For the year ended 31 December 2025, the Group's effective tax rate was 19.8% (for the year ended 31 December 2024: 24.9%). For details regarding income tax, please refer to note 7 on pages 19 to 20 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 2025 was approximately RMB1,778.8 million, representing an increase of approximately 61.5% as compared with approximately RMB1,101.6 million for the year ended 31 December 2024. 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 2025, total current assets of the Group were approximately RMB29,644.9 million (31 December 2024: RMB26,227.1 million). As at 31 December 2025, total current liabilities of the Group were approximately RMB22,894.7 million (31 December 2024: RMB21,209.8 million).

As at 31 December 2025, total assets of the Group were approximately RMB44,921.2 million (31 December 2024: approximately RMB40,927.7 million), and total liabilities were approximately RMB31,752.2 million (31 December 2024: approximately RMB28,752.5 million). As at 31 December 2025, the gearing ratio (the net debt divided by the equity plus net debt) was approximately 63.9% (31 December 2024: 63.2%).

Trade and bills receivables

As at 31 December 2025, the Group's gross balance of trade and bills receivables was approximately RMB14,038.7 million, representing an increase of approximately 9.5% as compared with approximately RMB12,823.7 million as at 31 December 2024, among which trade receivables were approximately RMB12,899.3 million, representing an increase of approximately 10.3% as compared with approximately RMB11,692.0 million as at 31 December 2024. Such change was mainly attributable to the increase in sales revenue. Bills receivables were approximately RMB1,139.4 million, remaining broadly stable as compared with RMB1,131.7 million as at 31 December 2024.

Interest-bearing bank and other borrowings

As at 31 December 2025, interest-bearing bank and other borrowings of the Group were approximately RMB11,060.7 million (31 December 2024: approximately RMB9,934.6 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 2025, the Group's secured bank and other borrowings carried interests between 1.8% and 3.5% per annum (31 December 2024: between 2.13% and 3.98%) and the unsecured bank and other borrowings carried interests between 1.95% and 4.35% per annum (31 December 2024: between 1.95% and 4.35% per annum).

Cash flow

As at 31 December 2025, the cash and cash equivalents and the term deposits with maturity of three months or more of the Group were approximately RMB6,064.2 million in total.

For the year ended 31 December 2025, the net cash inflow of the Group from operating activities was approximately RMB2,457.1 million (for the year ended 31 December 2024: approximately RMB2,152.1 million). Such change was mainly due to the increase in operating cash inflow of emerging industry.

For the year ended 31 December 2025, the net cash outflow of investing activities of the Group was approximately RMB1,626.6 million (for the year ended 31 December 2024: net cash outflow of approximately RMB973.4 million). Such change was mainly due to the increase in cash outflow of the purchase of property, plant and equipment.

For the year ended 31 December 2025, the net cash outflow of the Group from financing activities was approximately RMB28,328 million (for the year ended 31 December 2024: net cash inflow of approximately RMB894.5 million). Such change was mainly due to a significant increase in the borrowings amount that was repaid during the year compared to last year.

Turnover days

As at 31 December 2025, the Group's average turnover days of inventory were approximately 108.5 days, representing an increase of approximately 14.5 days over approximately 94.0 days as at 31 December 2024, which was mainly because of the increase in inventory of mining equipment.

The turnover days of trade and bills receivables increased by approximately 2.4 days from approximately 199.1 days as at 31 December 2024 to approximately 201.5 days as at 31 December 2025. 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 18.2 days from approximately 207.4 days as at 31 December 2024 to approximately 225.6 days as at 31 December 2025. 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 RMB54.3 million (31 December 2024: RMB17.2 million) was provided for the unsettled loans and lease amounts of RMB4,075.4 million (31 December 2024: RMB5,829.5 million) as at 31 December 2025.

Capital commitment

As at 31 December 2025, the contracted capital commitments of the Group which are not provided for in the financial statements were approximately RMB699.8 million (31 December 2024: approximately RMB1,205.5 million).

Employees and remuneration policy

As at 31 December 2025, the Group had 7,982 full-time employees (2024: 7,872).

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

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 2025, nor was there any plan authorized by the Board for material investments or capital assets as at 31 December 2025.

Pledge on assets

As at 31 December 2025, the Group recorded pledged bank deposits of approximately RMB226.8 million (31 December 2024: approximately RMB71.0 million) for the purpose of issuing security deposit for bank acceptance bills. As at 31 December 2025, the Group's leasehold land of approximately RMB669.3 million (31 December 2024: RMB685.4 million) and the Group's right of electricity charge of RMB64.6 million (31 December 2024: RMB64.6 million) were pledged for the Group's bank loans of RMB830.0 million and RMB62.5 million.

Foreign exchange risk

As at 31 December 2025, the Group's cash and bank balances denominated in foreign currencies such as US\$ and EUR were equivalent to approximately RMB3,639.0 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 providing green, intelligent and sustainable products and services to customers around the world. The Group’s self-developed 300-tonne SET320S hybrid mining trucks provides key equipment support for national energy security and the high-quality development of mines. The Group’s logistics equipment has achieved 258 breakthroughs in key electrical and intelligent technologies, adding 9 new electrified products and creating a full range of new energy products including electric front loaders, electric stacking machines, electric trucks, electric forklifts and electric material handlers, promoting the construction of green ports globally. The Group launched its first mobile energy storage equipment specifically for oilfields, injecting strong new momentum into the green, intelligent and efficient development of the oilfield industry. Sany Lithium, a subsidiary of the Group, has contributed to green manufacturing, achieving significant breakthroughs in green energy transformation, cost reduction and efficiency enhancement for multiple manufacturing industrial parks. The Group’s benchmark micro-grid projects implemented in locations such as iron ore mines in Guinea, copper mines in Zambia and gold mines in Zimbabwe, in collaboration with global partners, explore new frontiers in energy, contributing powerful Chinese strength to the construction of a clean, efficient and sustainable global energy system and leading a new journey in the energy revolution.

The Group has fully integrated the concept of environmental, social and governance into its business operations and management and rooted in five core values: love for the Party and the country, integrity and law-abiding, customer first, employee priority, and high standards at all times and in all respects. In the course of pursuing high-quality development, we have always upheld the principle that “responsibility to the nation outweighs corporate interests”, striving to extend the benefits of the Company’s development to a broader spectrum of society and fully demonstrating our commitment to corporate social responsibility.

Final Dividend

On 31 March 2026, the Board resolved the declaration and payment of the final dividend of HK\$0.35 per ordinary share of the Company, amounting to HK\$1,151,398,583.7 in total based on the total number of 3,289,710,239 shares of the Company as at 23 March 2026, to be payable to the Shareholders whose names appear on the Company’s register of members at the close of business on Tuesday, 9 June 2026. Should there be any change in the Company’s total number of shares between 23 March 2026 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 30 June 2026.

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 2025 to 31 December 2025, and (b) the final dividend of HK\$0.35 per Convertible Preference Share, amounting to approximately HK\$167,923,361.9. The Preferred Distribution and the dividend on the Convertible Preference Shares are proposed to be distributed on or around 30 June 2026, 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 2025, 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**”).

EVENTS AFTER THE REPORTING PERIOD

There has been no important events affecting the Group since 31 December 2025 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 Thursday, 28 May 2026. 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, 21 May 2026 to Thursday, 28 May 2026, 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 Thursday, 28 May 2026. In order to determine the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Thursday, 28 May 2026, 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, 20 May 2026.

CLOSURE OF REGISTER OF MEMBERS — FINAL DIVIDEND PAYMENT

The register of members of the Company will also be closed from Thursday, 4 June 2026 to Tuesday, 9 June 2026, both days inclusive, during which period no transfer of shares will be registered. The record date for entitlement to the proposed dividends is Tuesday, 9 June 2026. In order to 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, 3 June 2026.

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

During the year ended 31 December 2025, 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) (2024: Nil). As at 31 December 2025, 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 2025.

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. Poon Chiu Kwok, Mr. Hu Jiquan, Mr. Yang Shuyong and Ms. Zhou Lan, 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 2025, 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 2025 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 2025. 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 2025 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 2025 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**
Zhou Fugui
Chairman

Hong Kong, 31 March 2026

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