



SANY HEAVY EQUIPMENT INTERNATIONAL HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 631

2025 ANNUAL REPORT



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COMPANY PROFILE AND CORPORATE CULTURE

Sany Heavy Equipment International Holdings Company Limited (hereinafter “Sany International” or the “Company”) was incorporated in the Cayman Islands on 23 July 2009. On 25 November 2009, Sany International was listed on the Main Board of The Stock Exchange of Hong Kong Limited (hereinafter the “Stock Exchange”). On 10 September 2018, Sany International was officially admitted into the Shenzhen-Hong Kong Stock Connect List of Eligible Stocks for Southbound Trading. The core business of the Company, together with its subsidiaries (hereinafter the “Group”), comprises mining equipment, logistics equipment, oil and gas equipment, and emerging industries covering solar modules, hydrogen production equipment, power battery modules and energy storage systems.

The Group’s mining equipment segment covers coal mining machinery products, non-coal mining machinery products, mining transport equipment, and smart mines and spare parts and the provision of related services. As the first company offering integrated mining and excavation equipment, transport equipment and comprehensive solutions in the PRC, the Group has conducted research and development on various intelligent excavators, mining machines, intelligent shearers, pure electric and intelligent unmanned wide-bodied vehicles, thereby contributing ideas to the industry on the manufacturing of whole-set coal mining products, electric and intelligent manufacturing operations, as well as energy-saving and environmentally friendly mining. The smart mine products cover automatic integrated mining, unmanned driving and smart mines. The objectives of the businesses are to accelerate research and development (R&D) of equipment with intelligent technologies such as sensory perception, analysis, autonomous decision-making and automatic control, and to develop unmanned dispatching systems as well as mine operation and management systems, thereby creating digital mines to achieve unmanned production in mines.

The logistics equipment segment of the Group is dedicated to developing electric, automatic and intelligent port and spare parts and the provision of related services. It includes container equipment (front loaders, stacking machines, quayside gantry cranes), bulk material equipment (grippers, elevated hoisting arms) and general equipment (heavyweight forklifts, telehandlers). The Group is one of the suppliers of whole-set port machinery in China with the largest tonnage and most complete range of advanced technologies.

The Group’s oil and gas equipment includes frac spreads, drilling, workover and automated pipe handling equipment and oil and gas field technical services. The Group expanded its business to the fields of photovoltaic, hydrogen energy, power battery modules and energy storage systems actively in order to explore opportunities in the global energy transformation and create the second curve with strong growth.

The Group will continue to invest in R&D innovation, strengthen product planning team and digital capabilities, continuously offer new products and technologies, improve service quality, satisfy the diversified product needs of customers, thereby generating value for customers. The Group will continue to promote its globalisation, digital intellectualisation and low carbonization strategy. The Group will seize the window of opportunity regarding the changes of the times and industry transformation, implementing all-round cost reduction and improved efficiency of R&D, manufacturing, supply chain and service to achieve high-quality business development.

COMPANY PROFILE AND CORPORATE CULTURE

Corporate Culture

- Build first-class enterprises, foster first-class talents, make first-class contributions

Operation principles

- All for the customer, all from innovation

Core Values

- People of action need to identify their core beliefs and hold to them with integrity, even in the face of hardship. Organizations must also have strong beliefs and strong core values.

Sany Style

- Strive for excellence, combat inefficiencies and slow-downs

Enterprise Ethics

- Be just and faithful, be thankful

Sany Spirit

- Constantly strive to become stronger, serve the country through industry

Sany Mission

- Quality changes the world

Sany Motto

- Dreams contribute to human advancement

FINANCIAL SUMMARY

(RMB'000)	2025 (audited)	2024 (audited)	Growth
Revenue	24,333,593	21,909,641	11.1%
Gross profit	5,423,989	4,913,363	10.4%
Profit before tax	2,178,540	1,421,397	53.3%
Net profit	1,748,028	1,067,986	63.7%
Profit attributable to owners of the parent	1,778,814	1,101,608	61.5%
Total assets	44,921,214	40,927,728	9.8%
Average total assets	42,924,471	37,945,370	13.1%
Total equity	13,169,059	12,175,260	8.2%
Cash flows of operating activities	2,457,148	2,152,148	14.2%
Cash flows of investing activities	(1,626,641)	(973,449)	67.1%
Cash flows of financing activities	(28,328)	894,528	(103.2%)
Earnings per share ¹			
— Basic (RMB Yuan)	0.51	0.32	59.4%
— Diluted (RMB Yuan)	0.48	0.30	60.0%

(Percentage)	2025	2024	Percentage points
Gross profit margin	22.3%	22.4%	(0.1)
Ratio of profit attributable to shareholders of the Company to revenue ²	7.3%	5.0%	2.3
Assets turnover	56.7%	57.7%	(1.0)
Gearing ratio	63.9%	63.2%	0.7

¹ The weighted average number of ordinary shares for the year ended 31 December 2025 was 3,225,284,879 shares, and the weighted average number of ordinary shares for the year ended 31 December 2024 was 3,199,064,983 shares, details of which are set out in note 12 to the financial statements.

² Profit attributable to shareholders of the Company divided by revenue.

IMPORTANT MILESTONES IN YEAR 2025



High-quality Development Embodied by World-class Strategic Equipment

Sany Heavy Equipment Co., Ltd. ("Sany Heavy Equipment") has independently developed the SET320S, a 300-tonne hybrid electric driven mining truck. Relying on solely domestic core technologies, this product has successfully broken the long-standing technological monopoly of foreign brands in the large-tonnage mining vehicle sector. Featuring outstanding performance and key technological breakthroughs, the product has been featured in a special report by China Central Television, fully demonstrating the robust capabilities of China's high-end mining equipment. This marks that domestically produced large-tonnage mining trucks have officially joined the ranks of world-class standards, providing critical equipment support for national energy security and the high-quality development of the mining industry.



Deepening Overseas Presence and Expanding into Africa

Having operated in the African market for many years, Sany Heavy Equipment has always remained customer-centric, actively responding to diverse project delivery and service demands. Despite challenging local operating conditions and tight project schedules, the team has demonstrated exceptional problem-solving capabilities and efficient coordination, and fulfilled its commitments by upholding high production standards, ensuring rapid delivery and providing end-to-end support. With reliable and robust products as well as attentive professional services, the Company has earned extensive trust from African customers, continuously deepening Sino-African mining cooperation and injecting strong momentum into local infrastructure and resource development.



World-Leading Unmanned Technology and Large-Scale Deployment

In 2025, Sany Intelligent Mining Technology Co., Ltd. ("Sany Intelligent Mining") successfully delivered 100 unmanned wide-bodied off-highway dump trucks to an open-pit coal mine in Hami, Xinjiang. It took only three days from the vehicles' entry into the mining pit to the removal of safety personnel from the vehicles. The equipment availability rate exceeded 90%, and the efficiency at the excavator interface reached over 91% of that of manned operations, while labor costs were reduced by more than 70%. Among several leading autonomous driving companies operating in the same mining area, Sany Intelligent Mining achieved the highest overall operational efficiency, and earned high praise from the customer.

IMPORTANT MILESTONES IN YEAR 2025



Remarkable Globalization Performance with Record-High Sales and Orders

In 2025, Sany Marine Heavy Industry Co., Ltd. ("Sany Marine Heavy Industry") saw its globalization process accelerate comprehensively, with the share of overseas sales rising rapidly. Notably, overseas sales of large port equipment grew significantly, with order intake increasing by over 20%, achieving record highs in both sales and orders. Additionally, Sany Marine Heavy Industry signed a Global Framework Agreement with APM Terminals in Zhuhai. Under this agreement, Sany Marine Heavy Industry will supply more than 500 electric terminal tractors to APM Terminals' global operations, representing the world's largest procurement project for electric terminal tractors.



Leading in Low-Carbon and Digital-Intelligent Solutions, Achieving Electric-Intelligent Synergy

In 2025, Sany Marine Heavy Industry advanced its low-carbon strategy in depth, achieving breakthroughs in 258 key electric and intelligent technologies. The Company added nine new electrified products, including electric reach stackers, electric empty container handlers, electric terminal tractors, electric heavy-duty forklifts, and electric material handlers. Concurrently, it developed a range of intelligent products such as high-efficiency dual-trolley automated ship-to-shore cranes, M5 automated rail-mounted gantry cranes, T5A automated rubber-tired gantry cranes, and automated ship loaders/unloaders. With the continuous deepening of intelligent operations, the foundation for digital and intelligent transformation has been steadily reinforced.



First 1 Million Cubic Meter Natural Gas Liquefaction Project Successfully Delivered

On 18 November 2025, the Guazhou Maoque 2 Million Cubic Meter Natural Gas Liquefaction Project, for which Sany Energy Equipment Co., Ltd. ("Sany Energy Equipment") provided EPC general contracting services, successfully passed performance assessment and acceptance and was delivered to the owner. The project achieved successful production during its very first commissioning, earning high praise from the owner. This milestone marks that Sany Energy Equipment has officially acquired the capability to provide complete solutions for large-scale LNG projects at the million-cubic-meter level. In the same year, the Company completed five LNG projects, leading the industry in delivery speed. It also secured six new LNG orders, with total contract value exceeding RMB900 million, maintaining a leading market share in China.

IMPORTANT MILESTONES IN YEAR 2025**Secured the Zambia Rita Mine Solar-Storage-Diesel Microgrid Power Generation Project**

The microgrid project in Zambia, developed by the Microgrid Business Unit, is the largest off-grid solar-storage-diesel mining microgrid project in Africa. It features a 20 MWp photovoltaic system, a battery energy storage system with a total capacity of 60 MWh, and a diesel generation system as backup power, forming an advanced integrated microgrid energy system combining solar, storage, and diesel generator. This project provides stable and reliable power supply to the mining area, enables energy self-sufficiency, effectively reduces dependence on conventional energy sources, and improves energy efficiency and sustainability.

**Shuozhou Chongren 200MW Photovoltaic Power Station Successfully Grid-Connected**

On 30 December, the Shuozhou Chongren 200MW photovoltaic power station constructed by Sany Silicon Energy (Zhuzhou) Co., Ltd. was successfully connected to the grid and began generating electricity. The construction of this power station covered photovoltaic power generation units, collector lines, a substation, and transmission lines, strictly adhering to local power planning and achieving remarkable results in energy conservation, environmental protection, and local economic development. The annual power generation is expected to reach 360 million kwh, saving 108,600 tons of standard coal and reducing carbon dioxide emissions by 366,000 tons each year.

**Energy Storage Goes Global, Empowering the Worldwide Green Energy Transition**

In 2025, Sany Lithium Energy Co., Ltd. ("Sany Lithium")'s energy storage products ventured overseas, successfully reaching countries and regions such as Singapore, India, Romania, Zambia, and Kenya, illuminating the global green energy landscape. With robust product strength, advanced solutions, and exceptional Sany quality, these products have become a core pillar of local energy systems, continuously contributing reliable and solid Sany power to advancing the world's energy revolution and low-carbon transition.

**First Hundred MWh-Level Energy Storage Order Secured, Accelerating Large-Scale Development**

In September 2025, Sany Lithium successfully secured its first domestic hundred MWh-level energy storage system order, achieving a milestone breakthrough in large-scale projects. This represents strong market recognition of the company's technological strength, manufacturing capabilities, and full-cycle operational service abilities. It marks that Sany Lithium has acquired the full-cycle service capability for large-scale energy storage projects and officially entered the fast track of scaled and market-driven development.

CHAIRMAN'S STATEMENT

Dear Shareholders,

In 2025, by adhering to a business strategy focused on high-quality development and continuously enhancing our capabilities, we achieved rapid growth across all business segments. On behalf of the board (the "Board") of directors of the Company (the "Directors"), I would like to announce that during the financial year ended 31 December 2025, the Group recorded revenue of RMB24,333.6 million, representing an increase of 11.1% compared with that of the previous year; profit attributable to owners of the parent amounted to RMB1,778.8 million, representing an increase of 61.5% compared with that of the previous year. The Group's total assets and net assets as at 31 December 2025 were RMB44,921.2 million and RMB13,169.1 million, respectively.

Amid a complex and volatile external environment in 2025, all business segments of Sany International withstood the challenges posed by varying industry cycles and achieved remarkable results:

Coal Mining Machinery: Consolidating the Foundation for Future Growth

In recent years, the domestic coal mining machinery market has remained under pressure with intense industry competition. On the one hand, the coal mining machinery business has proactively expanded into overseas markets to offset insufficient domestic demand. On the other hand, it has adjusted operational measures to build momentum, including cost reduction and expense control, new products R&D, focusing on key customers and optimising service models. By further exploring existing demand and enhancing service quality, we have laid groundwork for the recovery in domestic demand.

Looking ahead, coal will remain the cornerstone of national energy security, and underground mining equipment will continue to serve as the core pillar of the Company's performance. We will adhere to a long-term perspective, deepen our presence in the underground mining equipment sector, with the aim of becoming the undisputed leader in China and a world-class player.

Mining Truck Business: A Strong Cycle Has Begun, Aiming for Global Leadership

Since 2018, the mining truck business has gradually scaled up, evolving from an emerging business segment to one whose scale has, for the first time, surpassed that of the coal mining machinery business. In the future, the mining truck business will become the Company's strongest growth segment.

CHAIRMAN'S STATEMENT

The mining truck business witnessed a strong upward trend in 2025, which was an inevitable result of our ongoing commitment to technological innovation. Leveraging our strengths in electric vehicle R&D and supply chain, the Company's wide-body vehicles and mining trucks maintained a leading market share. Over the past year, the unmanned mining transport equipment business has undergone rapid iteration, with equipment utilisation rate under the unmanned mode exceeding 90% and operational efficiency surpassing that of the traditional driver-operated mode. In the mining regions of north-western China, unmanned mining trucks have pioneered a new paradigm in open-pit mining.

Future trends in mining equipment will be towards integrated systems, unmanned operation and electrification. By 2030, the Company will become a global leading supplier of mining equipment.

Logistics Equipment: Breaking Through Bottlenecks, Unleashing Potential Through Deep Accumulation

In recent years, benefiting from the global demand for upgrading port infrastructure, the port machinery business has achieved rapid growth. Entering 2025, with the polarisation of global trade, growth solely driven by substitution and cost reduction has encountered bottlenecks. However, bottleneck periods often represent a crucial stage for outstanding enterprises to widen the gap. Firstly, our small port machinery products have achieved a global leading position. Looking to the present, our immediate priority is to effectively convey China's industrial strengths in electrification and automation to our overseas clients, and to win the recognition of more customers through the quality of our products and services. Secondly, in the field of port handling equipment, we aim to narrow the gap in scale with global market leaders by building on our technical capabilities, production capacity and delivery experience. Looking ahead, our logistics equipment business is poised to unleash potential through deep accumulation, and holds broad prospects.

Oil And Gas Equipment: Seizing Structural Opportunities Overseas

In the oil and gas equipment segment, the Company's strategy is clear: focus on overseas markets and pursue both equipment provision and service offerings. The Middle East and North Africa region, in particular, offers both abundant oil and gas resources as well as an urgent need to increase production capacity, while the recognition of China's high-end oil and gas equipment is steadily increasing. We may draw on the development strategies of peers in the industry and rely on the technical advantages and cost advantages of the domestic supply chain to rapidly penetrate overseas markets. For high-end oil and gas equipment customers overseas, we must demonstrate our service capability of "China's standard". Only by integrating service with our products and excelling in localised operations can we truly establish a firm foothold in overseas oil and gas markets.

CHAIRMAN'S STATEMENT

Emerging Industry: Streamlining to Strengthen

The Company will not continue to engage in cut-throat competition and internal friction within the low-end, overcapacity-ridden photovoltaic cell manufacturing sector. Instead, it will focus on developing distributed photovoltaic-storage microgrid solutions. By providing green energy support to customers, the Company will accelerate the rollout of its microgrid business, particularly in Africa and Europe. In the Company's envisioned future mining operation scenarios, photovoltaic, energy storage, and wind power systems will serve as the "energy heart" that powers the electrification of mining equipment.

In 2025, the Company has undergone numerous new changes. While changes bring uncertainties, they also mark the beginning of our growth. Going forward, the Company will position underground mining equipment as the foundation of its performance, mining trucks and unmanned driving as strong growth drivers, port machinery as the bridgehead of its globalisation strategy, and microgrids as the adhesive for the mining ecosystem. Through this approach, the Company aims to build itself into a leading high-end manufacturer that is fully advancing toward electrification and automation.

On behalf of all members of the Board, I would like to extend our heartfelt gratitude to all shareholders, colleagues, and employees for your unwavering support and deep affection for the Company. We also look forward to continuing our journey together, hand in hand, striving for steady and lasting progress.

Zhou Fugui

Chairman

Hong Kong, 31 March 2026

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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; and (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 19.89% (for the year ended 31 December 2024: 24.9%). For details regarding income tax, please refer to note 10 on pages 175 to 177 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".

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB23,118.8 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 2.2% 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 and could be withdrawn anytime of the Group were approximately RMB6,064.2 million in total.

MANAGEMENT DISCUSSION AND ANALYSIS

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 RMB28.3 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 RMB750.0 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Zhou Fugui (周福貴), aged 63, was appointed as an executive Director, the chairman of the Board, a member of the strategic investment committee of the Company (the "Strategic Investment Committee"), the chairman of the nomination committee of the Company (the "Nomination Committee") and the chairman of the ESG committee of the Company on 31 October 2025.

Mr. Zhou joined Sany Group Co., Ltd. (三一集團有限公司) ("Sany Group") in May 1994. From May 1994 to November 2009, Mr. Zhou served as a director and vice president of Sany Heavy Industry Co., Ltd.* (三一重工股份有限公司) ("Sany Heavy Industry") (stock code: 600031.SH, 06031.HK). From November 1998 to November 2009, he served as the general manager of Sany America Inc. (三一美國有限公司). Since December 2009, Mr. Zhou has been serving as a director of Sany Group. From December 2009 to July 2016, Mr. Zhou served as the chairman of Sany Heavy Machinery Co., Ltd. (三一重型機器有限公司). In March 2018, Mr. Zhou was appointed as an executive director of Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司) ("Sany Heavy Energy") (stock code: 688349.SH), later appointed as the general manager in April 2018 and the chairman in September 2020. Currently, he is a director of Sany Group, the chairman of Sany Heavy Energy, and acts as director, senior management and/or the legal representative of over 60 subsidiaries of Sany Heavy Energy.

Mr. Zhou was employed at Kunming Cable Factory (昆明電纜廠) as an assistant engineer during the period from July 1983 to June 1985. During the period from July 1988 to September 1991, he worked at Lianyuan Special Welding Materials Factory (漣源特種焊接材料廠), serving successively as the chief of the supply section and deputy factory manager. During the period from September 1991 to May 1994, he worked at Shenzhen Zhongqiao Surface Technology Co., Ltd. (深圳中橋表面技術有限公司), holding the position of engineer.

Mr. Zhou graduated from Central South University with a bachelor's degree in June 1983, obtained a master's degree from University of Science and Technology Beijing in July 1988 and completed the EMBA program at China Europe International Business School in September 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liang Zaizhong (梁在中), aged 41, was appointed as an executive Director, the chairman of the Board, and the chairman of the Nomination Committee and the Strategic Investment Committee on 21 October 2019. Mr. Liang has resigned as the chairman of the Board and ceased to be a member and chairman of the Nomination Committee since 31 October 2025, and remains as an executive Director.

Mr. Liang joined Sany Group in June 2006. During the period from June 2006 to January 2007, he acted as dispatcher of the manufacturing department of Sany Automobile Manufacturing Co., Ltd.* (三一汽車製造有限公司) ("Sany Automobile Manufacturing"), a subsidiary of Sany Group. During the period from January 2007 to October 2010, Mr. Liang held various management positions in the financial operations of Sany Group, including the deputy supervisor of the fund settlement center, the deputy general manager of the general department of finance and the director of the general department of finance. Mr. Liang acted as the vice president of Sany Group and the general manager of Sany Automobile Manufacturing during the period from October 2010 to December 2011. During the period from December 2011 to March 2016, Mr. Liang held various key positions in Sany Group, including the manufacturing business director, the investment director and the process informatization director. In March 2016, Mr. Liang led the establishment of Long Property & Casualty Insurance Co., Ltd.* (久隆財產保險有限公司) ("Long Insurance") and Hunan Sanxiang Bank Co., Ltd.* (湖南三湘銀行股份有限公司) ("Sanxiang Bank"), and acted as a director, the vice chairman of the board of Long Insurance during the period from March 2016 to June 2019, while serving as the chairman of the board of Sanxiang Bank from December 2016 to June 2019. Mr. Liang has also acted as a director of Sany Heavy Industry from January 2010 to November 2021, a director and the senior vice president of Sany Group since December 2011 and president of the board of Rootcloud Co., Ltd.* (樹根互聯股份有限公司) since June 2016. In December 2013, Mr. Liang led the establishment of Beijing Sany Commercial Foundation* (北京三一公益基金會) and served as the president of Beijing Sany Foundation* (北京三一基金會) during the period from December 2013 to March 2019. Mr. Liang has been serving as the executive vice president of Relay China Foundation* (北京接力公益基金會) since February 2019 and a member of Leping Social Entrepreneur Foundation* (北京樂平公益基金會) since April 2019. He has been serving as a member of the Standing Committee of Hunan Federation of Industry and Commerce since June 2022. He has served as the Chairman of the Supervisory Board of Sany Group since November 2025.

Mr. Liang obtained a bachelor's degree in computer and management sciences from the University of Warwick in June 2006 and a master's degree in public administration in international development from the John F. Kennedy School of Government at Harvard University in June 2014.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Fu Weizhong (伏衛忠), aged 52, was appointed as an executive Director and a member of the Strategic Investment Committee on 13 March 2018. Since 20 February 2023, he was appointed as a member of ESG Committee.

Mr. Fu acted as the chairman of the board of the marine machinery operation department of the Group from January 2015 to September 2016 and since September 2017. He once acted as an executive Director and a member of the Strategic Investment Committee from August 2015 to September 2016. Mr. Fu joined Sany Group in May 2000 and held various management positions in Sany Group, including the director of the customer service department of Sany Heavy Industry, the US general manager of the Sany Group, the deputy general manager of Sany Heavy Industry, the vice president of Sany Heavy Industry, the overseas general manager of Sany Group, the general manager of Beijing Sany Heavy Machinery, the general manager of Sany Energy Equipment, the vice president of Sany Group, chairman of Sany Marine Industry, etc. He has served as a director and co-president of Sany Group since October 2025.

Mr. Fu obtained a master's degree of business administration from China Europe International Business School (中歐國際工商學院) in September 2011.

NON-EXECUTIVE DIRECTORS

Mr. Tang Xiuguo (唐修國), aged 63, was appointed as a non-executive Director on 28 September 2014. Mr. Tang was one of the four founders of Sany Group, and has been the director and president of Sany Group since 2002. From 1997 to 2002, Mr. Tang worked in Sany Group as general administration manager. From 1992 to 1997, he was the deputy general manager of Sany Group and the director of Sany Heavy Industry. From 1991 to 1992, Mr. Tang participated in the foundation of Sany Group. From 1989 to 1991, he participated in the foundation of Hunan Lianyuan Special Welding Materials Factory (湖南漣源特種焊接材料廠) and from 1986 to 1988, he specialized in the development and manufacture of special welding materials.

Mr. Tang has been granted numerous awards, including "Sany Group Distinguished Contribution Award of the Year" for many consecutive years, "China Outstanding Quality Model" and "Excellent Entrepreneur of the State".

Mr. Tang graduated with a bachelor's degree in metallic materials from Central South University (中南大學) in July 1983. He is now a senior engineer.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Xiang Wenbo (向文波), aged 63, was appointed as a non-executive Director on 23 July 2009. He has been a non-executive director of Sany Heavy Equipment since January 2004. Mr. Xiang has over 40 years of experience in the machinery industry. Mr. Xiang joined Sany Group in 1991 and was a standing deputy general manager and general manager of the marketing department and executive president of Sany Group. He is currently the chairman of Sany Heavy Industry.

Mr. Xiang graduated in 1982 from the Department of Casting of Hunan University (湖南大學) with a Bachelor's degree in Engineering Science and graduated from Materials Department of Dalian University of Technology (大連理工大學) with a master's degree in Engineering in 1988. He obtained a Master's degree in Business Administration from the China Europe International Business School (中歐國際商學院) in 2003. Mr. Xiang holds the title of senior engineer and is an expert entitled to government allowance from the State Council.

Mr. Xiang was a deputy of the 11th National People's Congress (十一屆全國人大代表), and has also held a number of social positions such as an expert member of the National Manufacturing Strategy Advisory Committee (國家製造強國建設戰略諮詢委員會), vice president of China International Chamber of Commerce for Private Sector (中國民營經濟國際合作商會), a vice chairman of China Construction Machinery Industry Association (中國工程機械工業協會) and Industrial and Commercial Union in Hunan Province (湖南省工商業聯合會).

Mr. Xiang was awarded multiple accolades including "2020 National Model Worker (2020年全國勞動模範)", "2002 Bauhinia Cup Outstanding Entrepreneur Awards (2002年紫荊花杯傑出企業家獎)", "The Outstanding Chinese Private Technology Entrepreneur Award (中國優秀民營科技企業家獎)", "2008 Top Ten Outstanding CEO in China (2008年度中國十大傑出CEO)", "Forbes 2020 Best CEO in China (福布斯2020年中國最佳CEO)", "Forbes 2010 Best CEO in China (福布斯2010年中國最佳CEO)" and "Forbes 2011 Best CEO of A-share Listed Non-state-owned Companies (福布斯2011年A股非國有上市公司最佳CEO)".

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Poon Chiu Kwok (潘昭國), aged 64, was appointed as an independent non-executive Director on 18 December 2015. He is also the chairman of the audit committee of the Company (the "Audit Committee") and remuneration committee of the Company (the "Remuneration Committee") and a member of the Nomination Committee and the Strategic Investment Committee. Since 20 February 2023, he was appointed as a member of ESG Committee.

Mr. Poon has many years of experience in regulatory affairs, corporate finance, listed companies governance and management. He is also an executive director, the vice president and the company secretary of Huabao International Holdings Limited (華寶國際控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 336). As at the date of this report, he serves as an independent non-executive director of the following public companies listed on the Main Board of the Stock Exchange: China Isotope & Radiation Corporation (stock code: 1763), Sunac China Holdings Limited (融創中國控股有限公司) (stock code: 1918), Greentown Service Group Co. Ltd. (綠城服務集團有限公司) (stock code: 2869), Aux International Holdings Limited (奧克斯國際控股有限公司) (stock code: 2080) and Jinchuan Group International Resources Co. Ltd (金川集團國際資源有限公司) (stock code: 2362). He retired as an independent non-executive director of Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司) (stock code: 1292) and Yankuang Energy Group Company Limited (兗礦能源集團股份有限公司) (stock code: 1171) on 30 June 2023, and as an independent non-executive director of Yuanda China Holdings Limited (遠大中國控股有限公司) (stock code: 2789) on 9 September 2023.

Mr. Poon is a fellow of CPA Australia Ltd., the Hong Kong Securities and Investment Institute, the Chartered Governance Institute, the Hong Kong Chartered Governance Institute (and vice chairman of the Directors and Supervisors Committee and a member of the Mainland China and Hong Kong Technical Consultation Panel) and also a member of the Canadian Institute of Mining, Metallurgy and Petroleum respectively. He was awarded the postgraduate diploma in laws by the University of London (倫敦大學) and also held a bachelor's degree in laws, a bachelor's degree in business studies and a master's degree in international accounting.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hu Jiquan (胡吉全), aged 68, was appointed as an independent non-executive Director on 11 December 2016. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee. Since 20 February 2023, he was appointed as a member of ESG Committee.

Mr. Hu is a researcher (professor) and a tutor of doctorate candidate. He has served as the director of the engineering center of department of education for port logistic technology and equipment and the associate dean of the institute of logistic engineering of Wuhan University of Technology (武漢理工大學).

Mr. Hu graduated from Wuhan School of Marine Transportation Engineering (武漢水運工程學院) with a diploma in lifting transportation machinery in January 1982. He was an assistant lecturer, a lecturer and an associate professor in Wuhan School of Marine Transportation Engineering, Wuhan Transportation University (武漢交通科技大學) and Wuhan University of Technology respectively between 1982 and 2004. He served as a researcher (professor) in the institute of logistics engineering of Wuhan University of Technology in 2005, a tutor of doctorate candidate in 2006, and was appointed as a distinguished professor for production academic and research and served as a member of academic committee by Wuhan University of Technology in 2012. Currently, he also serves as the managing director of the port machinery branch of the Chinese Mechanical Engineering Society (中國工程機械學會), the director of the Logistics Technology Committee of the Mechanical Engineering Society of Hubei (湖北省機械工程學會物流技術專業委員會) and a member of National Standardised Technology of Lifting Machinery Committee (全國起重機標準化技術委員會). He led and principally engaged in the research of design theory and method of modern port loading and unloading, and port logistic equipment and logistics system automation. He participated in a number of projects supported by the State, the National Transportation Readiness and Military Key Project, Science and Technology Key Projects of Hubei Province, production, academic and research cooperation projects of Guangdong Province, and enterprise science and technology cooperation projects. He presided over the development of various types of port machinery products. He won 6 awards of scientific and technological progress at the provincial and ministerial levels and obtained more than 20 invention patents and utility model patents. He published more than 40 SCI/EI papers and participated in the preparation of 3 sets of teaching materials and 4 mechanical design manuals.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yang Shuyong (楊樹勇), aged 61, was appointed as an independent non-executive Director, and member of each of the Audit Committee and Remuneration Committee on 27 September 2024.

Mr. Yang graduated from Anhui University of Science and Technology* (安徽理工大學) (formerly known as Huainan Mining College) in July 1984 with a degree in coal mining mechanisation. Mr. Yang is currently the Chairman of the China Coal Machinery Industry Association* (中國煤炭機械工業協會) and holds the title of Senior Engineer. Mr. Yang has over 40 years of experience in the coal and mining field. From July 1984 to November 2004, he worked at the Zhuzhuang coal mine of Huaibei Mining Industry Co., Ltd. (formerly known as Huaibei Mining (Group) and Coal Limited Liability Company* (淮北礦業(集團)煤業有限責任公司)) ("Huaibei Mining") and over the years served as technician, assistant engineer, director of machinery factory, deputy district chief, district chief, party branch secretary, and deputy chief engineer. From November 2004 to April 2012, Mr. Yang successively served as the deputy director of the Mechanical and Electrical Department of Huaibei Mining, the deputy director of the Equipment Management Center of Huaibei Mining and deputy mine manager of the Xutuan coal mine of Huaibei Mining. From May 2012 to June 2015, Mr. Yang served as the director of the Enterprise Reform Department and the director of the Infrastructure Department of the China Coal Industry Association, and concurrently served as the vice president and secretary general of the Coal Mine Support Professional Committee of the China Coal Industry Association. From June 2015 to October 2019, Mr. Yang served as the deputy director of the Industry Coordination Department of the China Coal Industry Association, and concurrently served as vice chairman and secretary-general of the Coal Mine Support Professional Committee of the China Coal Industry Association. Since October 2019 to date, Mr. Yang has served as the chairman of the China Coal Machinery Industry Association.

Mr. Yang has been awarded honors such as Outstanding Technical Talent in the Mining* (礦區優秀技術人才), Top Ten Outstanding Youths, and Model Worker. Mr. Yang has won various awards, which include, among others, the first prize of China Coal Industry Science and Technology Award* (中國煤炭工業科學技術獎一等), the first prize of Safety Science and Technology Achievement Award of the State Administration of Work Safety* (國家安全生產監督管理總局安全生產科技成果獎一等), the second prize of China Coal Industry Science and Technology Award* (中國煤炭工業科學技術獎二等) twice, Anhui Province Major Rationalization Suggestion and Technology Improvement Achievement Award* (安徽省重大合理化建議和技術改進成果獎) thrice, Municipal (Department) Science and Technology Progress Award* (市(廳)科技進步獎), Rationalization Suggestion and Technology Improvement Achievement Award* (合理化建議和技術改進成果獎) over ten times.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhou Lan (周蘭), aged 53, was appointed as an independent non-executive Director, and a member of the Nomination Committee and the ESG committee on 11 December 2024.

Ms. Zhou is an associate professor of accounting at Hunan University in the faculty of business administration, a postgraduate tutor, the vice chairwoman of the Hunan University Basic Committee of the China National Democratic Construction Association, the chairwoman of the north campus branch of Hunan University of the China National Democratic Construction Association, and the director of the Risk Leading Audit Research Base of Hunan Province. Ms. Zhou has been engaged in teaching and scientific research in accounting and auditing for over 25 years and has received numerous awards at various levels. After graduating from university in 1994, she engaged in teaching and scientific research in accounting in the school of accounting of Hunan College of Finance and Economic (merged with Hunan University in 2000). From September 2000 to September 2010, she engaged in teaching and scientific research in accounting in the school of accounting of Hunan University (former school of accounting of Hunan College of Finance and Economic). Since September 2010, she has been engaged in teaching and scientific research in accounting and auditing in the school of business administration of Hunan University (the school of accounting was merged into the school of business administration in 2010).

Ms. Zhou serves as an independent director and the chairwoman of the audit committee of Hunan Boyun New Materials Co., Ltd., a company listed on Shenzhen Stock Exchange (stock code: 002297), Hunan Investment Group Co., Ltd., a company listed on Shenzhen Stock Exchange (stock code: 000548), Hunan Wuxin Tunnel Intelligent Equipment Co., Ltd, a company listed on Beijing Stock Exchange (stock code: 835174), and an independent director of Long Property & Casualty Insurance Co., Ltd. and Sanxiang Bank. She had also served as an independent director and chairwoman of audit committee of the following listed companies: Shanghai Haixin Group Co. Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600851), from September 2016 to April 2023, and Mingguang Haomiao Security Protection Technology Co., Ltd., a company listed on the Beijing Stock Exchange (stock code: 831856), from July 2020 to July 2023. Ms. Zhou has provided financial training to hundreds of companies and has also acted as a financial advisor to a number of non-listed companies, providing tax solution consulting and listing financial consulting. Ms. Zhou was a deputy to the People's Congress of Yuelu District, Changsha, Hunan Province, and has been serving as a vice chairwoman of Hunan University Committee of China National Democratic Construction Association, and has organised and participated in a number of poverty alleviation efforts.

Ms. Zhou graduated from Hunan University with a master's degree in management, and obtained a doctorate degree in accounting from Hunan University and is a visiting scholar at the business school of University of Illinois at Urbana-Champaign in the United States. As a financial expert of Department of Science and Technology of Hunan Province, Ms. Zhou has provided audit support for Hunan province's science and technology projects and high-tech enterprise assessment.

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there was no information relating to the Directors that is required to be disclosed pursuant to paragraphs (a) to (v) of Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) or any other matters concerning any Director that needs to be brought to the attention of the Shareholders as of the date of this annual report.

SENIOR MANAGEMENT

Mr. Tang Ziwei (唐子威), aged 46, was appointed as the Chief Financial Officer of the Company on 12 September 2022 and resigned on 20 February 2026.

Mr. Tang joined Sany Heavy Industry in September 2008. He served in the general department of finance of Sany Heavy Industry and engaged in tax related work from September 2008 to January 2011. During the period from January 2011 to September 2015, he held various management positions in the financial and audit operations of Sany Heavy Industry, including the deputy head of security affair department, the leader of operating expense review team, the director of the audit department in Eastern China and the assistant to supervisor. He served as the deputy director of the finance department, head of general management department and head of the marketing finance department of Sany Automobile Lifting Machinery Co., Ltd. from September 2015 to May 2019. He served as the financial supervisor of the heavy truck business department from May 2019 to August 2022.

Mr. Tang graduated with a bachelor degree from the School of Business Administration of Jishou University in Hunan Province in June 2002. He obtained a master’s degree in business administration from Hunan University in June 2008.

Mr. Zhou Huidong (周會東), aged 49, has been appointed as the chief financial officer of the Company since 20 February 2026.

Mr. Zhou has over 20 years of experience in finance and accounting. Prior to joining Sany Group, from October 2017 to February 2018, he served as the vice president of finance of Aux Group Company Limited (奧克斯集團有限公司). From July 1998 to September 2017, Mr. Zhou served as various head positions of the financial department, the financial system integrated accounting department, the securities financial department, the financial monitoring department and the supervisor of Zhongxing Telecommunication Equipment Corporation (中興通訊股份有限公司), a joint stock company established in the PRC and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000063) and the Stock Exchange of Hong Kong (stock code: 763), responsible for the accounting and financial management. He also served as a director and/or supervisor of several subsidiaries of Zhongxing Telecommunication Equipment Corporation during such period of time.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhou joined Sany Group in April 2018, serving as the Vice President and Deputy Chief Financial Officer of Sany Group. From January 2019 to February 2021, he served as Joint Company Secretary of the Company. From February 2021 to February 2026, he served as Vice President of the Finance Headquarters of Sany Heavy Industry and Chief Financial Officer of Sany Heavy Machinery.

In July 1998, Mr. Zhou obtained a bachelor's degree in finance and accounting from Beijing University* (北京大學). In July 2014, he obtained a master's degree in business administration from Guanghua School of Management of Beijing University. Mr. Zhou is qualified as a Chinese Certified Tax Agent* (註冊稅務師) since June 2001 and a Chinese Certified Public Accountant* (註冊會計師) since November 2004.

COMPANY SECRETARY

Mr. Yu Leung Fai (余亮暉), aged 49, has extensive experience in the accounting and corporate services fields. Mr. Yu has joined the Fung, Yu & Co. CPA Limited (formerly known as the Fung, Yu & Co. CPA) since 2001 and is currently the company's Managing Partner. He holds a Degree of Bachelor of Commerce (Hon.) from the University of Toronto (多倫多大學) and a Degree of Bachelor of Laws from the University of London (倫敦大學), and is a member of the American Institute of Certified Public Accountants, Certified Public Accountants of Australia, the Hong Kong Institute of Certified Public Accountants and the certified trust practitioner of Hong Kong Trustees' Association.

Mr. Yu has been the joint company secretary and alternate authorized representative of Beijing Media Corporation Limited (北青傳媒股份有限公司) (stock code: 1000) since March 2010; the company secretary and authorized representative of Yuanda China Holdings Limited (遠大中國控股有限公司) (stock code: 2789) since June 2012; the independent non-executive directors of Realord Group Holdings Limited (偉祿集團控股有限公司) (stock code: 1196) since June 2014; the independent non-executive director of The Sincere Company, Limited (先施有限公司) (stock code: 0244) since June 2021; the independent non-executive director of Mount Everest Gold Group Company Limited (珠峰黃金集團有限公司) (stock code: 1815) since November 2021; the independent non-executive director of Timeless Resources Holdings Limited (天時軟件有限公司) (stock code: 8028) since March 2023; the independent non-executive director of Dowway Holdings Limited (天平道合控股有限公司) (stock code: 8403) from October 2019 to October 2023; the joint company secretary and authorized representative of China National Materials Company Limited (中國中材股份有限公司) (stock code: 1893) from May 2009 to April 2018; the company secretary and authorized representative of Haichang Holdings Ltd. (海昌控股有限公司) (stock code: 2255) from March 2014 to March 2015; the company secretary of Group Sense (International) Limited (權智(國際)有限公司) (stock code: 601) from August 2014 to August 2015; the company secretary and authorized representative of Bamboos Health Care Holdings Limited (百本醫護控股有限公司) (Hong Kong stock code: 2293) from November 2018 to November 2019; the company secretary and authorized representative of Vale S.A. (淡水河谷) (stock code: 6210 for Common Depositary Receipts and 6230 for Class A Preferred Depositary Receipts) from 2010 to 2016; and the company secretary of Century Ginwa Retail Holdings Limited (世紀金花商業控股有限公司) (stock code: 0162) from 3 September 2023 to 1 January 2024, all of which are listed companies in Hong Kong, except that Vale S.A. and China National Materials Company Limited were delisted from the Stock Exchange in July 2016 and April 2018, respectively.

DIRECTORS' REPORT

The Board is pleased to present their report and the audited financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The principal activity of the Company is investment holding. Details of the principal subsidiaries and their principal activities as well as the changes in the nature of the Group's principal activities during the year under review are set out in note 1 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2025 are set out in the financial statements on pages 114 to 249 of this annual report.

DIVIDEND POLICY

The Group is committed to sharing its development and achievements with Shareholders through proactive, stable and sustainable dividend policy. The Group would strive to strike a balance between meeting Shareholders' expectations and managing funds prudently. When considering the dividend policy, the Group will comprehensively observe the macroeconomic operation, the competition pattern of the industry and the Group's own development strategy. Under the premise of ensuring that the Group has sufficient working capital to implement the development strategy, the Group will distribute surplus funds to Shareholders and reward their support for the Group.

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.

DIRECTORS' REPORT

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 report, 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.

None of the Shareholders has waived or agreed to waive any dividend.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 250 of this annual report.

RESERVES

Details of movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity and note 36 to the financial statements, respectively.

BORROWINGS

Details of borrowings (inclusive of interest-bearing bank and other borrowings) of the Group as at 31 December 2025 are set out in note 28 to the financial statements.

DIRECTORS' REPORT**DISTRIBUTABLE RESERVES**

As at 31 December 2025, the Company's reserves, including the share premium account, available for distribution, calculated in accordance with the Companies Act, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands ("Companies Act"), amounted to approximately RMB8,144.7 million. Under the Companies Act, a company may make distribution to its shareholders out of the share premium account under certain circumstances.

SHARE CAPITAL

Details of the changes in the share capital of the Company during the year ended 31 December 2025 are set out in note 33 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association (the "Articles") or the laws of Cayman Islands where the Company is incorporated, which would oblige the Company to offer new shares to existing Shareholders on a pro-rata basis.

TAX RELIEF AND EXEMPTION FOR HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their respective holding of the Company's securities. Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in the securities of the Company.

2013 SHARE OPTION SCHEME

The Company adopted the 2013 Share Option Scheme on 16 February 2013 for the purpose of motivating eligible persons to optimize their future contributions to the Group and/or reward them for their past contributions, attracting and retaining or otherwise maintaining on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group. The eligible persons include the Company's executive Directors and other employees of the Group.

The 2013 Share Option Scheme expired on 15 February 2023 and no share options will be granted upon such expiry.

DIRECTORS' REPORT

Details of the movement of share options granted under the 2013 Share Option Scheme during the year ended 31 December 2025 are as follows:

Category of participants	Date of grant ⁽¹⁾⁽²⁾	Exercise price per share (HK\$)	Outstanding as at 1 January 2025	Exercised during the year ⁽³⁾	Outstanding as at 31 December 2025
Directors					
Mr. Fu Weizhong	15 December 2017	1.22	500,000	—	500,000
	29 December 2021	7.39	2,074,400	—	2,074,400
Chief executive					
Mr. Qi Jian	29 December 2021	7.39	4,972,600	—	4,972,600
Other connected persons who are employees of the Group					
Mr. Liang Zhenggen (supervisor of a Group's subsidiary)	15 December 2017	1.22	1,500,000	—	1,500,000
	29 December 2021	7.39	798,000	—	798,000
Employees	15 December 2017	1.22	3,072,000	(80,000)	2,992,000
Employees	29 December 2017	1.71	330,000	—	330,000
Employees	14 November 2018	2.3	130,000	—	130,000
Employees	29 December 2021	7.39	28,350,049	(1,633,825)	26,716,224
Total		—	41,727,049	(1,713,825)	40,013,224

Notes:

- (1) Share options granted under the 2013 Share Option Scheme on 15 December 2017, 29 December 2017 and 14 November 2018 shall vest in accordance with the timetable below, each with an exercise period commencing from the relevant Vesting Date and ending 10 years after the date of the grant (for this purpose, the date or each such date on which the share options are to vest being hereinafter referred to as a "Vesting Date"):

Vesting Date	Percentage of Share Option
If the audited net profit for the year ended 31 December 2018 represents an increase of 20% or more as compared to that of the year ended 31 December 2017, the Vesting Date will be the date when the annual results announcement for the year ended 31 December 2018 is published.	50% of the total number of share options granted
If the audited net profit for the year ended 31 December 2019 represents an increase of 40% or more as compared to that of the year ended 31 December 2017, the Vesting Date will be the date when the annual results announcement for the year ended 31 December 2019 is published.	25% of the total number of share options granted
If the audited net profit for the year ended 31 December 2020 represents an increase of 60% or more as compared to that of the year ended 31 December 2017, the Vesting Date will be the date when the annual results announcement for the year ended 31 December 2020 is published.	25% of the total number of share options granted

Exercise of the share options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the relevant exercise period.

DIRECTORS' REPORT

- (2) *Share options granted under the 2013 Share Option Scheme on 29 December 2021 to the proposed grantees shall vest in accordance with the timetable below, each with an exercise period commencing from the relevant 2021 Grant Vesting Date and ending 10 years after the date of the grant (for this purpose, the date or each such date on which the share options are to vest being hereinafter referred to as a "2021 Grant Vesting Date"):*

2021 Grant Vesting Date	Percentage of share option
If the revenue for 2021 represents an increase of 35% or more as compared to that of 2020, or the net profit for 2021 represents an increase of 20% or more as compared to that of the 2020, the 2021 Grant Vesting Date will be the date when the annual results announcement for the year ended 31 December 2021 is published.	30% of the total number of share options granted
If the revenue for 2022 represents an increase of 70% or more as compared to that of 2020, or the net profit for 2022 represents an increase of 45% or more as compared to that of the 2020, the 2021 Grant Vesting Date will be the date when the annual results announcement for the year ended 31 December 2022 is published.	30% of the total number of share options granted
If the revenue for 2023 represents an increase of 100% or more as compared to that of 2020, or the net profit for 2023 represents an increase of 70% or more as compared to that of the 2020, the 2021 Grant Vesting Date will be the date when the annual results announcement for the year ended 31 December 2023 is published.	40% of the total number of share options granted

Exercise of the share options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the relevant exercise period.

DIRECTORS' REPORT

- (3) *The weighted average closing price immediately before the exercise dates of the share options was HK\$8.16.*

For the year ended 31 December 2025, no share options were granted or forfeited or cancelled.

2023 SHARE OPTION SCHEME

As the 2013 Share Option Scheme expired on 15 February 2023, the Company adopted a new share option scheme in substitution of the expired 2013 Share Option Scheme (the "2023 Share Option Scheme") after obtaining approval of the Shareholders on 11 August 2023. The 2023 Share Option Scheme expanded the scope of eligible participants ("Eligible Participants") to include related entity participants ("Related Entity Participants") (i.e. any director or employee (whether full time or part time but excludes any former employee unless such former employee otherwise qualifies as an Eligible Participant) of the holding companies, fellow subsidiaries or associated companies of the Company) and service providers ("Service Providers") (i.e. any person (whether a natural person, a corporate entity or otherwise) who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group) (where the continuity and frequency of their services are akin to those of employees of the Group). Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers, such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

Details of the 2023 Share Option Scheme are set out below.

Purpose

The purpose of the 2023 Share Option Scheme is to motivate Eligible Participants (as defined above) to optimize their future contributions to the Group and/or reward them for their past contributions, attract and retain or otherwise maintaining on-going relationships with such Eligible Participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

Eligible Participants

Eligible participants under the 2023 Share Option Scheme include any employee participant, Related Entity Participants and Service Providers whom the Board deems, in its sole discretion, to have contributed or will contribute to the Group.

DIRECTORS' REPORT**Overall Scheme Limit, Service Provider Sub-limit and Individual Limit**

The total number of shares which may be allotted and issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other share scheme(s) (including but not limited to the 2019 Share Award Scheme) must not exceed 10% of the number of shares in issue as at the date of approval of this limit by the Shareholders at a general meeting (the "Overall Scheme Limit"). Within such limit, the total number of shares which may be allotted and issued in respect of all options and awards to be granted to the Service Providers under the 2023 Share Option Scheme and any other share scheme(s) must not exceed 1% of the number of shares in issue as at the date of approval of this sub-limit by the Shareholders at a general meeting (the "Service Provider Sub-limit"). Options lapsed in accordance with the terms of the 2023 Share Option Scheme will not be regarded as utilised for the purpose of calculating the aforesaid limits.

The Overall Scheme Limit and Service Provider Sub-limit approved by Shareholders were 318,860,946 shares and 31,886,094 shares. As at 1 January 2025, the unutilised Overall Scheme Limit and the unutilised Service Provider Sub-limit were 267,524,093 and 31,886,094, respectively. As at 31 December 2025, unutilised Overall Scheme Limit was 231,058,592 shares (representing 7.1% of the total issued ordinary shares of the Company as at the date of this report), and unutilised Service Provider Sub-limit was 31,886,094 shares (representing 1.0% of the total issued shares of the Company as at the date of this report).

Where any offer of options to a grantee would result in the shares issued and to be issued in respect of all options and awards granted to such person under the 2023 Share Option Scheme and any other share scheme(s) (excluding any options or awards lapsed in accordance with the terms of the respective share schemes) in the 12-month period up to and including the date of such offer representing in aggregate over 1% of the relevant class of shares in issue (the "1% Individual Limit"), such offer must be separately approved by the Shareholders in a general meeting with such grantee and his/her close associates (or associates if the grantee is a connected person) abstaining from voting.

Scheme Life, Option Period and Vesting Period

The 2023 Share Option Scheme shall be valid and effective for 10 years from the adoption date (i.e. until 10 August 2033) unless early terminated as approved by Shareholders at a general meeting of the Company, after which period no further options may be issued or granted, but the provisions of the 2023 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior to such termination or otherwise as may be required in accordance with the provisions of the 2023 Share Option Scheme.

The option period of an option may not end later than ten years from the offer date of that option.

The vesting period for all options shall not be less than twelve (12) months, subject to a shorter vesting period at the discretion of the Board under the circumstances specified in the 2023 Share Option Scheme in relation to offers to the employee participants.

DIRECTORS' REPORT

As at the date of this report, the remaining life of the 2023 Share Option Scheme is approximately seven years and three months.

Consideration of Acceptance of the Grant and Subscription Price

Eligible Participants are required to pay consideration of HK\$1.00 to the Company upon acceptance of the grant within 28 days after such grant or a longer period as determined by the Board.

The subscription price in respect of any option shall, subject to any applicable adjustments made pursuant to the terms under the 2023 Share Option Scheme, be at the discretion of the Board, provided that it must be at least the higher of:

- (a) the closing price of the shares as shown in the Stock Exchange's daily quotation sheet on the offer date, which must be a business day;
- (b) the average of the closing prices of the shares as shown in the Stock Exchange's daily quotations sheets for the five (5) consecutive days on which the shares are traded on the Stock Exchange immediately preceding the offer date; and
- (c) the nominal value of the share on the offer date.

For further details of the 2023 Share Option Scheme, please refer to the announcement of the Company dated 29 June 2023 and the circular of the Company dated 25 July 2023.

Since the adoption date of the 2023 Share Option Scheme to the date of this report, no share options have been granted under the 2023 Share Option Scheme.

2019 SHARE AWARD SCHEME

The Company adopted the 2019 Share Award Scheme on 3 December 2019 (the "Adoption Date"). The purpose of the 2019 Share Award Scheme is to provide the eligible persons (the "Selected Participants") with an opportunity to acquire a proprietary interest in the Company and to encourage and retain such individuals to work with the Company, and to provide additional incentive for them to achieve performance goals.

In light of the new requirements of Chapter 17 of the Listing Rules which came into effect on 1 January 2023, the Company sought approval from its Shareholders on 11 August 2023 to amend certain scheme rules to, among other things, bring it in line with the amended Listing Rules. The key amendments to the 2019 Share Award Scheme include, without limitation, the following:

- (i) amendment of the definition of eligible participants to include only employee participants, Related Entity Participants and Service Providers;
- (ii) inclusion of the Overall Scheme Limit and the Service Provider Sub-limit applicable to the shares which may be allotted and issued in respect of all options and award to be granted under the amended 2019 Share Award Scheme and all other share schemes;

DIRECTORS' REPORT

- (iii) requirement to seek Shareholders' approval for refreshment of the Overall Scheme Limit and the Service Provider Sub-limit within three (3) years from the date of the Shareholders' approval for such limits or for their last refreshment (as the case may be);
- (iv) requirement to seek the Shareholders' approval for any grant which would result in exceeding the 1% Individual Limit (i.e. a limit on the total number of shares which may be allotted and issued in respect of all options and awards to be granted under all share scheme(s) to any eligible participant in the 12-month period up to and including the date of such grant);
- (v) requirements to seek the independent non-executive Directors' approval for any grant to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, and to seek Shareholders' approval for any grant to:
 - a. a Director (other than an independent non-executive Director) or chief executive of the Company, or any of his/her associates that would result in the shares issued and to be issued in respect of all awards granted to such person under the amended 2019 Share Award Scheme and all other share award schemes (excluding any awards lapsed in accordance with the terms of the respective share award schemes) in any 12-month period up to and including the date of such offer, representing in aggregate over 0.1% of the issued share capital of the Company; and
 - b. an independent non-executive Director or substantial Shareholder, or any of his/her associates that would result in the shares issued and to be issued in respect of all options and awards granted to such person under the amended 2019 Share Award Scheme and all other share schemes (excluding any awards lapsed in accordance with the terms of the respective share schemes) in any 12-month period up to and including the date of such offer, representing in aggregate over 0.1% of the issued share capital of the Company;
- (vi) inclusion of a minimum vesting period of twelve (12) months, subject to a shorter vesting period in relation to the grant to employee participants at the discretion of the Board under specified circumstances;
- (vii) clarification that the Board or the Remuneration Committee may set performance targets and/or clawback mechanism as part of the vesting conditions of the grant;
- (viii) provision for equitable adjustment to the awards granted under the amended 2019 Share Award Scheme in the event of any alteration in the capital structure of the Company, such as capitalisation issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company; and
- (ix) requirement to seek Shareholders' approval for any alteration of the amended 2019 Share Award Scheme under certain circumstances.

DIRECTORS' REPORT

The Board may, subject to the scheme rules, from time to time determine the number of restricted shares (the "Restricted Shares") to be granted and at its absolute discretion select any employee participants, Related Entity Participants and Service Providers to be a Selected Participant under the amended 2019 Share Award Scheme. In determining the number of grant shares to any Selected Participant, the Board shall take into consideration matters including, but without limitation to (i) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group, (ii) the general financial condition of the Group, (iii) the Group's overall business objectives and future development plan, and (iv) any other matter which the Board considers relevant.

The Restricted Shares (where the Board has determined such number pursuant to the terms of the amended 2019 Share Award Scheme) shall be either (i) allotted and issued by the Company, by using the overall scheme mandate granted to the Board on 11 August 2023 in respect of all options and awards to be granted under the schemes adopted by the Company, i.e. 318,860,946 shares, representing 10% of the shares in issue as at the date of approval, or (ii) acquired by the trustee from the open market by utilising the Company's resources provided to the trustee, subject to the absolute discretion of the Board.

After the Board has determined the number of grant shares and the Selected Participants, it shall notify the trustee and the Selected Participants in writing on the proposed grant date (the "Grant Date"). Upon receipt of the notification of the grant, the Selected Participants are required to confirm his/her acceptance of the grant by (i) returning to the Company a notice of acceptance duly executed by him/her; or (ii) completing any other required steps as specified by the Board to confirm his/her acceptance of the grant within 28 days after the Grant Date.

The vesting of the Restricted Shares is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date (as the case may be, on each relevant vesting date) a participant. Any share held by the trustee on behalf of a Selected Participant pursuant to the provisions shall vest in such Selected Participant in accordance with the vesting schedule as communicated and confirmed in writing by the Board to the trustee from time to time. When shares vest in a Selected Participant, the Board shall issue to the trustee a confirmation letter that the vesting conditions have been fulfilled. The Board shall also forward to the trustee, at the same time when the confirmation letter is sent, a written consolidated security account details of all relevant Selected Participants to effect the transfer of the relevant vested shares to the relevant Selected Participants.

Subject to any early termination of the 2019 Share Award Scheme and without prejudicing the subsisting rights of any Selected Participant, the 2019 Share Award Scheme shall be valid and effective for 10 years from the Adoption Date, subject to change of control or early termination events. As of the date of this report, the remaining life of the 2019 Share Award Scheme is approximately three years and eight months.

For further details of the 2019 Share Award Scheme, please refer to the Company's announcement dated 3 December 2019. For further details of the amendments made to the 2019 Share Award Scheme, please refer to the announcement dated 29 June 2023 and the circular dated 25 July 2023.

DIRECTORS' REPORT

Since the Overall Scheme Limit was approved by Shareholders in August 2023, the Company granted 24,275,271 Restricted Shares, 27,061,582 Restricted Shares and 36,465,501 Restricted Shares on 20 September 2023, 17 May 2024 and 1 April 2025, respectively, the details of which are set out in the Company's announcements dated 20 September 2023, 17 May 2024 and 1 April 2025, respectively. Details of the shares awarded pursuant to the 2019 Share Award Scheme are as follows:

SHARES AWARDED UNDER THE 2019 SHARE AWARD SCHEME PRIOR TO THE AMENDMENTS IN AUGUST 2023

Category of participants	Date of grant ^{(1), (3)}	Unvested awarded shares as at 1 January 2025	Shares awarded during the year	Vested during the year ⁽²⁾	Lapsed during the year	Unvested awarded shares as at 31 December 2025	Vesting period
Director							
Mr. Fu Weizhong	18 December 2020	30,538	—	(30,538)	—	—	18 March 2021–18 March 2025
	2 September 2021	16,010	—	(8,006)	—	8,004	18 March 2022–18 March 2026
	8 June 2022	65,331	—	(21,777)	—	43,554	31 March 2023–31 March 2027
Chief executive							
Mr. Qi Jian	18 December 2020	183,539	—	(183,539)	—	—	18 March 2021–18 March 2025
	2 September 2021	157,676	—	(78,838)	—	78,838	18 March 2022–18 March 2026
	8 June 2022	354,445	—	(118,147)	—	236,298	31 March 2023–31 March 2027
Other connected persons							
Mr. Liang Zhenggen	18 December 2020	5,940	—	(5,940)	—	—	18 March 2021–18 March 2025
	2 September 2021	15,314	—	(7,658)	—	7,656	18 March 2022–18 March 2026
	8 June 2022	19,761	—	(6,586)	—	—	31 March 2023–31 March 2027
Employees	18 December 2020	639,620	—	(607,114)	(32,506)	—	18 March 2021–18 March 2025
	2 September 2021	2,313,115	—	(1,012,718)	(291,713)	1,008,684	18 March 2022–18 March 2026
	8 June 2022	5,002,137	—	(1,359,385)	(931,726)	2,711,026	31 March 2023–31 March 2027
Total		8,803,426	—	(3,440,246)	(1,255,945)	4,107,235	

DIRECTORS' REPORT

SHARES AWARDED UNDER THE 2019 SHARE AWARD SCHEME
SUBSEQUENT TO THE AMENDMENTS IN AUGUST 2023

Category of participants	Date of grant ⁽¹⁾	Unvested awarded shares as at 1 January 2025	Shares awarded during the year	Vested during the year ⁽²⁾	Lapsed during the year ⁽³⁾	Unvested awarded shares as at 31 December 2025	Vesting period
Director							
Mr. Fu Weizhong	20 September 2023	269,121	—	(67,281)	—	201,840	20 September 2024–31 March 2028
	17 May 2024	377,564	—	(75,513)	—	302,051	17 May 2025–31 March 2029
	1 April 2025	—	768,262	—	—	768,262	1 April 2026–31 March 2030
Chief Executive							
Mr. Qi Jian	20 September 2023	729,715	—	(182,429)	—	547,286	20 September 2024–31 March 2028
	20 September 2023	1,593,484	—	(354,108)	—	1,239,376	20 September 2024–31 March 2029
	17 May 2024	509,320	—	(101,864)	—	407,456	17 May 2025–31 March 2029
	1 April 2025	—	513,224	—	—	513,224	1 April 2026–31 March 2030
Other connected persons							
Mr. Liang Zhenggen	20 September 2023	45,325	—	(11,332)	—	33,393	20 September 2024–31 March 2028
	17 May 2024	60,599	—	(12,120)	—	48,479	17 May 2025–31 March 2029
	1 April 2025	—	95,957	—	—	95,957	1 April 2026–31 March 2030
Employees	20 September 2023	1,223,797	—	(946,617)	(277,180)	—	20 September 2024–31 March 2025
	20 September 2023	11,201,454	—	(2,563,275)	(965,337)	7,672,842	20 September 2024–31 March 2028
	20 September 2023	1,265,699	—	(276,009)	(23,902)	965,788	20 September 2024–31 March 2029
	17 May 2024	10,001,551	—	(3,070,828)	(3,860,258)	3,070,465	17 May 2025–31 March 2026
	17 May 2024	16,112,548	—	(2,631,556)	(2,956,536)	10,524,456	17 May 2025–31 March 2029
	1 April 2025	—	13,788,840	—	—	13,788,840	1 April 2026–31 March 2027
	1 April 2025	—	21,299,218	—	—	21,299,218	1 April 2026–31 March 2030
Total		43,390,177	36,465,501	(10,292,932)	(8,083,213)	61,479,533	

Notes:

- (1) The closing prices of the shares immediately before the date of these shares awarded were HK\$5.03 (for 18 December 2020 grant), HK\$9.87 (for 2 September 2021 grant), HK\$7.71 (for 8 June 2022 grant), HK\$8.13 (for 16 November 2022 grant), HK\$11.88 (for 20 September 2023 grant), HK\$6.89 (for 17 May 2024 grant) and HK\$4.76 (for 1 April 2025 grant), respectively.
- (2) The weighted average closing price of the shares immediately before the vesting date of the awards during the year was HK\$5.24.
- (3) Restricted Shares were granted at nil consideration during the year. The fair value of the shares awarded during the year ended 31 December 2025 was HK\$190,715,000. The accounting standards and policies adopted for the valuation of awarded shares during the period are detailed in note 2.4 to the financial statements contained in this annual report.
- (4) The performance targets of the Restricted Shares are individualised based on the job nature and job positions of each Selected Participant and the projected market and business conditions each year.

DIRECTORS' REPORT

Performance targets in connection with the grant for the year ended 31 December 2025 had been set for all Selected Participants at the beginning of the Company's fiscal year in the form of a performance contract entered into between each Selected Participant and the Company. Each performance contract contains some performance targets aligned to the strategic priorities of the Group.

The performance targets of the Restricted Shares granted for the year ended 31 December 2025 include, among others, (i) revenue of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); and (iv) other research and development achievements accomplished for the relevant financial year. Upon achieving the goals set in the respective performance contract at the end of the fiscal year, the number of Restricted Shares to be granted to each Selected Participant shall be determined by the Board with reference to the full year performance evaluation, their positions, responsibilities, experience and the amount of cash incentives that they would have otherwise received in lieu of the Restricted Shares.

The number of shares that may be issued in respect of the awards granted under the 2019 Share Award Scheme during the year ended 31 December 2025 divided by the weighted average number of ordinary shares in issue was 1.1% (i.e. 36,465,501/3,225,284,879). For further details, please refer to note 35 to the financial statements contained in this annual report.

For the year ended 31 December 2025, the trustee did not acquire any new shares from the Company to pay for the Restricted Shares granted under the 2019 Share Award Scheme.

MAJOR SUPPLIERS AND CUSTOMERS

During the year ended 31 December 2025, the aggregate sales attributable to the Group's five largest customers comprised approximately 14.0% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 5.4% of the Group's total sales. The aggregate purchases during the year under review attributable to the Group's five largest suppliers was approximately 15.8% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 7.9% of the Group's total purchases.

So far as is known to the Directors, at no time during the year ended 31 December 2025 did the Directors, their associates or substantial Shareholders own more than 5% of the Company's issued share capital nor have any interest in the share capital of any of the five largest customers and suppliers of the Group.

DONATIONS

During the year ended 31 December 2025, the Group made no donation (2024: Nil).

DIRECTORS' REPORT

EQUITY-LINKED AGREEMENT

Save for the 2013 Share Option Scheme, the 2023 Share Option Scheme and the 2019 Share Award Scheme as disclosed in this annual report, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2025.

PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2025, the Group held property, plant and equipment of approximately RMB7,989.8 million. Details of the movements are set out in note 13 to the financial statements.

REPURCHASE, 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 or transfer of treasury shares). As at 31 December 2025, the Company had no treasury shares.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

BUSINESS REVIEW AND OUTLOOK

A fair review and future development of the Group's business has been set out in the section headed "Management Discussion and Analysis" of this annual report. Discussions and information therein form part of this Directors' Report.

PRINCIPAL RISKS AND UNCERTAINTIES:

The principal risks and uncertainties for the Company include the following:

(1) Reliance on China's economy

A significant portion of the Group's revenue is derived from sales in China. The Group is therefore heavily dependent on general economic conditions in China for the Group's continued growth. It cannot be assured that China's economy will continue to grow or that its growth will be steady or occur in the geographical regions or economic sectors related to the Group. In addition, it is anticipated that sales to customers based in China will continue to represent a significant proportion of the Group's revenue. Any continued slowdown in China's economic growth or a decline in the general economic environment could have an adverse effect on the Group's business, financial position and results of operations.

DIRECTORS' REPORT**(2) Fluctuation in the Prices of Steel and Other Raw Materials**

The Group's production process depends on reliable sources of large quantities of raw materials, particularly steel. The prices of these raw materials are subject to volatility caused by external conditions, such as fluctuations in the prices of commodities and changes in economic conditions and government policies. The Group expects the volatility and uncertainty of steel prices to continue. It cannot be assured that the Group will be able to transfer any incremental cost increases to the customers. In addition, it cannot be assured that the Group's key suppliers will continue to provide the Group with raw materials at reasonable prices or at all. As a result, any increase in the prices of the raw materials used to make the products may adversely affect the Group's results of operations.

(3) Cooperation with Third Party Suppliers

The Group procures some of the parts and components from external suppliers. Any unexpected shortage, delay in delivery, price fluctuations, or other factors beyond control may result in an interruption in such supply of raw materials and components. Such interruption may affect the Group's manufacturing schedule and the Group may need to source materials, components and services from alternative suppliers at higher prices, which may harm the Group's reputation and affect profitability. In particular, to the extent that the Group is dependent on a limited number of suppliers for certain parts, it may be difficult to replace them on similar terms in a timely manner. Failure to secure sufficient quantities of raw materials and machinery components at the required standards for the Group's existing operations and the planned business expansion at reasonable prices, or at all, may have a material and adverse impact on the Group's business, financial position and results of operations.

(4) Uncertainty of PRC government incentives

The Group has certain subsidiaries in China which are entitled to certain government incentives relating to the development of our products. However, it cannot be assured that the Group will be able to continue to enjoy such preferential treatment, incentives and favourable support on the same terms, or at all, in the future. Unfavourable changes to the Group's preferential treatment and incentives in the future may adversely affect its business, financial position and results of operations.

KEY RELATIONSHIPS**1. Employees**

Human resources are one of the greatest assets of the Group and the Group considers the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees.

DIRECTORS' REPORT

The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. The Group provides on-the-job training and development opportunities to the staff members. The training programs cover areas such as managerial skills, sales and production, customer services, quality control and training of other areas relevant to the industry.

The Group conducts multiple employee engagement surveys across mainland China operations several times a year. It seriously considers all those valuable feedback from the employees for enhancing workplace productivity and harmony.

The Group has also adopted the 2019 Share Award Scheme and the 2023 Share Option Scheme to recognize and reward the contribution of the employees to the growth and development of the Group. In addition, the Group also actively performs its social responsibility by helping staff with family difficulties. For further information, please refer to the paragraph headed "Social Responsibility" under the section headed "Management Discussion and Analysis".

2. Suppliers

The Group has developed long-standing relationships with a number of suppliers and taken great care to ensure that they share the Group's commitment to quality and ethics. The Group carefully selects the suppliers and requires them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality services and quality control effectiveness.

3. Customers

The Group is dedicated to providing first-class products and service to customers. The Group adheres to its service philosophy of "All For Customers, All From Innovations", by providing first-class service and highly efficient response with enthusiasm to meet customers' needs and to address any concerns of our customers. The Group's superior product quality, attentive after-sales service and efficient response have gained high recognition from our customers.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We are committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. We strive to minimize our environmental impact by saving electricity and encouraging recycle of office supplies and other materials. We also require our factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant Chinese regulators.

Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 December 2025.

DIRECTORS' REPORT

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the mainland China. Our establishment and operations accordingly shall comply with relevant laws and regulations in the mainland China. During the year ended 31 December 2025 and up to the date of this report, we have complied with the relevant laws and regulations in the mainland China and Hong Kong in all material aspects.

DIRECTORS

During the year ended 31 December 2025 and up to the date of this report, the Directors comprise:

Executive Directors:

Mr. Zhou Fugui (*Chairman of the Board, appointed on 31 October 2025*)

Mr. Qi Jian (*Vice Chairman of the Board, resigned on 31 October 2025*)

Mr. Liang Zaizhong

Mr. Fu Weizhong

Non-executive Directors:

Mr. Tang Xiuguo

Mr. Xiang Wenbo

Independent non-executive Directors:

Mr. Ng Yuk Keung (*Resigned on 28 May 2025*)

Mr. Poon Chiu Kwok

Mr. Hu Jiquan

Mr. Yang Shuyong

Ms. Zhou Lan

In accordance with Article 84(1) of the Articles, each of Mr. Fu Weizhong, Mr. Xiang Wenbo and Mr. Hu Jiquan will retire from the office of Director by rotation at the forthcoming annual general meeting of the Company and all of them, being eligible, will offer themselves for re-election.

Further, in accordance with Article 83(3) of the Articles, any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Accordingly, Mr. Zhou Fugui will retire from the office of Director by rotation at the forthcoming annual general meeting of the Company and, being eligible, will offer himself for re-election.

DIRECTORS' REPORT

DIRECTORS' SERVICE CONTRACTS

The executive Directors have entered into service agreements with the Company for an initial term of three years commencing from 31 October 2025 for Mr. Zhou Fugui, 21 October 2025 for Mr. Liang Zaizhong and 13 March 2024 for Mr. Fu Weizhong, respectively. The non-executive Directors have entered into service agreements with the Company for an initial term of three years commencing from 28 September 2023 for Mr. Tang Xiuguo and 25 December 2024 for Mr. Xiang Wenbo, respectively. The independent non-executive Directors have entered into service agreements with the Company. The service agreements of Mr. Poon Chiu Kwok, Mr. Hu Jiquan, Mr. Yang Shuyong and Ms. Zhou Lan commenced from 18 December 2024, 11 December 2025, 27 September 2024 and 11 December 2024, respectively, for an initial term of three years.

The above service contracts are subject to retirement by rotation and re-election at an annual general meeting at least every three years in accordance with the Articles.

None of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of their independence with reference to Rule 3.13 of the Listing Rules and considers all the independent non-executive Directors to be independent.

PERMITTED INDEMNITY PROVISION

Article 164 of the Articles provides that the Directors, secretary and other officers acting in relation to any of the affairs of the Company and everyone of them, and everyone of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

DIRECTORS' REPORT

The permitted indemnity provision was in force during the year ended 31 December 2025 and remained in force as at the date of this report for the benefit of the Directors.

REMUNERATION OF SENIOR MANAGEMENT

Pursuant to the applicable code provision E.1.5 of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration Band (HK\$)	Number of individuals
0 to 1,000,000	1
1,500,001 to 2,500,000	1

DIRECTORS' REMUNERATION

The Remuneration Committee considers and recommends to the Board the remuneration and other benefits paid by the Company to the Directors. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that the levels of their remuneration and compensation are appropriate. None of the Directors waived any emoluments during the year ended 31 December 2025. Details of Directors' remuneration are set out in note 8 to the financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 19 to 28 of this annual report.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a controlling Shareholder had a material interest, whether directly or indirectly, and subsisted at the end of the financial year under review or at any time during the financial year under review save as disclosed under the sub-section headed "Connected Transactions" below and "Related Party Transactions" in note 41 to the consolidated financial statements.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance in relation to the Group's business to which the Company, or any of its subsidiaries was a party to, and in which a Director or an entity connected with a Director had a material interest in, whether directly or indirectly, subsisted at the end of the financial year under review or at any time during the financial year save as disclosed under the sub-section headed "Connected Transactions" below and "Related Party Transactions" in note 41 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2025 and up to and including the date of this annual report.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sub-sections headed "2013 Share Option Scheme", "2023 Share Option Scheme" and "2019 Share Award Scheme" above, at no time during the year under review were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' REPORT

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATION

As at 31 December 2025, the interests or short positions of each Director and chief executive in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or were otherwise required pursuant to the Model Code for Securities Transactions by Directors of the Company (the "Model Code") as set out in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company:

Name of Directors	Capacity	Number of ordinary shares as at 31 December 2025	Percentage of the issued ordinary shares as at 31 December 2025
Mr. Zhou Fugui ⁽¹⁾	Beneficial owner/ Interest of spouse	1,211,000	0.04%
Mr. Fu Weizhong ⁽²⁾	Beneficial owner	4,358,224	0.13%
Mr. Tang Xiuguo ⁽³⁾	Beneficial owner/ Interest of spouse	7,467,000	0.23%
Mr. Xiang Wenbo	Beneficial owner	2,858,000	0.09%
Mr. Poon Chiu Kwok	Beneficial owner	1,000,000	0.03%
Mr. Ng Yuk Keung (Resigned on 28 May 2025)	Beneficial owner	1,000,000	0.03%
Mr. Hu Jiquan	Beneficial owner	1,000,000	0.03%

Name of chief executive officer	Capacity	Number of ordinary shares as at 31 December 2025	Percentage of the issued ordinary shares as at 31 December 2025
Mr. Qi Jian ⁽⁴⁾	Beneficial owner	9,754,009	0.30%

DIRECTORS' REPORT

Notes:

- (1) The 1,211,000 shares comprises (i) 230,000 shares held by the spouse of Mr. Zhou; and (ii) 981,000 shares directly held by Mr. Zhou.
- (2) The 4,358,224 shares in which Mr. Fu Weizhong is interested or deemed to be interested represent the 460,113 shares he directly held and (i) 2,574,400 shares which will be issued to him upon the exercise of the 2013 Share Option Scheme; (ii) 1,323,711 shares awarded to him under the 2019 Share Award Scheme.
- (3) The 7,467,000 shares comprises (i) 5,357,000 shares held by the spouse of Mr. Tang; and (ii) 2,110,000 shares directly held by Mr. Tang.
- (4) The 9,754,009 shares in which Mr. Qi Jian is interested or deemed to be interested represent the 1,758,931 shares he directly held and (i) 4,972,600 shares which will be issued to him upon the exercise of the share options under the share option scheme adopted by the Company on 16 February 2013 (the "2013 Share Option Scheme", amended on 11 August 2023); (ii) 3,022,478 shares awarded to him under the restricted share award scheme adopted by the Company on 3 December 2019 (the "2019 Share Award Scheme").

Long positions in shares of Sany Heavy Equipment Investments Company Limited ("Sany BVI") (being the ultimate holding company of the Company):

Name of Directors	Nature of interest	Number of shares held	Percentage of issued share capital
Mr. Zhou Fugui (Note)	Beneficial owner	347.83	3.48%
Mr. Tang Xiuguo (Note)	Beneficial owner	869.58	8.70%
Mr. Xiang Wenbo (Note)	Beneficial owner	795.04	7.95%

Note: Mr. Zhou Fugui, Mr. Tang Xiuguo and Mr. Xiang Wenbo hold 3.48%, 8.70% and 7.95% of the issued share capital of Sany BVI, respectively, which in turn holds the entire issued share capital of Sany Hongkong Group Limited ("Sany HK", a controlling Shareholder of the Company).

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company or any of their spouse were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or were otherwise required pursuant to the Model Code to be notified to the Company and the Stock Exchange. At no time had the Company or any of its holding company or subsidiaries participated in any arrangements to enable the Directors or chief executive (including their spouses or children under the age of eighteen) of the Company to acquire any interests and short positions of shares or underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

DIRECTORS' REPORT

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PARTIES IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2025, so far as the Directors and chief executive of the Company were aware, the following persons and corporations (excluding the Directors and chief executive of the Company) had interests or short positions in any of the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity	Number of shares held	Approximate percentage of the issued voting shares
Sany HK (Note 1)	Beneficial owner	2,568,818,722	79.47%
Sany BVI (Note 2)	Interest of a controlled corporation	2,568,818,722	79.47%
Mr. Liang Wengen (Note 3)	Interest of a controlled corporation/ Beneficial owner	2,579,688,722	79.81%

Notes:

1. The 2,568,818,722 shares and underlying shares consist of 2,089,037,688 ordinary shares and 479,781,034 underlying shares which may be issued pursuant to the conversion of the 479,781,034 Convertible Preference Shares issued to Sany HK.
2. Sany BVI owns 100% of the issued share capital of Sany HK. Sany BVI is therefore deemed to be interested in all the shares and underlying shares held by Sany HK under the SFO.
3. Mr. Liang Wengen is interested in 56.38% of Sany BVI. Mr. Liang Wengen is therefore deemed to be interested in all the shares and underlying shares held by Sany HK under the SFO. Mr. Liang Wengen also directly holds 10,870,000 shares.

As at 31 December 2025, the Company has 3,232,417,929 ordinary shares in issue.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' REPORT

DEED OF NON-COMPETITION

Each of the controlling Shareholders has confirmed to the Company of his/her compliance with the deed of non-competition provided to the Company under the Deed of Non-Competition (as defined in the Company's prospectus dated 12 November 2009) during the year ended 31 December 2025. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling Shareholders during the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained sufficient public float of not less than 25% of the Company's issued shares, as required under the Listing Rules for the year ended 31 December 2025 and up to the date of this annual report.

RETIREMENT SCHEME

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, each of the employer and employee is required to make contributions of 5% of the employees' relevant income to the scheme, subject to a cap of monthly relevant income of HK\$30,000. Contributions made to the scheme are vested immediately.

The employees of the subsidiaries in the People's Republic of China participate in the retirement schemes operated by the local authorities. The subsidiaries are required to contribute a certain percentage of their salaries to these schemes to pay the benefits. The only obligation of the Group in respect of these schemes is the required contributions under the schemes.

For the year ended 31 December 2025, the Group's total contributions to the retirements schemes charged to the consolidated statement of profit or loss amounted to RMB95.1 million (2024: RMB98.8 million). Details of the Group's pension scheme are set out in note 6 to the financial statements.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. The Company has complied with the CG Code for the year ended 31 December 2025. The Group's principal corporate governance practices are set out on pages 92 to 106 of the annual report.

CONNECTED TRANSACTIONS

Continuing Connected Transactions

During the year ended 31 December 2025, the Group has the following connected transactions with Mr. Liang Wengen's associates which are subject to the reporting requirements set out in Chapter 14A of the Listing Rules.

Mr. Liang Wengen is the controlling shareholder of the Company (as defined under the Listing Rules). Given each of Sany Group and its subsidiaries ("Sany Group Companies"), Sanxiang Bank, Mr. Liang's Group Companies (as defined below) and Sany Heavy Group (as defined below) is a 30%-controlled company (as defined under the Listing Rules) of Mr. Liang Wengen, and Hunan Sany Logistics Co., Ltd.* (湖南三一物流有限公司) ("Sany Logistics") is a subsidiary of Sany Group, they are therefore associates of Mr. Liang Wengen and connected persons of the Company under the Listing Rules. Accordingly, the following transactions constitute the Group's continuing connected transactions (the "Continuing Connected Transactions"): (1) 2024 Supplemental Administrative Services Agreement; (2) 2023 Supplemental Equipment Sales and Leasing Framework Agreement; (3) Logistics Services Agency Agreement; (4) 2024 Supplemental Master Lease Agreement; (5) 2024 Supplemental Master Purchase Agreement; (6) 2024 Supplemental Master Sales Agency Agreement; (7) 2023 Master Sales Agreement; (8) 2023 Supplemental Products Sales Agreement; (9) 2023 Energy Sales Agreement, (10) 2024 Master Shared Services Agreement; (11) 2024 Master Product Value Chain Services Agreement; (12) 2024 Master Water and Electricity Purchase Agreement; (13) 2024 Master Short Term Lease Agreement; (14) 2023 Supplemental Master Transportation Agreement; (15) 2025 After-sales Services Framework Agreement; (16) 2023 Automated Machinery Sales Agreement; (17) 2023 Technical Service Framework Agreement; (18) 2024 Deposit Services Framework Agreement; (19) Liang Wengen Supporting Services Framework Agreement and SANYI Supporting Services Framework Agreement; (20) Liang Wengen Sales Framework Agreement and SANYI Sales Framework Agreement; (21) Liang Wengen Procurement Framework Agreement and SANYI Procurement Framework Agreement; (22) SANYI Guarantee Framework Agreement; (23) 2025 Liang Wengen Master Lease Agreement and 2025 Sany Heavy Master Lease Agreement; (24) 2025 Liang Wengen Master Water and Electricity Purchase Agreement and 2025 Sany Heavy Master Water and Electricity Purchase Agreement; (25) 2025 Liang Wengen Master Short Term Lease Agreement and 2025 Sany Heavy Master Short Term Lease Agreement; and (26) 2025 Liang Wengen After-sales Services Framework Agreement and 2025 Sany Heavy Aftersales Services Framework Agreement.

(1) 2024 Supplemental Administrative Services Agreement

On 24 October 2024, the Company entered into a supplemental administrative services agreement (the "2024 Supplemental Administrative Services Agreement") with Sany Group for, a fixed term from 1 January 2023 to 31 December 2025, pursuant to which Sany Group and its subsidiaries ("Sany Group Companies") agreed to provide certain goods and services such as travel bookings, dining and accommodation to the Group (the "Administrative Services").

DIRECTORS' REPORT

The service fees payable for the Administrative Services is determined based on arm's length negotiation and such service fees payable by the Group to Sany Group Companies shall not be higher than the service fees paid to independent third parties for similar services.

The annual cap amount of the 2024 Supplemental Administrative Services Agreement for each of the two financial years ended 31 December 2025 shall not exceed RMB46,000,000 and RMB48,500,000, respectively.

For the year ended 31 December 2025, the 2024 Supplemental Administrative Services Agreement was superseded by the Liang Wengen Supporting Services Framework Agreement and SANYI Supporting Services Framework Agreement. The actual amounts incurred under the 2024 Supplemental Administrative Services Agreement were disclosed under that of the Liang Wengen Supporting Services Framework Agreement and SANYI Supporting Services Framework Agreement.

Details of the 2024 Supplemental Administrative Services Agreement are set out in the Company's announcement dated 24 October 2024.

(2) 2023 Supplemental Equipment Sales and Leasing Framework Agreement

On 30 October 2023, the Company entered into a supplemental equipment sales and leasing framework agreement (the "2023 Supplemental Equipment Sales and Leasing Framework Agreement") with Sany Group to revise the annual caps, for the three years ended 31 December 2025, where the parts and equipment manufactured by the Group ("Parts and Equipment") shall either be sold to Sany Group Companies by the Group for leasing to the lessees or to the lessees which shall then be on-sold to Sany Group Companies for leasing back to the lessees. The Group as the seller of Parts and Equipment, will provide financing guarantee for the benefit of the lessee in respect of the Parts and Equipment to guarantee the performance of the obligations under their individual financial lease and guarantee agreements (the "Financial Lease and Guarantee Agreement"). If a lessee breaches the terms as set out in the Financial Lease and Guarantee Agreement, the Group shall settle the outstanding lease payment on behalf of the lessee or repurchase the Parts and Equipment pursuant to the Financial Lease and Guarantee Agreement.

Annual caps under the 2023 Supplemental Equipment Sales and Leasing Framework Agreement:

(i) Sales of Parts and Equipment:

The annual cap amount of the Parts and Equipment sold for each of the three years ended 31 December 2025 is RMB2,730,000,000, RMB2,870,000,000 and RMB3,000,000,000, respectively.

DIRECTORS' REPORT*(ii) Financial guarantee:*

For the three years ended 31 December 2025, the annual cap amounts in respect of the financial guarantee and repurchase of Parts and Equipment in the event of the lessee defaults would be RMB2,450,000,000, RMB2,580,000,000 and RMB2,700,000,000, respectively.

For the year ended 31 December 2025, the 2023 Supplemental Equipment Sales and Leasing Framework Agreement was superseded by the SANYI Guarantee Framework Agreement. The actual amounts incurred under the 2023 Supplemental Equipment Sales and Leasing Framework Agreement were disclosed under that of the SANYI Guarantee Framework Agreement.

The details of the 2023 Supplemental Equipment Sales and Leasing Framework Agreement are set out in the Company's announcements dated 30 October 2023 and the Company's circular dated 20 November 2023.

(3) Logistics Services Agency Agreement

On 16 December 2022, the Company entered into a logistics services agency agreement (the "Logistics Services Agency Agreement") with Sany Logistics, for a fixed term of three years ended 31 December 2025, pursuant to which, Sany Logistics agreed to provide logistics agency services to the Group.

The agency fees payable for the logistics agency services will be determined based on arm's length negotiation and such service fees payable by the Group to Sany Logistics shall not be higher than the service fees paid to independent third parties for similar services.

The annual cap under the Logistics Services Agency Agreement for each of the financial years ended 31 December 2025 shall not exceed RMB25,860,000, RMB35,160,000 and RMB48,100,000 respectively.

For the year ended 31 December 2025, the Logistics Services Agency Agreement was superseded by the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement. The actual amounts incurred under the Logistics Services Agency Agreement should be determined with reference to the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement.

Details of the Logistics Services Agency Agreement are set out in the Company's announcement dated 16 December 2022.

(4) 2024 Supplemental Master Lease Agreement

On 24 October 2024, the Company entered into a supplemental master lease agreement (the "2024 Supplemental Master Lease Agreement") with Sany Group, to set annual cap for the years ended 31 December 2025, whereby the Group agreed to lease from Sany Group Companies certain properties as set forth below.

DIRECTORS' REPORT

Properties

Sale Outlets Networking Property: (i) certain working areas and dormitories owned by Sany Auto Manufacturing Co., Ltd. with a total gross floor area of up to approximately 1,000 sq.m. located in Ningxia Hui Autonomous Region, Xi'an City, Shaanxi Province, and Chengdu City, Sichuan Province, the PRC; (ii) certain factories, working areas and dormitories owned by Sany Northwest Heavy Industry Equipment Co., Ltd. with a total area of up to approximately 4,000 sq.m. located in Sany Northwest Industry Zone, Urumqi City, Xinjiang Uygur Autonomous Region, the PRC; (iii) certain working areas and dormitories owned by Shaanxi Sany Machinery Co., Ltd. with a total area of up to approximately 1,000 sq.m. located in Xianyang City, Shaanxi Province, the PRC; (iv) certain working areas and dormitories owned by Guangdong Sany Machinery Co., Ltd. with a total area of up to approximately 1,000 sq.m. located in Guangzhou City, Guangdong Province, the PRC; and (v) certain working areas and dormitories owned by Anhui Sany Machinery Co., Ltd. with a total area of up to approximately 1,200 sq.m. located in Hefei City, Anhui Province, the PRC;

Beijing Property: certain premises of the factories owned by Beijing Sany Sun Valley Technology Co. Ltd. ("Sany Sun Valley") with a gross floor area of up to approximately 20,000 sq.m. located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC;

Beijing R&D Property: up to approximately 1,000 working spaces owned by Sany Sun Valley located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC;

Shanghai Property: certain dormitories owned by Shanghai Sany Technology Co., Ltd. with an area of up to approximately 1,000 sq.m. located in Chuansha Town, Shanghai City, PRC;

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; (ii) certain factories with a total area of up to approximately 180,000 sq.m., as well as certain working areas and dormitories with a floor area of up to approximately 70,000 sq.m. owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), located in Zhuzhou City, Hunan Province, the PRC; (iii) certain factories with a floor area of up to approximately 35,000 sq.m. and certain working areas with a floor area of up to approximately 10,000 sq.m. owned by Hunan Deutz AG Power Co., Ltd.* (湖南道依茨動力有限公司) located in Changsha City, Hunan Province, the PRC; and (iv) certain factories with a total area of up to approximately 150,000 sq.m., as well as certain working areas and dormitories with a total floor area of up to approximately 3,000 sq.m. owned by Sany Auto Manufacturing Co., Ltd. located in Changsha City, Hunan Province, the PRC; and

DIRECTORS' REPORT

Indonesia Property: certain factories owned by PT. Sany Indonesia Mining Equipment with a floor area of up to approximately 22,500 sq.m., located in Jawa Barat, Indonesia.

Rental

The total rental payable is determined after arm's length negotiations between parties based on market price of similar areas and locations. Below is a breakdown of the rental fees:

Sale Outlets Networking Property: (i) up to RMB25 per sq.m. per month; (ii) up to RMB30 per sq.m. per month; (iii) up to RMB29 per sq.m. per month; (iv) up to RMB73 per sq.m. per month; (v) up to RMB20 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing R&D Property: up to RMB1,000 per working space per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Shanghai Property: up to RMB100 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Hunan Property: (i) up to RMB7 per sq.m. per month (ii) up to RMB40 per sq.m. per month; (iii) up to RMB56 per sq.m. per month; and (iv) up to RMB30 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Indonesia Property: up to RMB25 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

The annual cap of right-of-use assets under the 2024 Supplemental Master Lease Agreement for the two years ended 31 December 2025 was RMB175,000,000 and RMB30,000,000.

DIRECTORS' REPORT

For the year ended 31 December 2025, the 2024 Supplemental Master Lease Agreement was superseded by the 2025 Liang Wengen Master Lease Agreement and the 2025 Sany Heavy Master Lease Agreement. The actual amounts incurred under the 2024 Supplemental Master Lease Agreement were disclosed under that of the 2025 Liang Wengen Master Lease Agreement and the 2025 Sany Heavy Master Lease Agreement.

The details of the 2024 Supplemental Master Lease Agreement are set out in the Company's announcement dated 24 October 2024.

(5) 2024 Supplemental Master Purchase Agreement

On 24 October 2024, the Company entered into a supplemental master purchase agreement (the "2024 Supplemental Master Purchase Agreement") with Sany Group to revise the annual cap for the two years ended 31 December 2025, pursuant to which, the Company agreed to purchase or procure its subsidiaries to purchase from Sany Group Companies (1) certain parts and components and machinery produced by Sany Group Companies; and (2) second-hand manufacturing equipment, for the manufacturing of products of the Group.

Parts and Components

For those tailor-made parts and components for the Group manufactured by Sany Group Companies, the basis of determining prices of the parts and components produced by Sany Group Companies is determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant parts and components plus a gross margin ranging from approximately 10% to 30%, with reference to the usual gross margin of the Group's procurement of other similar parts and components from independent third parties, which should be in any event no less favourable to the Group than terms offered by independent third parties. For those common parts and components which can be easily accessible in the market, the pricing is determined with reference to the prevailing market prices of the same products, and should be in any event no less favourable to the Group than terms offered by independent third parties.

Machinery

For those machinery for the Group manufactured by Sany Group Companies, the basis of determining prices of the machinery produced by Sany Group Companies is determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant machinery plus a gross margin ranging from approximately 10% to 20%, with reference to the usual gross margin of the Group's procurement of other similar machinery from independent third parties, which should be in any event no less favourable to the Group than terms offered by independent third parties.

DIRECTORS' REPORT

Second-hand Manufacturing Equipment

The basis of determining prices of the second-hand manufacturing equipment is determined on arm's length negotiation and with reference to the below formula, which is a default formula set by the Group's ERP financial software following the Group's accounting policy for depreciation and valuation on equipment and also applicable to the valuation of all equipment of the Group, no matter whether they are procured from independent third parties or Sany Group Companies, and should be in any event no less favourable to the Group than terms offered by independent third parties.

Price = Original Purchase Price — Original Purchase Price (1–3%) x (number of years since the equipment was purchased from Sany Group/10 years)

"3%" represents the minimum residual value of equipment and "10 years" represents the maximum durable years of equipment and both of them are set according to the Group's accounting policy.

The annual cap under the 2024 Supplemental Master Purchase Agreement for each of the two financial years ended 31 December 2025 shall not exceed RMB2,400,000,000 and RMB2,520,000,000 respectively.

For the year ended 31 December 2025, the 2024 Supplemental Master Purchase Agreement was superseded by the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement. The actual amounts incurred under the 2024 Supplemental Master Purchase Agreement were disclosed under that of the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement.

The details of the 2024 Supplemental Master Purchase Agreement are set out in the Company's announcement dated 24 October 2024 and the Company's circular dated 21 November 2024.

(6) 2024 Supplemental Master Sales Agency Agreement

On 24 October 2024, the Company entered into a supplemental master sales agency agreement (the "2024 Supplemental Master Sales Agency Agreement") with Sany Group to revise the annual cap for the two years ended 31 December 2025, pursuant to which, Sany Group Companies agreed to act as the sales agency for the Group for the overseas end-customers and the Company agreed to pay Sany Group Companies for the agency fees based on the actual amount of the sales transactions.

DIRECTORS' REPORT

The sales agency fees payable are determined based on arm's length negotiation and with reference to the below formula and the sales agency fees paid by the Group to Sany Group Companies shall not be higher than those paid to the independent third party agencies for similar products and in similar regions.

Sales agency fees = Sales revenue of products sold x 5%

The annual cap of the 2024 Supplemental Master Sales Agency Agreement for each of the two financial years ended 31 December 2025 shall not exceed RMB127,300,000 and RMB135,000,000, respectively.

For the year ended 31 December 2025, the 2024 Supplemental Master Sales Agency Agreement was superseded by the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement. The actual amounts incurred under the 2024 Supplemental Master Sales Agency Agreement were disclosed under that of the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement.

The details of the 2024 Supplemental Master Sales Agency Agreement are set out in the Company's announcement dated 16 December 2022, 30 October 2023 and 24 October 2024.

(7) 2023 Master Sales Agreement

On 16 December 2022, the Company entered into a master sales agreement (the "2023 Master Sales Agreement") with Sany Group for a fixed term of three years ended 31 December 2025, pursuant to which, the Group agreed to sell to Sany Group Companies raw materials, parts and components and certain second-hand manufacturing equipment which were originally sourced by the Group for its own use for the production of Sany Group Companies' products.

Raw Materials and Parts and Components

The basis of determining prices of raw materials is determined based on the arm's length negotiation and with reference to the original procurement costs of raw materials sourced by the Group or the value of the raw materials or parts and components as shown in the financial software of the Group, which should be in any event no less favorable to the Group than is available to independent third parties.

For those common parts and components which can be easily accessible in the market, the Group will follow the pricing as determined during the Group's commercial procurement tender process.

DIRECTORS' REPORT

Second-hand Manufacturing Equipment

The basis of determining prices of the second-hand manufacturing equipment is determined on arm's length negotiation and with reference to the below formula, which is a default formula set by the Group's financial software following the Group's accounting policy for depreciation and valuation on equipment and also applicable to all equipment of the Group, and should be in any event no less favorable to the Group than is available to independent third parties.

Price = Original Purchase Price — Original Purchase Price (1–3%) x (number of years since the equipment was purchased by the Group/10 years)

"3%" represents the minimum residual value of equipment and "10 years" represents the maximum durable years of equipment and both of them are set according to the Group's accounting policy.

The annual cap of the 2023 Master Sales Agreement for each of the financial years ended 31 December 2025 shall not exceed RMB83,382,050, RMB111,237,520 and RMB150,575,610, respectively.

For the year ended 31 December 2025, the 2023 Master Sales Agreement was superseded by the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement. The actual amounts incurred under the 2023 Master Sales Agreement were disclosed under that of the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement.

The details of the 2023 Master Sales Agreement are set out in the Company's announcement dated 16 December 2022.

(8) 2023 Supplemental Products Sales Agreement

On 30 October 2023, the Company entered into a supplemental products sales agreement (the "2023 Supplemental Products Sales Agreement") with Sany Group to revise the annual caps for the three years ended 31 December 2025, pursuant to which, in connection with sales to end customers, the Company agreed to sell or procure its subsidiaries to sell its finished products to Sany Group Companies for sale to end-customers.

DIRECTORS' REPORT

Since the 2023 Supplemental Products Sales Agreement serves the purpose of enabling the Company to take advantage of Sany Group Companies' sales network to sell its finished products to end-customers in a large scale, and in other words, the Group solely sells the finished products to end-customers through Sany Group Companies' sales network, under an arrangement which Sany Group Companies do not actually receive any mark-up against the prices under the 2023 Supplemental Products Sales Agreement. The prices of the finished products under the 2023 Supplemental Products Sales Agreement are determined according to the costs involved (raw material costs, labour costs and manufacturing expenses) plus the gross profit margin, ranging from 10%–40% for domestic sales and from 10%–35% for overseas sales (considering that overseas sales involves higher transportation costs). Such gross profit margin is the same as that the Group charges on independent third party customers when the Group sells the finished products to them directly. In any event, the prices at which the Group sells its product(s) to Sany Group Companies shall not be less than those at which the Group sells the same product(s) to other distributors who are independent third parties.

The annual cap of the 2023 Supplemental Products Sales Agreement for each of the three years ended 31 December 2025 is RMB3,980,000,000, RMB4,180,000,000 and RMB4,390,000,000, respectively.

For the year ended 31 December 2025, the 2023 Supplemental Products Sales Agreement was superseded by the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement. The actual amounts incurred under the 2023 Supplemental Products Sales Agreement were disclosed under that of the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement.

Details of the 2023 Supplemental Products Sales Agreement are set out in the Company's announcement dated 30 October 2023 and the Company's circular dated 20 November 2023.

(9) 2023 Energy Sales Agreement

On 30 October 2023, the Company entered into an energy sales agreement (the "2023 Energy Sales Agreement") with Sany Group for the period from 30 October 2023 to 31 December 2025, pursuant to which, Sany Group Companies shall lease certain rooftops on their premises to the Group for the purposes of setting up the photovoltaic equipment and shall purchase from the Group photovoltaic energy to be generated by the photovoltaic equipment on the relevant rooftops of Sany Group's premises.

The rental fees in the form of a 15% discount rate to be offered by the Group to Sany Group Companies for the set-up of the photovoltaic equipment shall be determined with reference to the applicable market rates of similar premises in the vicinity and quotations from independent third parties in the similar industry for similar premises in the vicinity.

DIRECTORS' REPORT

Photovoltaic energy will be supplied at a price calculated by having the relevant volume of electricity usage multiplied by the relevant government real-time price per kWh (as adjusted from time to time), which is determined by the government authorities (including State Grid Corporation of China* (中國國家電網公司)) depending on the location of the premises with the rooftop installed, and with a discount rate which is a common practice in the PRC market that power stations offer discounts to customers in exchange for the set-up of photovoltaic equipment at their premises. The 15% discount rate as indicated in the 2023 Energy Sales Agreement was determined with reference to (i) the discount rates offered by other power stations to their customers that the fees for the overall consumption of the photovoltaic energy shall include a discount as rental fees for the use of the premises to setup the relevant photovoltaic equipment and (ii) market practice in the photovoltaic energy industry as at the date of the 2023 Energy Sales Agreement.

The annual caps of the rental fees payable by the Group to Sany Group Companies for the lease of the rooftop discounted by 15% for each of the three years ended 31 December 2025 under the 2023 Energy Sales Agreement is RMB5,475,000, RMB7,500,000 and RMB10,500,000, respectively. The annual cap of fees payable by Sany Group Companies to the Group for the purchase of photovoltaic energy is RMB36,500,000, RMB50,000,000 and RMB70,000,000, respectively.

For the year ended 31 December 2025, the 2023 Energy Sales Agreement was superseded by the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement. The actual amounts incurred under the 2023 Energy Sales Agreement were disclosed under that of the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement.

The details of the 2023 Energy Sales Agreement are set out in the Company's announcement dated 30 October 2023.

(10) 2024 Master Shared Services Agreement

On 24 October 2024, the Company entered into a master shared services agreement (the "2024 Master Shared Services Agreement") with Sany Group for the period from 24 October 2024 to 31 December 2026, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as digital information system services, business procurement services, human resources recruitment and training services (the "Shared Services").

The fees payable for the Shared Services will be determined based on the pricing and other terms of the individual agreements to be entered into under the 2024 Master Shared Services Agreement with reference to the prevailing market prices of similar services in the PRC.

The annual cap under the 2024 Master Shared Services Agreement for each of the three financial years ending 31 December 2026 shall not exceed RMB43,800,000, RMB46,000,000 and RMB50,000,000, respectively.

DIRECTORS' REPORT

For the year ended 31 December 2025, the 2024 Master Shared Services Agreement was superseded by the Liang Wengen Supporting Services Framework Agreement and the SANYI Supporting Services Framework Agreement. The actual amounts incurred under the 2024 Master Shared Services Agreement were disclosed under that of the Liang Wengen Supporting Services Framework Agreement and the SANYI Supporting Services Framework Agreement.

Details of the 2024 Master Shared Services Agreement are set out in the Company's announcement dated 24 October 2024.

(11) 2024 Master Product Value Chain Services Agreement

On 24 October 2024, the Company entered into a master product value chain services agreement (the "2024 Master Product Value Chain Services Agreement") with Sany Group for the period from 24 October 2024 to 31 December 2026, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as product R&D services, market research services and after-sales services (the "Product Value Chain Services").

The fees payable for the Product Value Chain Services will be determined based on the pricing and other terms of the individual agreements to be entered into under the 2024 Master Product Value Chain Services Agreement with reference to the prevailing market prices of similar services in the PRC.

The annual cap of the 2024 Master Product Value Chain Services Agreement for each of the three financial years ending 31 December 2026 shall not exceed RMB37,500,000, RMB40,000,000 and RMB42,000,000, respectively.

For the year ended 31 December 2025, the 2024 Master Product Value Chain Services Agreement was superseded by the Liang Wengen Supporting Services Framework Agreement and the SANYI Supporting Services Framework Agreement. The actual amounts incurred under the 2024 Master Product Value Chain Services Agreement were disclosed under that of the Liang Wengen Supporting Services Framework Agreement and the SANYI Supporting Services Framework Agreement.

Details of the 2024 Master Product Value Chain Services Agreement are set out in the Company's announcement dated 24 October 2024.

(12) 2024 Master Water and Electricity Purchase Agreement

On 24 October 2024, the Company entered into a master water and electricity purchase agreement (the "2024 Master Water and Electricity Purchase Agreement") with Sany Group for the period from 24 October 2024 to 31 December 2026, pursuant to which the Group agreed to purchase water and electricity resources that Sany Group Companies acquired from the PRC government.

DIRECTORS' REPORT

Electricity will be purchased at a price calculated by reference to the relevant volume of electricity usage based on the electricity meter multiplied by the relevant government prescribed price per kWh (as adjusted from time to time), which is determined by the government authorities (including State Grid Corporation of China* (國家電網公司)). Water will be purchased at a price calculated by reference to the relevant water usage based on the water meter multiplied by the relevant government prescribed price per cubic meter (as adjusted from time to time), which is determined by the government authorities such as Hunan Water Development Co., Ltd.* (湖南水務發展股份有限公司).

The annual cap under the 2024 Master Water and Electricity Purchase Agreement for each of the three financial years ending 31 December 2026 shall not exceed RMB20,000,000, RMB21,000,000 and RMB22,500,000 respectively.

For the year ended 31 December 2025, the 2024 Master Water and Electricity Purchase Agreement was superseded by the 2025 Liang Wengen Master Water and Electricity Purchase Agreement and the 2025 Sany Heavy Master Water and Electricity Purchase Agreement. The actual amounts incurred under the 2024 Master Water and Electricity Purchase Agreement were disclosed under that of the 2025 Liang Wengen Master Water and Electricity Purchase Agreement and the 2025 Sany Heavy Master Water and Electricity Purchase Agreement.

The details of the 2024 Master Water and Electricity Purchase Agreement are set out in the announcement of the Company dated 24 October 2024.

(13) 2024 Master Short Term Lease Agreement

On 24 October 2024, the Company entered into a master short term lease agreement (the "2024 Master Short Term Lease Agreement") with Sany Group, for the period from 24 October 2024 to 31 December 2026, pursuant to which Sany Group Companies agreed to lease certain premises to the Group on a short-term basis, which shall be less than 12 months.

Properties

Beijing Property: (i) certain factories owned by Sany Sun Valley with a floor area of up to approximately 20,000 sq.m. located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC;

Beijing R&D Property: up to approximately 1,000 working spaces owned by Sany Sun Valley located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC;

Shanghai Property: certain dormitories owned by Shanghai Sany Technology Co., Ltd.* (上海三一科技有限公司) with an area up to approximately 1,000 sq.m. located in Chuansha Town, Shanghai City;

DIRECTORS' REPORT

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; (ii) certain factories with a total area of up to approximately 180,000 sq.m., as well as certain working areas and dormitories with a floor area of up to approximately 70,000 sq.m. owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源装备有限公司), located in Zhuzhou City, Hunan Province, the PRC; (iii) certain factories with a floor area of up to approximately 35,000 sq.m. and certain working areas with a floor area of up to approximately 10,000 sq.m. owned by Hunan Deutz AG Power Co., Ltd.* (湖南道依茨动力有限公司) located in Changsha City, Hunan Province, the PRC; and (iv) certain factories with a total area of up to approximately 30,000 sq.m., as well as certain working areas and dormitories with a total floor area of up to approximately 3,000 sq.m., owned by Sany Auto Manufacturing located in Changsha City, Hunan Province, the PRC.

Rental

The total rental payable is determined after arm's length negotiations between parties after taking into consideration the market price of similar areas and locations. Below is a breakdown of the rental payments:

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing R&D Property: up to RMB1,000 per working space per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Shanghai Property: up to RMB100 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Hunan Property: (i) up to RMB7 per sq.m. per month; (ii) up to RMB40 per sq.m. per month; (iii) up to RMB56 per sq.m. per month; and (iv) up to RMB30 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

The annual cap under the 2024 Master Short Term Lease Agreement for each of the three financial years ending 31 December 2026 shall not exceed RMB25,000,000, RMB25,000,000 and RMB25,000,000, respectively.

DIRECTORS' REPORT

For the year ended 31 December 2025, the 2024 Master Short Term Lease Agreement was superseded by the 2025 Liang Wengen Master Short Term Lease Agreement and the 2025 Sany Heavy Master Short Term Lease Agreement. The actual amounts incurred under the 2024 Master Short Term Lease Agreement were disclosed under that of the 2025 Liang Wengen Master Short Term Lease Agreement and the 2025 Sany Heavy Master Short Term Lease Agreement.

Details of the 2024 Master Short Term Lease Agreement are set out in the announcement of the Company dated 24 October 2024.

(14) 2023 Supplemental Master Transportation Agreement

On 30 October 2023, the Company entered into a supplemental master transportation agreement (the "2023 Supplemental Master Transportation Agreement") with Sany Logistics to revise the annual cap for the year ended 31 December 2023 and to continue the provision of certain logistic services to cover the two years ended 31 December 2025, whereby Sany Logistics agreed to provide certain logistics services to the Group in connection with the transportation of mining equipment, logistics equipment and automated machinery.

The fees payable for domestic logistics and transportation services are determined after arm's length negotiation and with reference to (i) the weight of the goods transported (for mainframe) or number of transportation vehicles (for ancillary parts), (ii) transportation distance and (iii) means of transportation. For the service fees payable in connection with the international transportation services under the 2023 Supplemental Master Transportation Agreement will be determined based on the actual shipping cost of Sany Logistics plus a margin, which would make reference to the price of the Group's procurement of logistics services from independent third parties. The services fee charged under the 2023 Supplemental Master Transportation Agreement should be in any event no less favourable to the Group than price offered by independent third parties.

The annual cap of the 2023 Supplemental Master Transportation Agreement for each of the three years ended 31 December 2025 is RMB129,000,000, RMB136,000,000 and RMB143,000,000, respectively.

For the year ended 31 December 2025, the 2023 Supplemental Master Transportation Agreement was superseded by the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement. The actual amounts incurred under the 2023 Supplemental Master Transportation Agreement were disclosed under that of the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement.

The details of the 2023 Supplemental Master Transportation Agreement are set out in the Company's announcement dated 30 October 2023.

DIRECTORS' REPORT***(15) 2025 After-sales Services Framework Agreement***

On 5 September 2025, the Company entered into the 2025 After-sales Services Framework Agreement with Sany Group, pursuant to which the Group will purchase and procure certain services from the Sany Group Companies, such as product maintenance and repair services, technical support, training courses, product service fees, claims services, and machine processing services.

The pricing and other terms of the individual agreements to be entered under the 2025 After-sales Services Framework Agreement shall be determined with reference to the prevailing market prices of similar services in the PRC. The terms offered to the Group under the 2025 After-sales Services Framework Agreement are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties.

The annual cap of the 2025 After-sales Services Framework Agreement were determined by reference to (i) the type of services which will be purchased under the 2025 After-sales Services Framework Agreement and the prevailing market prices of similar services in the PRC; and (ii) the expected growth in the demand of the After-sales Services required by the Group.

The annual cap of the 2025 After-sales Services Framework Agreement for each of the three financial years ending 31 December 2027 shall not exceed RMB52,000,000, RMB60,000,000 and RMB68,000,000, respectively.

For the year ended 31 December 2025, the 2025 After-sales Services Framework Agreement was superseded by the 2025 Liang Wengen After-sales Services Framework Agreement and the 2025 Sany Heavy After-sales Services Framework Agreement. The actual amounts incurred under the 2025 After-sales Services Framework Agreement were disclosed under that of the 2025 Liang Wengen After-sales Services Framework Agreement and the 2025 Sany Heavy After-sales Services Framework Agreement.

Details of the 2025 After-sales Services Framework Agreement are set out in the Company's announcement dated 5 September 2025.

DIRECTORS' REPORT***(16) 2023 Automated Machinery Sales Agreement***

On 16 December 2022, the Company entered into an automated machinery sales agreement (the "2023 Automated Machinery Sales Agreement") with Sany Group for a term of three years from 1 January 2023 to 31 December 2025. The charging basis under the 2023 Automated Machinery Sales Agreement is determined based on the costs involved (i.e. research and development costs, raw material costs, labour costs and manufacturing expenses) plus the gross profit margin ranging from 15% to 35%, which is determined with reference to the gross profit margin charged on similar products sold by other suppliers who are independent third parties. In any event, the prices offered to the Group shall be no less favorable than those available to independent third parties.

The annual cap amount of the 2023 Automated Machinery Sales Agreement for the financial year ended 31 December 2025 shall not exceed RMB414,690,000.

For the year ended 31 December 2025, there was no transaction conducted under. The details of the 2023 Automated Machinery Sales Agreement are set out in the Company's announcement dated 16 December 2022.

(17) 2023 Technical Service Framework Agreement

On 16 December 2022, the Company entered into a technical service framework agreement (the "2023 Technical Service Framework Agreement") with Sany Group for a fixed term of three years ended 31 December 2025. Pursuant to the 2023 Technical Service Framework Agreement, the Group shall provide technical services to Sany Group Companies in connection with the automated and robot machinery and relevant ancillary parts which are developed and manufactured by the Group for Sany Group Companies to upgrade their intelligent equipment and intelligent manufacturing systems.

The service fees payable by Sany Group Companies to the Group shall be determined on normal commercial terms, and based on costs (including but not limited to costs related to research and development, various tests to be conducted and labour involved in the provision of the technical services) plus a gross profit margin of at least 15%, which is determined with reference to that charged by other service providers (independent third parties) on comparable transactions and the expected gross margin charged by the Group to independent third parties for comparable transactions.

The annual cap of the 2023 Technical Service Framework Agreement for the financial year ended 31 December 2025 shall not exceed RMB74,500,000.

For the year ended 31 December 2025, there was no transaction conducted under. The details of the 2023 Technical Service Framework Agreement are set out in the Company's announcement dated 16 December 2022.

DIRECTORS' REPORT

(18) 2024 Deposit Services Framework Agreement

On 31 January 2024, the Company entered into a deposit services framework agreement (the "2024 Deposit Services Framework Agreement") with Sanxiang Bank, pursuant to which Sanxiang Bank agreed to provide deposit services to the Group from 31 January 2024 to 30 January 2026.

For the two years ending 31 December 2026, the annual caps for daily balance of deposits of the Group deposited with Sanxiang Bank under the 2024 Deposit Services Framework Agreement shall not exceed RMB750,000,000, and the maximum annual interest cap for each of the two years ending 31 December 2026 shall not exceed RMB30,000,000 and RMB2,500,000, respectively.

The interest rates offered by Sanxiang Bank to the Group shall not be lower than (i) the interest rates in respect of the same type of deposit service quoted by the People's Bank of China for the same period; and (ii) the interest rates in respect of the same type of deposit service provided by major domestic commercial banks in the PRC to the Group for the same period, subject to compliance with the prevailing regulatory policy in the PRC.

During the year under review, the maximum daily balance of deposits made under the 2024 Deposit Services Framework Agreement was approximately RMB477,750,000, and the interest earned was approximately RMB18,710,000, falling within their respective annual caps mentioned above. Details of the 2024 Deposit Services Framework Agreement are set out in the Company's announcement dated 31 January 2024.

2025 New Master Agreements

In light of the listing of the H shares of Sany Heavy Industry Co., Ltd. ("Sany Heavy") and its subsidiaries (together with Sany Heavy, "Sany Heavy Group") on the Stock Exchange and the fact that the annual caps under the existing continuing connected transactions with Sany Group include those to be transacted with the Sany Heavy Group, the Company is required to segregate the transactions with the Sany Heavy Group from the existing continuing connected transactions with Sany Group by entering into new continuing connected transaction agreements with Mr. Liang Wengen and his associates (but excluding Sany Heavy Group) (the "2025 Liang Wengen Agreements") and with the Sany Heavy Group (the "2025 Sany Heavy Agreements"), respectively.

DIRECTORS' REPORT

Accordingly, after arm's length negotiation, the Company entered into a termination agreement dated 20 October 2025 with Sany Group and Hunan Sany Logistics, pursuant to which, the Company, Sany Group and Sany Logistics mutually agreed to terminate (a) the 2023 Agreements; (b) 2023 Master Transportation Agreement; (c) the 2023 Energy Sales Agreement; (d) the 2023 Supplemental Agreement; (e) the 2024 New Master Agreement; (f) the 2024 Supplemental Agreements; (g) the 2025 After-sales Services Framework Agreement; and (h) the 2025 Supplemental Agreements with effect from the date upon which the following conditions precedent have been met:

- (i) the successful listing of Sany Heavy on the Stock Exchange; and
- (ii) the 2025 Liang Wengen Agreements and the 2025 Sany Heavy Agreements having been approved in compliance with the Listing Rules and other applicable laws and regulations.

During the year ended 31 December 2025, the Group has the following connected transactions with Mr. Liang Wengen and his associates (but excluding the Group and the Sany Heavy Group) ("Mr. Liang's Group Companies"), as well as with Sany Heavy Group which are subject to the reporting requirements set out in Chapter 14A of the Listing Rules.

(19) Liang Wengen Supporting Services Framework Agreement and SANYI Supporting Services Framework Agreement

The original administrative services, shared services and product value chain services contemplated under the 2024 Supplemental Administrative Services Agreement, the 2024 Master Shared Services Agreement and the 2024 Master Product Value Chain Services Agreement are grouped as "supporting services", for which, on 20 October 2025, the Company entered into the Liang Wengen Supporting Services Framework Agreement with Mr. Liang Wengen and the SANYI Supporting Services Framework Agreement with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, the Group agreed to purchase and procure from Mr. Liang's Group Companies (i) administrative services such as travel bookings, dining and accommodation ("Administrative Services"); and (ii) shared services such as digital information system services, business procurement services, human resources recruitment and training services ("Shared Services"), and agreed to purchase and procure from Sany Heavy Group (i) Administrative Services; (ii) Shared Services; and (iii) product value chain services such as product R&D services and market research services ("Product Value Chain Services").

The pricing and other terms of the individual agreements to be entered thereunder shall be determined with reference to the prevailing market prices of similar services in the PRC.

DIRECTORS' REPORT

The annual caps under the Liang Wengen Supporting Services Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Administrative Services: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB21,717,527, RMB31,705,268 and RMB34,646,563, respectively. For the year ended 31 December 2025, the transaction amount for Administrative Services was RMB21,187,682, falling within the annual cap.
- (ii) Shared Services: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB5,008,700, RMB7,118,600 and RMB8,553,600, respectively. For the year ended 31 December 2025, the transaction amount for Shared Services was RMB734,049, falling within the annual cap.

The annual caps under the SANYI Supporting Services Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Administrative Services: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB25,403,756, RMB20,403,002 and RMB21,517,443, respectively. For the year ended 31 December 2025, the transaction amount for Administrative Services was RMB12,104,965, falling within the annual cap.
- (ii) Shared Services: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB15,755,700, RMB15,957,000 and RMB15,053,220, respectively. For the year ended 31 December 2025, the transaction amount for Shared Services was RMB11,242,373, falling within the annual cap.
- (iii) Product Value Chain Services: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB60,000,000, RMB43,804,089 and RMB44,480,302, respectively. For the year ended 31 December 2025, the transaction amount for Product Value Chain Services was RMB41,657,688, falling within the annual cap.

Details of the Liang Wengen Supporting Services Framework Agreement and the SANYI Supporting Services Framework Agreement are set out in the Company's announcement dated 24 October 2025.

DIRECTORS' REPORT

(20) Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement

The original purchase, transportation, logistic agency services and sales agency contemplated under the 2024 Supplemental Master Purchase Agreement, the 2023 Supplemental Master Transportation Agreement, the Logistic Services Agency Agreement and the 2024 Supplemental Master Sales Agency Agreement are grouped as "procurement", for which, on 20 October 2025, the Company entered into the Liang Wengen Sales Framework Agreement with Mr. Liang Wengen and the SANYI Sales Framework Agreement with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, the Group agreed to purchase or procure its subsidiaries to purchase from Mr. Liang's Group Companies certain parts and components and machinery produced by Mr. Liang's Group Companies and second-hand manufacturing equipment, for the manufacturing of products of the Group ("Purchase"), and agreed to: (i) conduct the Purchase or procure its subsidiaries to conduct the Purchase from Sany Heavy Group; (ii) the logistic services provided by Sany Heavy Group to the Group in connection with the transportation of the main products of the Group ("Transportation"); (iii) the transportation and logistic agency services provided by Sany Heavy Group for the Group's shipment of the main products of the Group and relevant ancillary parts ("Logistic Agency Services"); and (iv) the Sany Heavy Group has agreed to act as the sales agent for the Group's overseas end customers, and the Company has agreed to pay an agency fee to the Sany Heavy Group based on the actual transaction value of the sales ("Sales Agency Services").

*Purchase**Parts and components*

The basis of determining prices of the parts and components will be determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant parts and components, with reference to the usual gross margin of the Group's procurement of other similar parts and components from independent third parties, which should be in any event no less favorable to the Group than terms offered by independent third parties. For those common parts and components which can be easily accessible in the market, the pricing will be determined with reference to the prevailing market prices of the same products, and should be in any event no less favorable to the Group than terms offered by independent third parties.

Machinery

The basis of determining prices of the machinery will be determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant machinery, with reference to the usual gross margin of the Group's procurement of other similar machinery from independent third parties, which should be in any event no less favorable to the Group than terms offered by independent third parties.

DIRECTORS' REPORT

Second-hand manufacturing equipment

The basis of determining prices of the second-hand manufacturing equipment will be determined on arm's length negotiation and with reference to the formula below, which is a default formula set by the Group's ERP financial software following the Group's accounting policy for depreciation and valuation on equipment and also applicable to the valuation of all equipment of the Group, no matter whether they are procured from independent third parties or Mr. Liang's Group Companies or Sany Heavy Group, and should be in any event no less favorable to the Group than terms offered by independent third parties.

Price = Original Purchase Price — Original Purchase Price (1–3%) x (number of years since the equipment was purchased by Mr. Liang's Group Companies/10 years)

"3%" represents the minimum residual value of equipment and "10 years" represents the maximum useful life of equipment and both of them are set according to the Group's accounting policy.

Transportation

The service fees payable shall be on normal commercial terms and determined based on arm's length negotiation with reference to the prevailing market price and should be in any event no less favorable to the Group than terms offered by independent third parties.

Logistic Agency Services

The agency fees payable will be determined based on arm's length negotiation and such agency fees payable by the Group to the Sany Heavy Group shall not be higher than the service fees paid to independent third parties for similar services.

Sales Agency Services

The sales agency fees payable will be charged at sales revenue of sold products *5% and the sales agency fees paid by the Group to Sany Heavy Group shall not be higher than the sales agency fees paid to the independent third party agencies for similar products and in similar regions.

DIRECTORS' REPORT

The annual caps of the Liang Wengen Sales Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Purchase: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB655,067,307, RMB443,062,710 and RMB466,883,847, respectively. For the year ended 31 December 2025, the transaction amount in respect of purchase was RMB520,908,792, which was within the annual cap.

The annual caps of the SANYI Sales Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Purchase: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB2,628,433,077, RMB2,270,387,461 and RMB2,867,492,280 respectively; for the year ended 31 December 2025, the transaction amount in respect of Purchase was RMB1,793,565,308, which was within the annual cap.
- (ii) Transportation: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB62,250,000, RMB20,530,000 and RMB23,600,000 respectively; for the year ended 31 December 2025, the transaction amount in respect of transportation was RMB39,811,769, which was within the annual cap.
- (iii) Logistic Agency Services: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB18,600,000, RMB16,519,060 and RMB19,310,119 respectively; for the year ended 31 December 2025, the transaction amount in respect of Logistic Agency Services was RMB12,237,643, which was within the annual cap.
- (iv) Sales Agency Services: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB135,000,000, RMB183,475,793 and RMB198,997,162 respectively; for the year ended 31 December 2025, the transaction amount in respect of Sales Agency Services was RMB123,155,173, which was within the annual cap.

Details of the Liang Wengen Sales Framework Agreement and the SANYI Sales Framework Agreement are set out in the Company's announcement dated 24 October 2025 and circular dated 13 November 2025.

DIRECTORS' REPORT***(21) The Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement***

The original products sales, sales and energy sales contemplated under the 2023 Supplemental Products Sales Agreement, the 2023 Master Sales Agreement and the 2023 Energy Sales Agreement are grouped as "sales", for which, on 20 October 2025, the Company entered into the Liang Wengen Procurement Framework Agreement with Mr. Liang Wengen and the SANYI Procurement Framework Agreement with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, the Group has agreed to sell or procure its subsidiaries to (i) sell its finished products to Mr. Liang's Group Companies and Sany Heavy Group for sale to end customers (the "Product Sales"); (ii) sell raw materials originally purchased by the Group for its own use, and parts and components and certain second-hand manufacturing equipment for the manufacturing of products by Mr. Liang's Group Companies and Sany Heavy Group (the "Sales"); and (iii) ① Mr. Liang's Group Companies and Sany Heavy Group shall rent certain rooftops on their premises to the Group for the purposes of setting up the photovoltaic equipment and Mr. Liang's Group Companies and Sany Heavy Group shall purchase from the Group photovoltaic energy to be generated by the photovoltaic equipment on the relevant rooftops of Mr. Liang's Group Companies's premises and Sany Heavy Group's premises; ② Mr. Liang's Group Companies and Sany Heavy Group shall purchase hydrogen energy from the Group for refueling hydrogen vehicles owned by Mr. Liang's Group Companies and Sany Heavy Group; and ③ Mr. Liang's Group Companies and Sany Heavy Group shall purchase lithium-ion energy from the Group (the "Energy Sales").

Product Sales

The prices of the finished products are determined according to the costs involved (raw material costs, labour costs and manufacturing expenses) plus the gross profit margin, ranging from 10%–40% for domestic sales and from 10%–35% for overseas sales (considering that overseas sales involve higher transportation costs). Such gross profit margin is the same as that the Group charges independent third party customers when the Group sells the finished products to them directly. In any event, the prices at which the Group sells its product(s) to Mr. Liang's Group Companies and the Sany Heavy Group shall not be less than the price at which the Group sells the same product(s) to other distributors who are independent third parties.

DIRECTORS' REPORT*Sales*

Raw materials and parts and components

The basis of determining prices of raw materials will be determined based on the arm's length negotiation and with reference to the original procurement costs of raw materials sourced by the Group or the value of the raw materials or parts and components as shown in the ERP financial software of the Group, which should be in any event no less favorable to the Group than is available to independent third parties. For those common parts and components which can be easily accessible in the market, the Group will follow the pricing as determined during the Group's commercial procurement tender process.

Second-hand manufacturing equipment

The basis of determining prices of the second-hand manufacturing equipment will be determined on arm's length negotiation and with reference to the formula below, which is a default formula set by the Group's ERP financial software following the Group's accounting policy for depreciation and valuation on equipment and also applicable to the valuation of all equipment of the Group, and should be in any event no less favorable to the Group than is available to independent third parties.

Price = Original Purchase — Original Purchase Price (1–3%) × (number of years since the equipment was purchased by the Group/10 years)

"3%" represents the minimum residual value of equipment and "10 years" represents the maximum durable years of equipment and both of them are set according to the Group's accounting policy.

Energy Sales

Photovoltaic energy

The rental fees in the form of a 15% discount rate to be offered by the Group to Mr. Liang's Group Companies and Sany Heavy Group for the set-up of the photovoltaic equipment shall be determined with reference to the applicable market rates of similar premises in the vicinity and quotations from independent third parties in the similar industry for similar premises in the vicinity.

DIRECTORS' REPORT

Photovoltaic energy will be supplied at a price calculated by having the relevant volume of electricity usage multiplied by the relevant government real-time price per kWh (as adjusted from time to time), which is determined by the government authorities (including State Grid Corporation of China* (國家電網公司)) depending on the location of the premises with the rooftop installed, and with a discount rate which is a common practice in the PRC market that power stations offer discounts to customers in exchange for the set-up of photovoltaic equipment at their premises. The 15% discount rate as indicated in the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement was determined with reference to (i) the discount rates offered by other power stations to their customers that the fees for the overall consumption of the photovoltaic energy shall include a discount as rental fees for the use of the premises to set up the relevant photovoltaic equipment; and (ii) market practice in the photovoltaic energy industry as at the date of the Liang Wengen Procurement Framework Agreement.

Hydrogen energy

Hydrogen refueling services will be charged based on the standard rate for national hydrogen fuel demonstration city clusters, currently set at RMB35 per kilogram.

Lithium-ion energy

Upon completion of the energy storage station for lithium-ion energy, profit will be generated through arbitrage between peak and off-peak electricity prices. Such profits shall be allocated based on a ratio no less than 2:8 with Mr. Liang's Group Companies and Sany Heavy Group. The applicable electricity rate when the station supplies electricity will correspond to the time-of-use (TOU) power tariff at which the local park purchases electricity from the State Grid Corporation of China during the same period. TOU electricity pricing references include (i) the agency electricity tariff of the State Grid Corporation of China; and (ii) the electricity cost standards verified by the local power supply authority where the energy storage station is located.

DIRECTORS' REPORT

The annual caps of the Liang Wengen Procurement Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Product Sales: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB2,007,340,000, RMB3,316,046,000 and RMB4,659,637,200 respectively; for the year ended 31 December 2025, the transaction amount in respect of Product Sales was RMB2,005,253,359, which was within the annual cap.
- (ii) Sales: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB68,944,100, RMB16,691,844 and RMB15,498,870 respectively. For the year ended 31 December 2025, the transaction amount in respect of Sales was RMB46,995,823, which was within the annual cap.
- (iii) Energy Sales

Leasing of rooftop spaces: The annual cap for the financial year ended 31 December 2025 shall not exceed RMB2,991,000. For the year ended 31 December 2025, the amount in respect of the leasing of rooftop spaces was RMB1,890,549, which was within the annual cap.

Sales of photovoltaic energy, hydrogen energy, and lithium battery energy: The annual caps for each of the three financial years ending 31 December 2027 will not exceed RMB32,653,033, RMB33,457,000 and RMB32,558,720 respectively. For the year ended 31 December 2025, the transaction amount in respect of sales of photovoltaic energy, hydrogen energy, and lithium battery energy was RMB17,438,560, which was within the annual cap.

The annual caps under the SANYI Procurement Framework Agreement for each of the three financial years ending 31 December 2027 are as follows:

- (i) Products sales: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB3,941,640,000, RMB4,604,827,823 and RMB5,604,036,296, respectively. For the year ended 31 December 2025, the transaction amount for products sales was RMB3,291,884,101, falling within the annual cap.
- (ii) Sales: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB56,920,359, RMB53,070,802 and RMB60,693,972, respectively. For the year ended 31 December 2025, the transaction amount for sales was RMB35,196,136, falling within the annual cap.

DIRECTORS' REPORT

(iii) Energy Sales

Leasing of rooftop spaces: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB8,635,005, RMB11,254,437 and RMB11,254,437, respectively. For the year ended 31 December 2025, the transaction amount for the leasing of rooftop spaces was RMB5,864,685, falling within the annual cap.

Sales of photovoltaic energy, hydrogen energy, and lithium battery energy: The annual caps for each of the three financial years ending 31 December 2027 shall not exceed RMB90,453,700, RMB157,329,581 and RMB154,589,581, respectively. For the year ended 31 December 2025, the transaction amount for sales of photovoltaic energy, hydrogen energy, and lithium battery energy was RMB49,404,338, falling within the annual cap.

Details of the Liang Wengen Procurement Framework Agreement and the SANYI Procurement Framework Agreement are set out in the Company's announcement dated 24 October 2025 and the Company's circular dated 13 November 2025.

(22) SANYI Guarantee Framework Agreement

The original equipment sales and leasing contemplated under the 2023 Supplemental Equipment Sales and Leasing Framework Agreement is renamed as "guarantee". As the Group has only transacted with the Sany Heavy Group in respect of the original equipment sales and leasing, on 20 October 2025, the Company entered into the SANYI Guarantee Framework Agreement with Sany Heavy only, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, the parts and equipment manufactured by the Group such as mining equipment, logistic equipment, energy equipment, lithium battery energy storage products and relevant ancillary parts shall either be sold to the Sany Heavy Group for leasing to the lessees or selling to the lessees which shall then be on-sold to the Sany Heavy Group for leasing back to the lessees. The Group, as seller of the parts and equipment, would provide a financial guarantee in favour of the lessees in respect of the parts and equipment to guarantee their performance under the individual financial lease and guarantee agreement. If the lessees breach the terms as set out in the individual financial lease and guarantee agreement, the Group will be required to settle the payment for and on behalf of the lessees or to repurchase the parts and equipment in accordance with the individual financial lease and guarantee agreement.

DIRECTORS' REPORT

The terms under the individual sale and purchase agreements and the individual financial lease and guarantee agreements shall conform to the principles and provisions set out in the SANYI Guarantee Framework Agreement, and shall be agreed between the parties after arm's length negotiations on normal commercial terms. The parties to the SANYI Guarantee Framework Agreement have agreed that the parts and equipment to be sold shall be at the prices which are determined according to the costs involved (i.e. research and development costs, raw material costs, labour costs and manufacturing expenses) plus the gross profit margin ranging from 10% to 40%, which shall in any event be no less favorable to the Group than terms available to independent third parties. The range of the gross profit margin for the parts and equipment is determined based on previous transactions conducted by the Group with independent third parties, which is in line with the prevailing market practice. The minimum gross profit margin of 10% is a target fixed by the Group while the maximum gross profit margin of 40% is generally consistent with market practice. The gross profit margin ranges from 10% to 40% as it depends on the type of parts and equipment manufactured by the Group, which include mining equipment, logistic equipment, energy equipment, lithium battery energy storage products and relevant ancillary parts. If a lessee breaches the terms as set out in the individual financial lease and guarantee agreement, the Group shall settle the outstanding lease payment on behalf of the lessee or repurchase the parts and equipment on normal commercial terms, which shall be no less favorable to the Group than those available to independent third parties.

Annual Caps under the SANYI Guarantee Framework Agreement:

Sales of parts and equipment:

The annual cap amount of the sales of parts and equipment for each of the three financial years ending 31 December 2027 shall not exceed RMB2,301,004,602, RMB2,968,429,624 and RMB3,527,115,549, respectively.

Financial guarantee and repurchase of parts and equipment:

For the three financial years ended 31 December 2025, the annual cap amounts in respect of the financial guarantee and repurchase of parts and equipment in the event of default by the lessee shall not exceed RMB2,070,904,142, RMB2,662,660,380 and RMB3,160,692,456, respectively.

For the year ended 31 December 2025, the actual transactions amount for the sales of parts and equipment under the SANYI Guarantee Framework Agreement was RMB1,436,940,841, falling within the annual cap. The actual amount for the financial guarantee and repurchase of parts and equipment in case of default by the lessees under the individual financial lease and guarantee agreement was RMB1,145,223,189, falling within the annual cap.

DIRECTORS' REPORT

Details of the SANYI Guarantee Framework Agreement are set out in the Company's announcement dated 24 October 2025 and the Company's circular dated 13 November 2025.

(23) 2025 Liang Wengen Master Lease Agreement and 2025 Sany Heavy Master Lease Agreement

On 20 October 2025, the Company entered into the 2025 Liang Wengen Master Lease Agreement with Mr. Liang Wengen and the 2025 Sany Heavy Master Lease Agreement with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, Mr. Liang's Group Companies or the Sany Heavy Group (as the case may be) agreed to lease certain premises to the Group.

Property (Mr. Liang's Group Companies)

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; and (ii) certain factories with a total area of up to approximately 60,000 sq.m., as well as certain working areas, canteen and dormitories owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), located in Zhuzhou City, Hunan Province, the PRC.

Property (Sany Heavy Group)

Sale Outlets Networking Property: certain factories, working areas and dormitories owned by Sany Northwest Heavy Industry Co., Ltd.* (三一西北重工有限公司) with a total area of up to approximately 4,000 sq.m. located in Sany Northwest Industry Zone, Urumqi City, Xinjiang Uygur Autonomous Region, the PRC;

Hunan Property: certain factories with a total area of up to approximately 12,000 sq.m.

Beijing Property: certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 2,900 sq.m. located in Nankou Industry Zone, Changping District, Beijing, the PRC;

Indian Property: a factory located in Pune, India, owned by Sany Heavy Industry India Private Limited.

DIRECTORS' REPORT**Rental (Mr. Liang's Group Companies)**

Hunan Property: (i) up to RMB7 per sq.m. per month; and (ii) up to RMB40 per sq.m. per month.

Rental (Sany Heavy Group)

Sale Outlets Networking Property: up to RMB30 per sq.m. per month.

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar locations and areas, payable regularly.

Hunan Property: up to RMB20 per sq.m. per month.

Indian Property: the monthly rent is RMB1 million, which was determined after arm's length negotiations between the parties and with reference to market rents in similar locations and areas.

The annual caps for the right-of-use assets under the 2025 Liang Wengen Master Lease Agreement for each of the three financial years ending 31 December 2027 shall not exceed RMB151,083,496, RMB23,441,041 and RMB23,835,153, respectively. For the year ended 31 December 2025, the actual right-of-use assets recognised by the Group under the 2025 Liang Wengen Master Lease Agreement was RMB151,077,711, falling within the annual cap.

The annual caps for the right-of-use assets under the 2025 Sany Heavy Master Lease Agreement for each of the three financial years ending 31 December 2027 shall not exceed RMB12,910,000, RMB9,001,609 and RMB9,688,899, respectively. For the year ended 31 December 2025, the actual right-of-use assets recognised by the Group under the 2025 Sany Heavy Master Lease Agreement was RMB10,311,173, falling within the annual cap.

Details of the 2025 Liang Wengen Master Lease Agreement and the 2025 Sany Heavy Master Lease Agreement are set out in the Company's announcement dated 24 October 2025.

DIRECTORS' REPORT***(24) 2025 Liang Wengen Master Water and Electricity Purchase Agreement and the 2025 Sany Heavy Master Water and Electricity Purchase Agreement***

The original water and electricity purchase contemplated under the 2024 Master Water and Electricity Purchase Agreement is segregated into the 2025 Liang Wengen Master Water and Electricity Purchase Agreement dated 20 October 2025 entered into with Mr. Liang Wengen and the 2025 Sany Heavy Master Water and Electricity Purchase Agreement dated 20 October 2025 entered into with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, the Group agreed to purchase water and electricity resources that Mr. Liang's Group Companies or the Sany Heavy Group (as the case may be) acquired from the PRC government.

Electricity will be purchased at a price calculated by reference to the relevant volume of electricity usage based on the electricity meter multiplied by the relevant government prescribed price per kWh (as adjusted from time to time), which is determined by the government authorities (including State Grid Corporation of China* (國家電網公司)). Water will be purchased at a price calculated by reference to the relevant water usage based on the water meter multiplied by the relevant government prescribed price per cubic meter (as adjusted from time to time), which is determined by the government authorities such as Hunan Water Development Co., Ltd.* (湖南水務發展股份有限公司). The pricing and other terms of the individual agreements to be entered shall be determined with reference to the prevailing market prices of similar services in the PRC.

The annual caps under the 2025 Liang Wengen Master Water and Electricity Purchase Agreement for each of the three financial years ending 31 December 2027 shall not exceed RMB13,702,049, RMB16,518,068 and RMB17,387,785, respectively. For the year ended 31 December 2025, the actual transaction amount recognised by the Group under the 2025 Liang Wengen Master Water and Electricity Purchase Agreement was RMB8,656,273, falling within the annual cap.

The annual caps under the 2025 Sany Heavy Master Water and Electricity Purchase Agreement for each of the three financial years ending 31 December 2027 shall not exceed RMB20,554,000, RMB31,426,091 and RMB32,682,377, respectively. For the year ended 31 December 2025, the actual transaction amount recognised by the Group under the 2025 Sany Heavy Master Water and Electricity Purchase Agreement was RMB12,205,041, falling within the annual cap.

Details of the 2025 Liang Wengen Master Water and Electricity Purchase Agreement and the 2025 Sany Heavy Master Water and Electricity Purchase Agreement are set out in the Company's announcement dated 24 October 2025.

(25) 2025 Liang Wengen Master Short Term Lease Agreement and the 2025 Sany Heavy Master Short Term Lease Agreement

The original short term lease contemplated under the 2024 Master Short Term Lease Agreement is segregated into the 2025 Liang Wengen Master Short Term Lease Agreement dated 20 October 2025 entered into with Mr. Liang Wengen and the 2025 Sany Heavy Master Short Term Lease Agreement dated 20 October 2025 entered into with Sany Heavy, with a fixed term from 28 October 2025 to 31 December 2027.

Pursuant to which, Mr. Liang's Group Companies or the Sany Heavy Group (as the case may be) agreed to lease certain premises to the Group.

Properties (Mr. Liang's Group Companies)

Shanghai Property: certain dormitories owned by Shanghai Sany Technology Co., Ltd. with an area of up to approximately 1,000 sq.m. located in Chuansha Town, Shanghai City, PRC; and

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; and (ii) certain factories with a total area of up to approximately 180,000 sq.m., as well as certain working areas and dormitories with a floor area of up to approximately 70,000 sq.m. owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), located in Zhuzhou City, Hunan Province, the PRC.

Properties (Sany Heavy Group)

Beijing Property: (i) certain factories owned by Sany Sun Valley with a floor area of up to approximately 20,000 sq.m. located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC.

Beijing R&D Property: up to approximately 1,000 working spaces owned by Sany Sun Valley located in Sany Huilongguan Industry Zone, Changping District, Beijing, the PRC.

Hunan Property: (i) certain factories with a floor area of up to approximately 35,000 sq.m. and certain working areas with a floor area of up to approximately 10,000 sq.m. owned by Hunan Deutz AG Power Co., Ltd.* (湖南道依茨動力有限公司) located in Changsha City, Hunan Province, the PRC; and (ii) certain factories with a total area of up to approximately 30,000 sq.m., as well as certain working areas and dormitories with a total floor area of up to approximately 3,000 sq.m., owned by Sany Automobile Manufacturing Co., Ltd.* (三一汽車製造有限公司) located in Changsha City, Hunan Province, the PRC.

DIRECTORS' REPORT**Rental (Mr. Liang's Group Companies)**

Shanghai Property: up to RMB100 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar locations and areas, payable regularly.

Hunan Property: (i) up to RMB7 per sq.m. per month; and (ii) up to RMB40 per sq.m. per month.

Rental (Sany Heavy Group)

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar locations and areas, payable regularly.

Beijing R&D Property: up to RMB1,000 per working space per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar locations and areas, payable regularly.

Hunan Property: (i) up to RMB56 per sq.m. per month; (ii) up to RMB30 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar locations and areas, payable regularly.

The annual caps under the 2025 Liang Wengen Master Short Term Lease Agreement for the three financial years ending 31 December 2027 shall not exceed RMB2,792,000, RMB1,478,223 and RMB1,635,962, respectively. For the year ended 31 December 2025, the actual transaction value of the Group under the 2025 Liang Wengen Master Short Term Lease Agreement was RMB1,089,671, falling within the annual caps.

The annual caps under the 2025 Sany Heavy Master Short Term Lease Agreement for the three financial years ending 31 December 2027 shall not exceed RMB7,716,000, RMB14,028,914 and RMB13,137,501, respectively. For the year ended 31 December 2025, the actual transaction value of the Group under the 2025 Sany Heavy Master Short Term Lease Agreement was RMB1,996,415, falling within the annual caps.

Details of the 2025 Liang Wengen Master Short Term Lease Agreement and the 2025 Sany Heavy Master Short Term Lease Agreement are set out in the Company's announcement dated 24 October 2025.

DIRECTORS' REPORT***(26) 2025 Liang Wengen After-sales Services Framework Agreement and 2025 Sany Heavy After-sales Services Framework Agreement***

The original after-sales services contemplated under the 2025 After-sales Services Framework Agreement are segregated into the 2025 Liang Wengen After-sales Services Framework Agreement dated 20 October 2025 entered into with Mr. Liang Wengen and the 2025 Sany Heavy After-sales Services Framework Agreement dated 20 October 2025 entered into with Sany Heavy. The fixed term is from 28 October 2025 to 31 December 2027.

Pursuant to which, the Group agreed to purchase and procure from Mr. Liang's Group Companies or the Sany Heavy Group (as the case may be) certain services such as product maintenance and repair services, technical support, training courses, product service fees, claims services, and machine processing services.

The pricing and other terms of the individual agreements to be entered shall be determined with reference to the prevailing market prices of similar services in the PRC.

The annual caps under the 2025 Liang Wengen After-sales Services Framework Agreement for the three financial years ending 31 December 2027 shall not exceed RMB3,650,000, RMB6,849,000 and RMB9,345,000, respectively. For the year ended 31 December 2025, the actual transaction value of the Group under the 2025 Liang Wengen After-sales Services Framework Agreement was RMB2,313,153, falling within the annual caps.

The annual caps under the 2025 Sany Heavy After-sales Services Framework Agreement for the three financial years ending 31 December 2027 shall not exceed RMB47,896,200, RMB38,785,755 and RMB40,929,899, respectively. For the year ended 31 December 2025, the actual transaction value of the Group under the 2025 Sany Heavy After-sales Services Framework Agreement was RMB42,995,747, falling within the annual caps.

Details of the 2025 Liang Wengen After-sales Services Framework Agreement and the 2025 Sany Heavy After-sales Services Framework Agreement are set out in the Company's announcement dated 24 October 2025.

DIRECTORS' REPORT

REVIEW BY THE INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the Continuing Connected Transactions, and confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there are no available comparable terms, on terms no less favorable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

REVIEW BY THE AUDITOR

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the Auditor of the Company to report on the Continuing Connected Transactions. In accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants, Ernst & Young has issued their unmodified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group.

The Auditor of the Company has reported to the Directors that during the financial year under review:

- (i) the Continuing Connected Transactions have been approved by the Board;
- (ii) the Continuing Connected Transactions were executed in accordance with the pricing policies of the Company;
- (iii) the Continuing Connected Transactions have been entered into in accordance with the terms of the agreements governing such transactions; and
- (iv) the respective annual cap amounts set out in the relevant agreements referred to above have not been exceeded.

ONE-OFF CONNECTED TRANSACTIONS

(1) Disposal of Turbine Tower Assets

On 12 March 2025, Sany Marine Heavy Industry (Hunan), Sany Heavy Steel and 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, the Turbine Tower Assets, at an aggregate consideration of approximately RMB52.85 million.

Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) and its subsidiaries have been engaging in the manufacturing and sales of wind turbines, but they had not manufactured turbine towers. After negotiations, it was agreed that Sany Turbine Tower Technology would acquire the turbine tower assets from the Group and operate the turbine tower business thereafter. The Board considers that the reasons for and benefits of the disposal are as follows: (i) in recent years, the landscape of the wind power industry has changed, with the trend towards larger wind turbines driving an increase in the penetration rate of concrete towers, thereby granting leading suppliers a significant competitive advantage. The Group's business in this area has been constrained by costs, production capacity, and order scale, leading to a continuous weakening in sales growth and profitability; (ii) the disposal aligns with the Group's high-quality development strategy, enabling it to focus on its principal businesses such as mining equipment, logistics equipment, oil and gas equipment, and solar PV, thereby concentrating resources to strengthen its advantages in core areas; and (iii) the disposal optimises the Group's business layout and structure, closely adhering to the development directions of globalisation, digitalisation and low-carbon transition, achieving stable operations and creating long-term corporate value.

Details of the disposal of turbine tower assets are set out in the Company's announcement dated 12 March 2025.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are provided under note 41 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those described in the sub-section headed "Connected Transactions" above, in respect of which the disclosure requirements under Chapter 14A of the Listing Rules have been complied with.

DIRECTORS' REPORT

MANAGEMENT CONTRACTS

No contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

SUBSEQUENT EVENTS

No significant events which affected the Group occurred subsequent to 31 December 2025.

ANNUAL GENERAL MEETING

The 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 in the manner required by the Listing Rules in due course.

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.

DIRECTORS' REPORT**AUDIT COMMITTEE**

The Audit Committee had reviewed together with the management and external auditor the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2025.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Ernst & Young. Ernst & Young will retire and, being eligible, offer themselves for reappointment. A resolution will be proposed by the Company at the forthcoming annual general meeting to re-appoint Ernst & Young as the auditor of the Company.

There was no change in the external auditor of the Company for the three preceding years prior to the date of this Directors' Report.

By Order of the Board

Zhou Fugui

Chairman

Hong Kong, 31 March 2026

CORPORATE GOVERNANCE REPORT

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 organization which is open and accountable to the Shareholders. The Board strives to adhere to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing 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 an essential factor to create more value 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 optimize return for Shareholders.

The Company has complied with Part 2 of the CG Code from 1 January 2025 to 31 December 2025.

THE BOARD

The Board currently consists of nine Directors, comprising three executive Directors, two non-executive Directors and four independent non-executive Directors. 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. The independent non-executive Directors are Mr. Poon Chiu Kwok (possessing professional accounting qualifications in compliance with the requirements set out in Rule 3.10(2) of the Listing Rules), Mr. Hu Jiquan, Mr. Yang Shuyong and Ms. Zhou Lan.

The functions and duties conferred on the Board include convening Shareholders' meetings and reporting on the work of the Board to the Shareholders at Shareholders' meetings as may be required by applicable laws, implementing resolutions passed at Shareholders' meetings, determining the Company's business plans and investment plans, formulating the Company's annual budget and final accounts, formulating the Company's proposals for dividend and bonus distributions as well as exercising other powers, functions and duties as conferred on it by the Articles and applicable laws. The senior management is delegated with the authority and responsibilities by the Board for the day-to-day management and operations of the Group. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company. The composition of the Board is well balanced with the Directors having sound industry knowledge, extensive corporate and strategic planning experience and/or expertise relevant to the business of the Group. The executive Directors and independent non-executive Directors bring a variety of experience and expertise to the Company.

All Directors have given sufficient time and attention to the affairs of the Group. Each executive Director is suitably qualified for their position, and has sufficient experience to hold the position so as to carry out their duties effectively and efficiently. Biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report.

CORPORATE GOVERNANCE REPORT

To the best knowledge of the Company, there is no other financial, business or family relationship among the members of the Board.

The Company has complied with Rule 3.10(1) of the Listing Rules to appoint four independent non-executive Directors, representing more than one-third of the Board. In addition, at least one independent non-executive Director possesses appropriate professional accounting qualifications or financial management expertise in accordance with Rule 3.10(2) of the Listing Rules.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors with reference to the factors set out in Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that all its independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

All Directors have separate and independent access to the Company's senior management to fulfil their duties and, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Company's expense. All Directors also have access to the company secretary who is responsible for ensuring that the Board procedures, and all applicable rules and regulations, are followed. An agenda and accompanying Board/committee papers are distributed to the Directors/Board committee members with reasonable notice in advance of the meetings. Minutes of Board meetings and meetings of Board committees, which record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by Directors or dissenting views expressed, are kept by the company secretary and are open for inspection by Directors.

The Company has maintained appropriate and sufficient insurance coverage on Directors' liabilities in respect of legal actions taken against Directors arising out of corporate activities. The Board meets regularly to review the financial and operating performance of the Company, and considers and approves the overall strategies and policies of the Company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Zhou Fugui is the chairman of the Board and Mr. Qi Jian is the chief executive officer of the Company. The Board considers that Mr. Zhou Fugui acting as the chairman of the Board and Mr. Qi Jian acting as the chief executive officer provides the Company with better corporate governance, facilitates effective and efficient planning and implementation of business decisions and strategies, and provides adequate safeguards to ensure a balance of power and authority between the Board and the management of the Company.

CORPORATE GOVERNANCE REPORT

COMPANY SECRETARY

Mr. Yu Leung Fai of Fung Yu Corporate Services Limited, an external service provider, has been engaged by the Company as its joint company secretary to act jointly with Mr. Zhu Xiangjun (appointed on 12 September 2016). On 22 January 2019, Mr. Zhu Xiangjun resigned as joint company secretary due to internal work arrangement of the Group, and on the same date, Mr. Zhou Huidong has been appointed as the joint company secretary of the Company. On 4 February 2021, Mr. Zhou Huidong resigned as joint company secretary of the Company. Since then, Mr. Yu has been the Company's sole company secretary. Details of the biographies of Mr. Yu are set out in the section headed "Directors and Senior Management" of the annual report of which this corporate governance report forms part. The primary corporate contact person for Mr. Yu Leung Fai at the Company is Ms. Tang Lin. Ms. Tang is manager of the securities affairs department of the Group. In accordance with Rule 3.29 of the Listing Rules, the Company has received the training records from Mr. Yu, based on which, the Company considers that Mr. Yu complied with the requirements under Rule 3.29 of the Listing Rules. Please see below for the details:

Name of Company Secretary	Accounting/Financial/Management or Updates on Rules and Regulations		Corporate Governance/Laws, Other Professional Skills	
	Read Materials	Attend Seminars Briefings/ (Times)	Read Materials	Attend Seminars Briefings/ (Times)
Mr. Yu Leung Fai		10 (32 hours in total)		12 (34 hours in total)

APPOINTMENTS AND RE-ELECTION OF DIRECTORS

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service contract or a letter of appointment with the Company for a specific term of three years, and is subject to retirement by rotation and re-election at an annual general meeting in accordance with the Articles. Pursuant to Article 84(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Pursuant to Article 83(3) of the Articles, any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first annual general meeting of the Company after his/her appointment and be subject to re-election at such meeting, and any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

CORPORATE GOVERNANCE REPORT

BOARD DIVERSITY POLICY

Pursuant to the CG Code, the Board adopted a board diversity policy (the “Board Diversity Policy”) in August 2013. The Company recognizes and embraces the benefits of diversity of Board members. While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company’s business. In designing the Board’s composition, Board diversity has been considered from a wide range of aspects, including but not limited to gender, age, race, cultural and educational background, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. All Board appointments will be based on meritocracy and shall be taken into full account of the benefits of diversity on the Board when considering candidates.

With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. As a measurable objective for the implementation of the Board Diversity Policy, all Board appointments shall be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board without focusing on a single diversity aspect.

The Group has also taken steps to promote gender diversity at all levels of the Company, including but not limited to the Board and the management levels. As at 31 December 2025, the Board has one female member only. The Company will consider appointing more female Directors in the future if there are suitable candidates. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future.

The Group is committed to establishing an inclusive corporate culture. The Group strives to strengthen the employee diversity and inclusiveness, including gender diversity. During our recruitment process, the Group strictly abides by various anti-discrimination laws and regulations, respects the diverse backgrounds of employees, and resolutely eliminates discrimination due to differences in religion, race, gender, nationality and age. We adhere to the principle of fairness and transparency in all aspects (including but not limited to staff employment and performance benefits) to ensure fairness and impartiality in the workplace. The Group has been committed to promoting anti-discrimination and equal opportunities in its human resources policy to create a fair, respectful and diverse working environment, and it strictly implements relevant policies to regulate its day-to-day corporate behaviour, enhance employee diversity and avoid activities which may violate the principles of equal opportunities and anti-discrimination.

As at 31 December 2025, among full-time employees, diversity of employees in terms of gender and age group is as follows: 93.5% are male employees and 6.5% are female employees. Meanwhile, 32.3% are aged 30 and under, 49.1% are aged 31–40, 16.6% are aged 41–50, and 2.1% are aged 51 and above.

CORPORATE GOVERNANCE REPORT

NOMINATION POLICY

The Nomination Committee shall nominate suitable candidates to the Board and advise the Board on the appointment of Directors and the succession plan of Directors. The Nomination Committee considers the following factors, including but not limited to, when assessing candidates, and makes recommendations on the appointment of any proposed candidate to the Board or reappointment of any existing member(s) of the Board: (a) integrity; (b) achievements, experience and reputation in China's coal industry and other related industries; (c) commitment in respect of sufficient time, interests and attention to the business of the Company; (d) diversification of the Board in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; (e) the ability to assist and support management and to make a significant contribution to the success of the Company; and (f) any other relevant factors as determined by the Nomination Committee or the Board from time to time. The appointment of any proposed candidate to the Board or reappointment of any existing member(s) of the Board shall be made in accordance with the Articles and other applicable rules and regulations.

As set out in the terms of reference of the Nomination Committee, the committee shall discharge the following duties:

- (a) to review the structure, size and composition of the Board (including the skills, knowledge and experience) at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and select individuals nominated for directorships;
- (c) to assess the independence of independent non-executive Directors;
- (d) to submit recommendations to the Board on:
 - (i) the role, responsibilities, capabilities, skills, knowledge and experience required from members of the Board;
 - (ii) the policy on the terms of employment of non-executive Directors;
 - (iii) the composition of the Audit Committee, Remuneration Committee and other Board committees of the Company;
 - (iv) proposed changes to the structure, size and composition of the Board;
 - (v) candidates suitably qualified to become members of the Board;
 - (vi) the selection of individuals nominated for directorship;
 - (vii) the re-appointment of any Directors who are to retire by rotation having regard to their performance and ability to continue to contribute to the Board;

CORPORATE GOVERNANCE REPORT

- (viii) the continuation (or not) in service of any independent non-executive Director serving more than nine years and to provide recommendation to the Shareholders of the Company as to how to vote in the resolution approving the re-election of such independent non-executive Director;
- (ix) relevant matters relating to the appointment, re-appointment of Directors; and
- (x) succession planning for Directors in particular the chairman and the chief executive officer.

BOARD COMMITTEES

As an integral part of sound corporate governance practices, the Board has established the following Board committees to oversee the particular aspects of the Group's affairs. Each of these committees comprises independent non-executive Directors who have been invited to join as members. The terms of reference of the Board committees which explain their respective role and the authority delegated to them by the Board are available on the website of the Company at www.sanyhe.com and the website of the Stock Exchange at www.hkexnews.hk. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice and other assistance in appropriate circumstances, at the Company's expenses.

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 compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control and risk management systems of the Group and to provide advice and comments to the Board. The members meet regularly with the external auditor and the Company's senior management for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control system. The Audit Committee consists of three members, namely Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Mr. Yang Shuyong, all of whom are all independent non-executive Directors. Mr. Poon Chiu Kwok, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

During the year ended 31 December 2025, the Audit Committee held four meetings. The Group's unaudited interim results for the six months ended 30 June 2025 and the audited annual results for the year ended 31 December 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that true, accurate, complete and sufficient disclosure has been made. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group, the selection and appointment of the external auditor and the risk management and internal control systems of the Group.

CORPORATE GOVERNANCE REPORT

REMUNERATION COMMITTEE

The Remuneration Committee was established with written terms of reference in compliance with the CG Code. The principal responsibilities of the Remuneration Committee are to determine the policies in relation to human resources management, to review the compensation strategies, to determine the remuneration packages of the senior executives and managers, to approve the term of the service contract of the executive Directors, to assess the performance of the executive Directors, to recommend and establish annual and long-term performance criteria and targets as well as to review and supervise the implementation of all executive compensation packages and employee benefit plans. The Board expects the Remuneration Committee to exercise independent judgment and ensures that executive Directors do not participate in the determination of their own remuneration. The Remuneration Committee consists of three members, namely Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Mr. Yang Shuyong. Mr. Poon Chiu Kwok was appointed as the chairman of the Remuneration Committee.

During the year ended 31 December 2025, the Remuneration Committee held two meetings to (i) review and recommend to the Board on the Group's remuneration policy and strategy; (ii) review and recommend to the Board on the remuneration packages of the Directors and senior management of the Company; (iii) review and recommend to the Board on the fees of independent non-executive Directors; and (iv) review matters relating to share schemes under Chapter 17 of the Listing Rules. During the year ended 31 December 2025, the Remuneration Committee proposed to grant a total of 36,465,501 Restricted Shares to the 1,859 Eligible Participants under the 2019 Restricted Share Award Scheme with a minimum vesting period of 12 months, appropriate performance targets and clawback mechanism, in accordance with the terms of the 2019 Restricted Share Award Scheme and the Listing Rules. Details of the attendance of the members of the Remuneration Committee in the said meeting are set out under the sub-section headed "Number of Meetings and Directors' Attendance" below.

NOMINATION COMMITTEE

The Nomination Committee was established with written terms of reference in compliance with the CG Code. The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, making recommendation to the Board on selection of candidates for directorships, appointment, reappointment of Directors and Board succession and assessing the independence of independent non-executive Directors. The Nomination Committee will also give consideration to the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board, and the Board will review the Board Diversity Policy, so as to develop and review measurable objectives for implementing the Board Diversity Policy and to monitor the progress on achieving these objectives. The Nomination Committee currently consists of four members, namely Mr. Zhou Fugui, Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Ms. Zhou Lan. Mr. Zhou Fugui was appointed as the chairman of the Nomination Committee.

During the year ended 31 December 2025, the Nomination Committee held three meetings to review and recommend to the Board on the re-election of Mr. Liang Zaizhong, Mr. Poon Chiu Kwok, Mr. Yang Shuyong and Ms. Zhou Lan as Directors.

CORPORATE GOVERNANCE REPORT

STRATEGIC INVESTMENT COMMITTEE

The Strategic Investment Committee was established on 4 October 2012. The Strategic Investment Committee is responsible for the proposal and analysis of the business development and investment of the Company. Mr. Liang Zaizhong acts as the chairman and the other three members are Mr. Zhou Fugui, Mr. Fu Weizhong and Mr. Poon Chiu Kwok.

The Board may seek advice from the Strategic Investment Committee on the business development plan of the Group and the feasibility of investment project whenever necessary. During the year ended 31 December 2025, no meeting was held by the Strategic Investment Committee.

ESG COMMITTEE

The ESG Committee was established on 20 February 2023. The ESG Committee is responsible for maintaining the effectiveness of the Group's ESG management practices. The Committee shall review and finalise ESG-related policies to enhance and ensure that the Group's ESG management is of a high standard. The chairman is Mr. Zhou Fugui and the other four members are Mr. Fu Weizhong, Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Ms. Zhou Lan.

The Board sought advice from the Committee on the Group's annual ESG report. As at 31 December 2025, the ESG Committee held one meeting.

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to a set of written terms of reference adopted by the Board in compliance with Code Provision A.2.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report. In 2025, the Board reviewed the policy for the corporate governance of the Company.

CORPORATE GOVERNANCE REPORT

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The individual attendance record of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee, Strategic Investment Committee, ESG Committee and general meetings of the Company during the year ended 31 December 2025 is set out below:

	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	Strategic Investment Committee	ESG Committee	General Meeting
Executive Directors							
Mr. Zhou Fugui (Chairman, appointed on 31 October 2025)	0/12*	N/A	N/A	0/3	0/0	0/1	1/2
Mr. Liang Zaizhong	12/12	N/A	N/A	3/3	0/0	N/A	2/2
Mr. Qi Jian (Vice Chairman, resigned on 31 October 2025)	12/12	N/A	N/A	N/A	0/0	1/1	1/2
Mr. Fu Weizhong	12/12	N/A	N/A	N/A	0/0	1/1	2/2
Non-executive Directors							
Mr. Tang Xiuguo	12/12	N/A	N/A	N/A	N/A	N/A	2/2
Mr. Xiang Wenbo	12/12	N/A	N/A	N/A	N/A	N/A	2/2
Independent non-executive Directors							
Mr. Ng Yuk Keung (resigned on 28 May 2025)	4/12	1/4	1/2	N/A	0/0	1/1	1/2
Mr. Poon Chiu Kwok	12/12	4/4	2/2	3/3	0/0	1/1	2/2
Mr. Hu Jiquan	12/12	4/4	2/2	3/3	N/A	1/1	2/2
Mr. Yang Shuyong	12/12	4/4	2/2	N/A	N/A	N/A	2/2
Ms. Zhou Lan	12/12	N/A	N/A	3/3	N/A	1/1	2/2

* all the Board meetings were held before his appointment

None of the meetings set out above was attended by any alternate Director.

All Directors are provided with relevant materials relating to the matters brought before the meetings. They have separate and independent access to the senior management and the company secretary of the Company at all times and may seek independent professional advice at the Company's expense. All Directors have the opportunity to include matters in the agenda for Board meetings. Notices of Board meetings are given to the Directors at least 14 days before the meeting and the Board procedures comply with the Articles, as well as relevant rules and regulations.

CORPORATE GOVERNANCE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT

All Directors must keep abreast of their collective responsibilities. Any newly appointed Director would receive an induction package covering the Group's operations, businesses, governance policies and the statutory regulatory obligations and responsibilities of a director of a listed company.

The Board has been informed of the requirements under Code Provision C.1.4 of the CG Code regarding continuous professional development. For the year ended 31 December 2025, the Company has received training information from each Director, based on which, the Company considers that the training of Directors was in compliance with the requirements under Code Provision C.1.4 of the CG Code.

According to the records maintained by the Company, the current Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the new requirement of the CG Code on continuous professional development during the year ended 31 December 2025:

Name of Directors	Corporate Governance/ Updates on Laws, Rules and Regulations		Accounting/Financial/ Management or Other Professional Skills		Anti-corruption Training	
	Attend		Attend		Attend	
	Read Materials	Seminars/ Briefings	Read Materials	Seminars/ Briefings	Read Materials	Seminars/ Briefings
Executive Directors						
Mr. Zhou Fugui	✓	✓	✓	✓	✓	✓
Mr. Liang Zaizhong	✓	✓	✓	✓	✓	✓
Mr. Qi Jian	✓	✓	✓	✓	✓	✓
Mr. Fu Weizhong	✓	✓	✓	✓	✓	✓
Non-executive Directors						
Mr. Tang Xiuguo	✓	✓	✓	✓	✓	✓
Mr. Xiang Wenbo	✓	✓	✓	✓	✓	✓
Independent non-executive Directors						
Mr. Ng Yuk Keung	✓	✓	✓	✓	✓	✓
Mr. Poon Chiu Kwok	✓	✓	✓	✓	✓	✓
Mr. Hu Jiquan	✓	✓	✓	✓	✓	✓
Mr. Yang Shuyong	✓	✓	✓	✓	✓	✓
Ms. Zhou Lan	✓	✓	✓	✓	✓	✓

Mr. Zhou Fugui confirmed that he (i) has obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 31 October 2025 and (ii) is aware of his/her responsibilities as a director of a listed issuer under the Listing Rules.

CORPORATE GOVERNANCE REPORT

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year under review, they were in compliance with the required provisions set out in the Model Code.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparation of the financial statements for the financial year ended 31 December 2025 which give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on a going concern basis in accordance with the applicable statutory requirements and accounting standards. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report".

AUDITORS' REMUNERATION

The Audit Committee of the Board is responsible for making recommendations to the Board on the appointment, reappointment and removal of the authorized external auditor and approving the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of the external auditor. The Company has appointed Ernst & Young as the auditor of the Company. The fees for the audit services and non-audit services (mainly included tax services and ESG services) provided by the auditor to the Group for the year ended 31 December 2025 amounted to RMB4.03 million, details of which are as follows:

Types of service	RMB'000
Audit service	3,255
Non-audit service	777

The statement of the auditor of the Company concerning its responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 108 to 113 of this annual report.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and Shareholders' interests, and reviewing and monitoring the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal control. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place throughout 2025 and up to the date of this report. The day-to-day operation is entrusted to the individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time and at least annually in order to ensure that they are able to meet and deal with the dynamic and ever-changing business environment.

In addition, the procedures on disclosure of inside information were in place to ensure that all relevant facts and circumstances that may have a material effect on the share price of the Company are promptly assessed and that any material information which comes to the knowledge of any one or more officers of the Group be promptly identified, assessed and, if appropriate, escalated for the attention of the Board to determine whether a disclosure is required.

During the year under review, the Board and the Audit Committee have reviewed the effectiveness of the Group's risk management and internal control systems on all major operations of the Group, with assistance from the Group's risk management and internal audit department. The Group's internal audit department has reported major risk management and internal control review findings to the Board and Audit Committee, and considered that the risk management and internal control systems are effective and adequate. No major issues but areas for improvement have been identified. All of the recommendations from the Group's internal audit department will be properly followed up to ensure that they are implemented within a reasonable period of time. The Board and the Audit Committee considered that the key areas of the Group's risk management and internal control systems, including the adequacy of resources, qualifications and experience of our accounting, internal audit and financial reporting staff, and their training programs and budget, are reasonably implemented and the Group has fully complied with provisions of the CG Code regarding risk management and internal control systems for the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to convene an extraordinary general meeting and putting forward proposals at Shareholders' meeting

Pursuant to the Article 58 of the Articles, any one or more Shareholder holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company by email at philipyu@fungyucpa.com to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition. If within 11 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures by which enquiries may be put to the Board

Shareholders may send their enquiries and concerns to the Board by mail at No. 25, 16 Kaifa Road, Shenyang Economic and Technological Development Zone, Shenyang, Liaoning Province, PRC or by email at philipyu@fungyucpa.com. The company secretary forwards communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executive officer of the Company.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025, there was no change in the constitutional documents of the Company.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of maintaining a clear, timely and effective communication with the Shareholders and investors of the Company. The Board also recognizes that effective communication with its investors is critical in establishing investor confidence and to attract new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure the investors of the Company and the Shareholders will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars. The Company also publishes all corporate communications on the Company's website at www.sanyhe.com. The Board maintains regular dialogues with institutional investors and analysts from time to time to keep them informed of the Group's strategy, operations, management and plans. The Directors and members of various Board committees will attend the annual general meeting of the Company to answer questions raised by the Shareholders. The resolution of every important proposal will be proposed at general meetings separately.

Shareholders are encouraged to participate in general meetings of the Company. Sufficient notice of general meetings will be given to the Shareholders in accordance with the Articles and applicable rules and regulations. The chairman of the Board, chairman of each Board committee, senior management and, if appropriate, the external auditor, will attend the general meetings and answer questions raised by Shareholders.

Voting at general meetings of the Company is conducted by way of poll in accordance with the Listing Rules. The poll results will be announced at general meetings and published on the websites of the Stock Exchange and the Company, respectively. In addition, the Company regularly meets with institutional investors, financial analysts and financial media, and promptly releases information related to any significant progress of the Company, so as to promote the development of the Company through mutual and efficient communications.

Shareholders may at any time make enquiries to the Board in writing or by call to the Investor Relations Department or directly by raising questions at general meetings. Please refer to the Corporate Information of this report for contact details of the Investor Relations Department.

During the year ended 31 December 2025, two general meetings were held at which all the Directors attended to communicate with the Shareholders. All corporate communications and regulatory announcements were published by the Company on its website and the website of the Stock Exchange in a timely manner. Having considered the above, the Board considered that the shareholders communication policy was effective during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

Independence Mechanisms

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board, such matter will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not be counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

CORPORATE INFORMATION

DIRECTORS

Executive directors

Mr. Zhou Fugui (*Chairman*)
Mr. Liang Zaizhong
Mr. Fu Weizhong

Non-executive directors

Mr. Tang Xiuguo
Mr. Xiang Wenbo

Independent non-executive directors

Mr. Poon Chiu Kwok
Mr. Hu Jiquan
Mr. Yang Shuyong
Ms. Zhou Lan

COMPANY SECRETARY

Mr. Yu Leung Fai

AUDIT COMMITTEE

Mr. Poon Chiu Kwok (*Chairman*)
Mr. Hu Jiquan
Mr. Yang Shuyong

REMUNERATION COMMITTEE

Mr. Poon Chiu Kwok (*Chairman*)
Mr. Hu Jiquan
Mr. Yang Shuyong

NOMINATION COMMITTEE

Mr. Zhou Fugui (*Chairman*)
Mr. Poon Chiu Kwok
Mr. Hu Jiquan
Ms. Zhou Lan

STRATEGIC INVESTMENT COMMITTEE

Mr. Liang Zaizhong (*Chairman*)
Mr. Zhou Fugui
Mr. Fu Weizhong
Mr. Poon Chiu Kwok

ESG COMMITTEE

Mr. Zhou Fugui (*Chairman*)
Mr. Fu Weizhong
Mr. Poon Chiu Kwok
Mr. Hu Jiquan
Ms. Zhou Lan

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1808-10
Landmark North
No. 39 of Lung Sum Avenue
Sheung Shui
New Territories
Hong Kong

PRINCIPAL BANKS

Export-Import Bank of China
Bank of China
China Construction Bank
Bank of Communications
Industrial and Commercial Bank of China
China Zheshang Bank
China Minsheng Bank
HSBC Bank (China)

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

LEGAL ADVISORS

DLA Piper Hong Kong (as to Hong Kong law)
Jingtian & Gongcheng (as to PRC law)

STOCK CODE

00631

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

COMPANY WEBSITE

www.sanyhe.com

INVESTOR RELATIONS

Direct Line: +86 24 89318111
Fax: +86 24 89318111
E-mail: shezy@sany.com.cn
Address: No. 25, 16 Kaifa Road
Shenyang Economic and
Technological Development Zone
Shenyang, Liaoning Province
PRC

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌
英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
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ey.com

To the shareholders of Sany Heavy Equipment International Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Sany Heavy Equipment International Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 114 to 249, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Impairment provision for trade receivables

At 31 December 2025, the Group had trade receivables of RMB11,983,771,000, net of a provision for impairment of RMB915,515,000. The balance of trade receivables accounted for approximately 27% of the total assets, which was material to the Group and a significant portion of which was overdue.

The Group has used a provision matrix to calculate the expected credit losses ("ECLs") for trade receivables. The provision matrix is initially based on the Group's historical observed default rates and adjusted for forward-looking information, and it requires a high level of management estimation. Specific factors which management would consider include the ageing of the balances, existence of disputes, value of the pledged assets, past collection history, customer creditworthiness, future repayment plans and other available information concerning the forecast economic conditions.

Related disclosures are included in notes 2.4, 3, 4, 6 and 20 to the consolidated financial statements.

Our audit procedures included among others:

- Assessing the Group's internal controls over the credit control of trade receivables;
- Evaluating the assumptions used in the ECL model by 1) reviewing the credit terms and historical payment patterns of different categories of the customers to assess the groupings of customer segments with similar loss patterns; 2) examining the underlying data used in the provision matrix by checking to the corresponding ageing of trade receivables, values of pledged assets, historical repayment records and subsequent settlements on a sampling basis; and 3) assessing management's consideration on forward-looking information, including the use of macroeconomic information, the judgement of adjustments to ECLs and the underpinned rationale;
- Recalculating the provision matrix of ECLs; and
- Assessing the adequacy of the related disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (continued)

Key audit matter

How our audit addressed the key audit matter

Impairment of goodwill

At 31 December 2025, the carrying value of goodwill amounted to RMB1,994,663,000, which was material to the Group.

Goodwill is allocated to the 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 "CGUs") and is tested for impairment annually. The impairment test is based on the recoverable amounts of the CGUs. Management's assessment process is complex and highly judgemental, and involves subjectivity in future cash flow forecasts, associated growth rates and the discount rate applied.

Based on management's assessment, an impairment of RMB72,112,000 was recognised for the goodwill in relation to the lithium battery manufacturing equipment CGU for the year ended 31 December 2025.

Related disclosures are included in notes 2.4, 3, 4, 6 and 16 to the consolidated financial statements.

Our audit procedures included among others:

- Reviewing the cash flow forecast for the CGUs to which the goodwill was allocated, and assessing the methodology and assumptions such as the growth rates, the budgeted gross margins and the budgeted sales quantity based on the existing production capacity adopted by management;
- Comparing the assumptions used in the forecasts with the historical performance and the business development plan based on the industry trend and the historical performance of the CGUs;
- With the assistance of our internal valuation specialists, reassessing the results of the valuation of the CGUs performed by management; and
- Assessing the adequacy of the related disclosures in the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Hui Kin Fai, Stephen (practising certificate number: P04796).

Ernst & Young

Certified Public Accountants

Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	24,333,593	21,909,641
Cost of sales		(18,909,604)	(16,996,278)
Gross profit		5,423,989	4,913,363
Other income and gains	5	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	6	(289,115)	(130,030)
Other expenses		(171,312)	(501,750)
Finance costs	7	(252,868)	(228,600)
Share of (loss)/profit of a joint venture		(5,043)	1,798
PROFIT BEFORE TAX	6	2,178,540	1,421,397
Income tax expense	10	(430,512)	(353,411)
PROFIT FOR THE YEAR		1,748,028	1,067,986
Attributable to:			
Owners of the parent		1,778,814	1,101,608
Non-controlling interests		(30,786)	(33,622)
		1,748,028	1,067,986
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic (RMB Yuan)		0.51	0.32
Diluted (RMB Yuan)		0.48	0.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	8,442,147	7,989,762
Investment properties	14	113,922	—
Right-of-use assets	15(a)	1,382,287	1,413,073
Goodwill	16	1,994,663	2,066,775
Other intangible assets	17	1,390,739	1,555,397
Investment in a joint venture	23	35,328	40,371
Financial assets at fair value through profit or loss	24	107,500	57,500
Trade receivables	20	1,113,884	964,142
Non-current prepayments	22	20,598	21,645
Contract assets	21	267,842	168,730
Deferred tax assets	32	407,440	423,232
Total non-current assets		15,276,350	14,700,627
CURRENT ASSETS			
Inventories	18	5,844,803	5,047,840
Properties for sale	19	448,240	475,549
Trade receivables	20	10,869,887	10,009,845
Bills receivable	20	1,139,411	1,131,661
Contract assets	21	308,484	157,705
Prepayments, other receivables and other assets	22	1,682,305	1,598,273
Derivative financial instruments	31	436	1,728
Financial assets at fair value through profit or loss	24	3,060,345	2,393,996
Pledged deposits	25	226,786	71,004
Cash and cash equivalents	25	6,064,167	5,339,500
Total current assets		29,644,864	26,227,101
CURRENT LIABILITIES			
Trade and bills payables	26	12,126,140	11,213,230
Other payables and accruals	27	6,253,684	5,155,009
Dividend payable	11	91,871	79,971
Interest-bearing bank and other borrowings	28	4,268,701	4,250,167
Lease liabilities	15(b)	52,586	40,873
Tax payable		63,192	162,347
Provision for warranties	29	91,263	78,400
Government grants	30	171,332	229,796
Total current liabilities		23,118,769	21,209,793
NET CURRENT ASSETS		6,526,095	5,017,308
TOTAL ASSETS LESS CURRENT LIABILITIES		21,802,445	19,717,935

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	28	6,792,020	5,684,432
Lease liabilities	15(b)	141,967	48,169
Government grants	30	1,422,499	1,535,846
Deferred tax liabilities	32	276,900	274,228
Total non-current liabilities		8,633,386	7,542,675
Net assets		13,169,059	12,175,260
EQUITY			
Equity attributable to owners of the parent			
Share capital	33	319,097	317,394
Reserves	36	12,873,270	11,903,810
Non-controlling interests		13,192,367 (23,308)	12,221,204 (45,944)
Total equity		13,169,059	12,175,260

Zhou Fugui
Director

Fu Weizhong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the parent												Non-controlling interests RMB'000	Total equity RMB'000
	Issued capital		Share premium account [†] RMB'000	Contributed surplus [†] RMB'000	Share-based compensation reserve [‡] RMB'000 (note 34)	Reserve funds [‡] RMB'000	Other reserve [‡] RMB'000	Exchange fluctuation reserve [‡] RMB'000	Capital redemption reserve ^{***} RMB'000	Retained profits [‡] RMB'000	Total RMB'000			
	Ordinary shares RMB'000	Convertible preference shares RMB'000												
At 1 January 2024	277,337	37,848	1,711,393	1,344,319	238,748	1,283,884	35,011	28,992	2,620	6,629,307	11,589,459	(51,062)	11,538,397	
Profit for the year	—	—	—	—	—	—	—	—	—	1,101,608	1,101,608	(33,622)	1,067,986	
Other comprehensive income for the year:														
Exchange differences on translation of financial statements of the Company	—	—	—	—	—	—	—	25,205	—	—	25,205	—	25,205	
Total comprehensive income for the year	—	—	—	—	—	—	—	25,205	—	1,101,608	1,126,813	(33,622)	1,093,191	
Issue of shares (note 33)	2,209	—	1,436	—	—	—	—	—	—	—	3,645	—	3,645	
Share-based payments (notes 34, 35)	—	—	—	—	139,142	—	2,144	—	—	—	141,286	—	141,286	
Release of share-based compensation reserve to share premium upon exercise of share options (note 33)	—	—	1,986	—	(1,986)	—	—	—	—	—	—	—	—	
Acquisitions of non-controlling interests	—	—	(4,286)	—	—	—	—	—	—	—	(4,286)	4,286	—	
Acquisition of subsidiaries (note 37)	—	—	—	—	—	—	—	—	—	—	—	(61)	(61)	
Disposal of subsidiaries (note 38)	—	—	—	—	—	—	—	—	—	—	—	34,515	34,515	
Provision for safety production expense	—	—	—	—	—	—	16,068	—	—	(16,068)	—	—	—	
Final 2023 dividend	—	—	—	—	—	—	—	—	—	(635,713)	(635,713)	—	(635,713)	
Transfer from retained profits	—	—	—	—	—	246,264	—	—	—	(246,264)	—	—	—	
At 31 December 2024	279,546	37,848	1,710,529	1,344,319	375,904	1,530,148	53,223	54,197	2,620	6,832,870	12,221,204	(45,944)	12,175,260	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2025

	Attributable to owners of the parent												
	Issued capital											Non-controlling interests	Total equity
	Ordinary shares RMB'000	Convertible preference shares RMB'000	Share premium account [†] RMB'000	Contributed surplus [†] RMB'000	Share-based compensation reserve [†] RMB'000 (note 34)	Reserve funds [‡] RMB'000	Other reserve [‡] RMB'000	Exchange fluctuation reserve [‡] RMB'000	Capital redemption reserve ^{**} RMB'000	Retained profits [‡] RMB'000	Total RMB'000		
At 1 January 2025	279,546	37,848	1,710,529	1,344,319	375,904	1,530,148	53,223	54,197	2,620	6,832,870	12,221,204	(45,944)	12,175,260
Profit for the year	—	—	—	—	—	—	—	—	—	1,778,814	1,778,814	(30,786)	1,748,028
Other comprehensive income for the year:													
Exchange differences on translation of financial statements of the Company	—	—	—	—	—	—	—	(77,512)	—	—	(77,512)	—	(77,512)
Total comprehensive income for the year	—	—	—	—	—	—	—	(77,512)	—	1,778,814	1,701,302	(30,786)	1,670,516
Issue of shares (note 33)	1,703	—	9,381	—	—	—	—	—	—	—	11,084	—	11,084
Share-based payments (notes 34, 35)	—	—	—	—	128,901	—	—	—	—	—	128,901	—	128,901
Release of share-based compensation reserve to share premium upon exercise of share options (note 33)	—	—	16,281	—	(16,281)	—	—	—	—	—	—	—	—
Capital injections from non-controlling shareholders	—	—	113,592	—	—	—	—	—	—	—	113,592	53,422	167,014
Provision for safety production expense	—	—	—	—	—	—	17,670	—	—	(17,670)	—	—	—
Final 2024 dividend	—	—	—	—	—	—	—	—	—	(983,716)	(983,716)	—	(983,716)
Transfer from retained profits	—	—	—	—	—	151,682	—	—	—	(151,682)	—	—	—
At 31 December 2025	281,249	37,848	1,849,783	1,344,319	488,524	1,681,830	70,893	(23,315)	2,620	7,458,616	13,192,367	(23,308)	13,169,059

These reserve accounts comprise the consolidated reserves of RMB12,873,270,000 (2024: RMB11,903,810,000) in the consolidated statement of financial position.

* The capital redemption reserve represents the nominal amount of the shares repurchased and cancelled.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,178,540	1,421,397
Adjustments for:			
Finance costs	7	252,868	228,600
Share of loss/(profit) of a joint venture		5,043	(1,798)
Interest income	5	(292,538)	(203,792)
Loss on disposal of items of property, plant and equipment	6	3,612	6,787
Fair value gain on financial assets at fair value through profit or loss, net	5	(142,303)	(82,422)
Depreciation of property, plant and equipment	6	828,426	548,985
Depreciation of investment properties	6	5,020	—
Depreciation of right-of-use assets	6	134,481	86,249
Amortisation of other intangible assets	6	197,005	167,420
Government grants	5	(474,761)	(425,668)
Impairment of property, plant and equipment	6	23,078	7,746
Impairment of trade receivables	6	217,231	134,627
Impairment of goodwill	6	72,112	470,363
Impairment of properties for sale	6	—	277,899
Impairment/(reversal of impairment) of contract assets	6	6,007	(4,498)
Impairment/(reversal of impairment) of other receivables	6	65,877	(99)
Provision against slow-moving and obsolete inventories	6	26,320	48,592
Realisation of profits arising from sales to a joint venture in previous years	6	—	(10,038)
Share option and share award expenses	6	128,901	141,286
Remeasurement of financial guarantee contracts	6	37,040	4,404
Gain on disposal of subsidiaries	38	—	(22,742)
Lease modification and disposal	15	(18)	—
		3,271,941	2,793,298
Increase in inventories		(706,368)	(1,706,582)
Decrease in properties for sale		27,309	51,805
Increase in trade receivables		(1,227,015)	(2,019,199)
(Increase)/decrease in bills receivable		(7,750)	121,864
(Increase)/decrease in contract assets		(255,898)	192,564
Decrease/(increase) in prepayments, other receivables and other assets		121,268	(284,185)
Increase in trade and bills payables		912,910	3,256,239
Increase/(decrease) in other payables and accruals		353,112	(127,132)
Increase in provision for product warranties		12,863	2,938
Receipt of government grants		295,343	257,888
		2,797,715	2,539,498
Cash generated from operations		2,797,715	2,539,498
Interest received		179,879	144,008
Interest paid		(9,244)	(15,484)
PRC tax paid		(486,073)	(448,078)
Hong Kong profits tax paid		(5,703)	(42,789)
Overseas taxes paid		(19,426)	(25,007)
		2,457,148	2,152,148
Net cash flows from operating activities		2,457,148	2,152,148

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Net cash flows from operating activities		2,457,148	2,152,148
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		74,427	48,686
Dividends received from former subsidiaries after their disposal		—	58,260
Purchases of items of property, plant and equipment		(1,243,105)	(755,228)
Additions to other intangible assets		(32,347)	(164,067)
Acquisition of a subsidiary	37	—	7,561
Disposal of subsidiaries	38	—	(14,279)
Proceeds from disposal of items of property, plant and equipment		367,918	30,567
Proceeds from disposal of financial assets at fair value through profit or loss		2,238,917	1,662,241
Purchases of financial assets at fair value through profit or loss		(2,813,163)	(1,821,377)
Settlement of derivative financial instruments		1,492	1,891
Placement of pledged deposits		(155,782)	(27,704)
Net cash flows used in investing activities		(1,626,641)	(973,449)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	33	11,084	3,645
Capital injections from non-controlling shareholders		167,014	—
New bank loans and other borrowings	39(b)	6,266,550	5,675,865
Repayment of bank loans and other borrowings	39(b)	(5,148,214)	(3,867,316)
Dividends paid		(971,816)	(633,895)
Principal portion of lease payments	39(b)	(125,966)	(62,408)
Interest paid	39(b)	(226,980)	(221,363)
Net cash flows (used in)/from financing activities		(28,328)	894,528
NET INCREASE IN CASH AND CASH EQUIVALENTS		802,179	2,073,227
Cash and cash equivalents at beginning of year		5,339,500	3,241,068
Effect of foreign exchange rate changes, net		(77,512)	25,205
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	6,064,167	5,339,500

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 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.

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Company name	Place of incorporation/ establishment and operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Sany Heavy Equipment Co., Ltd. (“Sany Heavy Equipment”) (三一重型裝備有限公司)*	PRC/Chinese mainland	RMB2,918,070,000	100	—	Manufacture and sale of integrated excavation machinery, integrated coal mining equipment and coal mine transportation equipment
Sany Mining Machinery Co., Ltd. (“Sany Mining Machinery”) (三一礦機有限公司)*	PRC/Chinese mainland	RMB172,004,600	—	91	Manufacture and sale of off-highway mining trucks
Sany Marine Industry International Holdings Co., Ltd. (“Sany Marine Industry”) (三一海工國際控股有限公司)	Cayman Islands	HK\$380,000	100	—	Investment holding
Sany Marine Heavy Industry Co., Ltd. (“Sany Marine Heavy Industry”) (三一海洋重工有限公司)*	PRC/Chinese mainland	RMB713,180,000	—	100	Development, manufacture and sale of logistics equipment
Zhuhai Sany Port Machinery Co., Ltd. (“Zhuhai Sany”) (珠海三一港口機械有限公司)*	PRC/Chinese mainland	RMB63,180,000	—	100	Sale of logistics equipment

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name	Place of incorporation/ establishment/ and operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hunan Sany Port Equipment Co., Ltd. ("Hunan Sany Port Equipment") (湖南三一港口設備有限公司)*	PRC/Chinese mainland	RMB13,180,000	—	100	Development, manufacture and sale of spare parts of logistics equipment
Sany (Zhuhai) Asset Co., Ltd. ("Sany Asset") (三一置業有限公司)*^	PRC/Chinese mainland	RMB53,180,000	—	100	Property development
Sany Intelligent Mining Technology Co., Ltd. ("Sany Intelligent Mining") (三一智礦科技有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	99.97	Research, development and manufacture of automation equipment
Sany Intelligence Equipment Co., Ltd. ("Sany Intelligence Equipment") (三一智能裝備有限公司)*	PRC/Chinese mainland	RMB1,000,000,000	—	100	Manufacture and sale of coal mining equipment
Sany Oil Technology Hong Kong Limited ("Sany Oil") (三一石油科技香港有限公司)	Hong Kong	RMB290,720,000	100	—	Investment holding
Hunan Sany Petroleum Equipment Co., Ltd. ("Hunan Sany Petroleum") (湖南三一石油裝備有限公司)*	PRC/Chinese mainland	RMB289,920,000	—	100	Investment holding
Sany Petroleum Intelligent Equipment Co., Ltd. ("Sany Petroleum") (三一石油智能裝備有限公司)*	PRC/Chinese mainland	RMB133,131,313	—	99	Manufacture and sale of petroleum equipment and spare parts and provision of oil field services
Sany Energy Equipment Co., Ltd. ("Sany Energy") (三一能源裝備有限公司)*	PRC/Chinese mainland	RMB50,000,000	—	99	Manufacture and sale of petroleum equipment and spare parts
Sany Technology Equipment Co., Ltd. ("Sany Technology Equipment") (三一技術裝備有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	95	Research, development, manufacture, and sale of new energy battery equipment

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name	Place of incorporation/ establishment and operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Sany Hydrogen Energy Co., Ltd. ("Sany Hydrogen Energy") (三一氢能有限公司)*^	PRC/Chinese mainland	RMB108,000,000	—	76	Hydrogen production, storage, transportation, and refuelling industry chain
Sany Silicon Energy (Zhuzhou) Co., Ltd. ("Sany Silicon Energy") (三一硅能(株洲)有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	90	Research, development, manufacture, and sale of monocrystalline silicon materials, solar cells and modules
SANY Green Energy (Zhuzhou) Power Co., Ltd. ("SANY Green Energy (Zhuzhou)") (三一綠能(株洲)電力有限公司)*	PRC/Chinese mainland	RMB100,000,000	—	90	Sale of electricity
Zhuzhou Sany Silicon Technology Co., Ltd. ("Zhuzhou Sany Silicon Technology") (株洲三一硅能技術有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	97	Research, development, manufacture, and sale of photovoltaic equipment and components
Sany Silicon Energy (Suzhou) Co., Ltd. (三一硅能(朔州)有限公司)*	PRC/Chinese mainland	RMB100,000,000	—	90	Research, development, manufacture, and sale of monocrystalline silicon materials, solar cells and modules
Sany International (Hong Kong) Industry Co., Ltd. ("Sany (Hong Kong) Industry") (三一國際(香港)實業有限公司)	Hong Kong	HK\$10,000,000	100	—	Sale of integrated excavation machinery, integrated coal mining equipment, coal mine transportation equipment, logistics equipment, monocrystalline silicon materials, solar cells and modules
Sany Indonesia Heavy Equipment Co., Ltd. (三一印尼重型裝備有限公司)	Indonesia	IDR15,080,000,000	1	99	Sale of integrated excavation machinery, integrated coal mining equipment and coal mine transportation equipment

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name	Place of incorporation/ establishment and operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Sany Logistics Equipment America Co., Ltd. (三一物流裝備美國有限公司)	The United States of America	US\$1,000,000	—	100	Sale of logistics equipment
Sany Logistics Equipment German Co., Ltd. (三一物流裝備德國有限公司)	Germany	€1,000,000	—	100	Sale of logistics equipment
Sany International (Zambia) Industry Co., Ltd. ("Sany (Zambia) Industry") (三一國際(贊比亞)實業有限公司)	Zambia	ZMW20,000	—	100	Development and operation of power stations
Tianjin Boyu Electrical Engineering Co., Ltd. ("Tianjin Boyu Electrical Engineering") (天津博鈺電力工程有限公司)*^	PRC/Chinese mainland	RMB40,000,000	—	90	Construction and management of engineering projects
Shuozhou Pinglu Silicon Energy New Energy Co., Ltd. ("Pinglu Silicon New Energy") (朔州市平魯區硅能新能源有限公司)*^	PRC/Chinese mainland	RMB1,000,000	—	90	Investment holding
Shuozhou Pinglu Pingsi Xijie New Energy Co., Ltd. ("Pingsi Xijie New Energy") (朔州市平魯區平硅西界新能源有限公司)*^	PRC/Chinese mainland	RMB1,000,000	—	90	Development and operation of photovoltaic power stations
Hunan Anren Sany Heavy Steel Structure Co., Ltd. ("Sany Heavy Steel") (湖南安仁三一重型鋼構有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	100	Research and development of metal structure manufacturing and mechanical equipment
Sany Lithium Energy Co., Ltd. ("Sany Lithium") (三一鋰能有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	90	Research, development, manufacture, and sale of power exchange stations and lithium batteries
Shuozhou SANY Silicon Energy New Energy Co., Ltd. ("Shuozhou SANY Silicon Energy") (朔州三一硅能新能源有限公司)*^	PRC/Chinese mainland	RMB40,000,000	—	90	Sale of monocrystalline silicon materials, solar cells and modules and provision of related services
Xi'an Sany Silicon Energy New Energy Co., Ltd. ("Xi'an Sany Silicon Energy") (西安三一硅能新能源有限公司)*^	PRC/Chinese mainland	RMB1,000,000	—	90	Sale of electricity

NOTES TO FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Company name	Place of incorporation/ establishment and operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Sany Silicon Energy (Bazhong) Co., Ltd. ("Sany Silicon Energy (Bazhong)") (三一硅能(巴中)有限公司)*^	PRC/Chinese mainland	RMB100,000,000	—	90	Sale of monocrystalline silicon materials, solar cells and modules
Sany International (Singapore) Industrial Co Pte. Ltd. ("Sany International (Singapore)") (三一國際(新加坡)有限責任公司)	SINGAPORE	SGD10,000,000	—	100	Sale of monocrystalline silicon materials, solar cells and modules
Sany International (Zimbabwe) Industrial (Private) Limited ("Sany International (Zimbabwe)") (三一國際(津巴布韋)實業(私人)有限公司)^	ZIMBABWE	US\$100,000	—	100	Sale and leasing of photovoltaic power generation equipment
Danube Solar Four S.R.L., ("DS4") (多瑙河太陽能4)*	Romania	RON2,091,460	—	100	Development and construction of photovoltaic power projects
Danube Solar Twelve S.R.L., ("DS12") (多瑙河太陽能12)*	Romania	RON2,220,040	—	100	Development and construction of photovoltaic power projects

* Companies established as limited liability companies under PRC law.

^ The registered share capital of Sany Asset, Sany Intelligent Mining, Sany Technology Equipment, Sany Hydrogen Energy, Sany Silicon Energy, Zhuzhou Sany Silicon Technology, Tianjin Boyu Electrical Engineering, Pinglu Silicon New Energy, Pingsi Xijie New Energy, Sany Heavy Steel, Sany Lithium, Shuozhou SANY Silicon Energy, Xi'an Sany Silicon Energy, Sany Silicon Energy (Bazhong), and Sany International (Zimbabwe) amounted to RMB53,180,000, RMB100,000,000, RMB100,000,000, RMB108,000,000, RMB100,000,000, RMB100,000,000, RMB40,000,000, RMB1,000,000, RMB1,000,000, RMB100,000,000, RMB100,000,000, RMB40,000,000, RMB1,000,000, RMB100,000,000 and US\$100,000, respectively, among which RMB53,180,000, RMB50,000,000, RMB100,000,000, RMB108,000,000, RMB30,000,000, RMB100,000,000, RMB40,000,000, RMB1,000,000, RMB1,000,000, RMB34,893,000, RMB100,000,000, RMB40,000,000, RMB1,000,000, RMB100,000,000 and US\$100,000 were unpaid as at 31 December 2025, respectively.

During the year, the Group acquired the companies.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS** (continued)

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. IFRS 19 was amended in 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS** (continued)

Amendments to IAS 21 *Translation to a Hyperinflationary Presentation Currency* require the translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate. The amendments also require an entity whose functional currency and presentation currency are the currency of a hyperinflationary economy to restate the comparative amounts of a foreign operation whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29 *Financial Reporting in Hyperinflationary Economies*, to the foreign operation's comparative figures. The amendments introduce certain additional disclosures. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

- *IAS 7 Statement of Cash Flows*: The amendments replace the term “cost method” with “at cost” in paragraph 37 of IAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted. The amendments are not expected to have any impact on the Group’s financial statements.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group’s investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group’s share of net assets under the equity method of accounting, less any impairment losses.

The Group’s share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group’s investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group’s investments in associates or joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES*****Business combinations and goodwill***

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its bills receivable, financial assets at fair value through profit or loss and derivative financial instruments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Fair value measurement*** (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties (continued)

- (b) the party is an entity where any of the following conditions applies: (continued)
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives and annual rates used for this purpose are as follows:

	Estimated useful lives	Residual value rates	Annual rates
Buildings	20–40 years	3%	2.4%–4.9%
Plant and machinery	3–10 years	3%	9.7%–32.3%
Office and other equipment	3–8 years	3%	12.1%–32.3%
Motor vehicles	8 years	3%	12.1%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment property over its estimated useful life and after taking into account of its estimated residual value, using the straight-line method. The principal annual rates used for this purpose are as follows:

Land and buildings	4.2%
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Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of five years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Intangible assets (other than goodwill)*** (continued)*Research and development costs* (continued)

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding five to seven years, commencing from the date when the products are put into commercial production.

Technical know-how and customer relationship

Technical know-how and customer relationship acquired in a business combination are recognised at fair value at the acquisition date. The technical know-how and customer relationship have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected useful lives of ten years from the acquisition date for technical know-how and customer relationship.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	50 years
Plant and machinery	3 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Leases*** (continued)*Group as a lessee* (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets*Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Investments and other financial assets*** (continued)*Financial assets at fair value through other comprehensive income (debt instruments)*

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Impairment of financial assets*** (continued)*General approach* (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Financial liabilities*** (continued)*Financial liabilities at fair value through profit or loss* (continued)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets"; and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risk and interest rate risk, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Inventories*** (continued)

The power station projects are initially classified as either inventories or property, plant and equipment according to the initially approved development plan of the project. The power station projects that are initially set up and developed with a clearly defined sole purpose to sell to customers are accounted for and presented as “Inventories-development costs of power station product” in the consolidated statement of financial position. The power station projects that, according to the initial project setup and approval, are intend to be held and operated by the Group or for which there is no clearly defined plan to sell, are classified as non-current assets and accounted for and presented as property, plant and equipment in the consolidated statement of financial position from inception. Power station product development costs comprises acquiring costs of land use rights, costs of supporting infrastructure, construction and installation costs, borrowing costs qualifying for capitalization, and other directly attributable development expenses.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

The Group provides for warranties in relation to the sale of certain industrial products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Income tax*** (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition***Revenue from contracts with customers***

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on customer acceptance for the industrial products.

(b) Sale of electricity

Revenue from the sale of electricity, which is recognised at the point of transmission of electric power, is determined based on the volume of electric power transmitted and the applicable tariff rates.

(c) 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.

(d) Installation services

The Group provides installation services that are either sold separately or bundled together with the sale of industrial products to a customer. The installation services can be obtained from other providers and do not significantly customise or modify the industrial products.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Revenue recognition*** (continued)*Revenue from contracts with customers* (continued)

(d) Installation services (continued)

Contracts for bundled sales of industrial products and installation services are comprised of two performance obligations because the promises to transfer the industrial products and provide installation services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative stand-alone selling prices of the industrial products and installation services.

Revenue from installation services is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognises revenue on the basis of the labour hours and material costs expended relative to the total expected costs to complete the service.

(e) Rendering of maintenance and other services

Revenue from rendering of maintenance and other services is recognised over the contracted period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Rental income is recognised on a time proportion basis over the lease terms. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are incurred.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- (b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods, and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns, and any additional decreases in the value of the returned goods.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Share-based payments***

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 34 and note 35 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Employee retirement benefits

As stipulated by the rules and regulations of the PRC, the Company's subsidiaries registered in the PRC are required to contribute to a state-sponsored retirement plan for all its PRC employees at certain percentages of the basic salaries predetermined by the local governments. The state-sponsored retirement plan is responsible for the entire retirement benefit obligations payable to retired employees and the Group has no further obligations for the actual retirement benefit payments or other post-retirement benefits beyond the annual contributions.

The costs of employee retirement benefits are recognised as expenses in the statement of profit or loss in the period in which they are incurred.

For Hong Kong employees, the Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (continued)**2.4 MATERIAL ACCOUNTING POLICIES** (continued)***Foreign currencies***

The Company, which was incorporated in the Cayman Islands, uses the Hong Kong dollar ("HK\$") as its functional currency. The functional currency of the PRC subsidiaries is RMB. As the Group mainly operates in the Chinese mainland, RMB is used as the presentation currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company which is RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

For the purpose of the consolidated statement of cash flows, the cash flows of foreign currency transactions are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of foreign currency transactions which arise throughout the year are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgement that significantly affects the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a bundled sale of industrial products and installation services

The Group provides installation services that are either sold separately or bundled together with the sale of industrial products to a customer. The installation services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

The Group determined that both industrial products and installation services are each capable of being distinct. The fact that the Group regularly sells both industrial products and installation services on a stand-alone basis indicates that the customer can benefit from both products on their own. The Group also determined that the promises to transfer the industrial products and to provide installation services are distinct within the context of the contract. The industrial products and installation services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the industrial products and installation services together in the contract does not result in any additional or combined functionality and neither the equipment nor the installation modifies or customises the other. In addition, the industrial products and installation services are not highly interdependent or highly interrelated, because the Group would be able to transfer the industrial products even if the customer declined installation and would be able to provide installation services in relation to products sold by other suppliers. Consequently, the Group has allocated a portion of the transaction price to the industrial products and the installation services based on relative stand-alone selling prices.

Tax

Determining income tax provisions requires the Group to make judgements on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions in accordance with prevailing tax regulations and makes tax provisions accordingly.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Judgements** (continued)***Deferred tax assets***

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

The Group has tax losses of RMB1,232,271,000 (2024: RMB1,051,295,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB209,316,000. Further details on deferred taxes are disclosed in note 32 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2025 was RMB1,994,663,000 (2024: RMB2,066,775,000). Further details are given in note 16.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type, and coverage by credit insurance).

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables and contract assets (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 20 and note 21 to the financial statements.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in notes 13, 14, 15, 17, 22 and 23 to the financial statements.

Useful lives and residual values of property, plant and equipment

In determining the useful life and residual value of an item of property, plant and equipment and intangible assets, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way. Additional depreciation/amortisation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment and intangible assets are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on changes in circumstances. Further details are included in note 13 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Estimation uncertainty** (continued)***Provision for product warranties***

The Group provides one-year warranties on the products sold to its customers, under which faulty products are repaired or replaced. The amount of the warranty provision is estimated based on the sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate. Further details are included in note 29 to the financial statements.

Write-down of inventories to net realisable value

Write-down of inventories to net realisable value is made based on the estimated net realisable value of the inventories. The assessment of the write-down involves management's judgement and estimates on market conditions, future sales, production plans, technical upgrade and usage of inventories in future. Where the actual outcome or expectation in future is different from the original estimate, the differences will have an impact on the carrying amounts of inventories and the write-down/write-back of inventories in the period in which the estimate has been changed. Further details are included in note 18 to the financial statements.

Net realisable value of properties for sale

The Group writes down properties held for sale to net realisable value based on assessment of the realisability of properties held for sale which takes into account net sales value based on prevailing market conditions. If there is a decrease in net sales value, the net realisable value will decrease which may result in writing down properties held for sale to net realisable value. Write-downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value of properties held for sale is adjusted in the period in which such estimate is changed. Further details are included in note 19 to the financial statements.

Development costs

Development costs are capitalised in accordance with the accounting policy for research and development costs in note 2.4 to the financial statements. Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. At 31 December 2025, the best estimate of the carrying amount of capitalised development costs was RMB43,088,000 (2024: RMB74,574,000).

NOTES TO FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. 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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)**(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.

NOTES TO FINANCIAL STATEMENTS

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4. OPERATING SEGMENT INFORMATION (continued)

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 (note 5)	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	409,433	194,031	44,499	64,454	712,417
	9,403,619	8,962,611	2,795,491	4,850,491	26,012,212
<i>Reconciliation:</i>					
Elimination of intersegment sales					(966,202)
Revenue from operations					25,046,010
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)	(113,059)	(66,709)	(5,019)	(59,223)	(244,010)
Profit before tax					2,178,540
Income tax expense					(430,512)
Profit for the year					1,748,028
Segment assets	18,901,412	11,792,869	4,880,680	7,383,925	42,958,886
<i>Reconciliation:</i>					
Elimination of intersegment receivables					(4,736,065)
Corporate and other unallocated assets					6,698,393
Total assets					44,921,214
Segment liabilities	8,506,219	7,553,006	2,284,011	6,652,300	24,995,536
<i>Reconciliation:</i>					
Elimination of intersegment payables					(4,736,065)
Corporate and other unallocated liabilities					11,492,684
Total liabilities					31,752,155
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*	77,442	373,705	169,158	1,290,759	1,911,064

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

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 5)	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
<i>Reconciliation:</i>					
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
<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)	(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
<i>Reconciliation:</i>					
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
<i>Reconciliation:</i>					
Elimination of intersegment payables					(3,299,652)
Corporate and other unallocated liabilities					10,451,145
Total liabilities					28,752,468
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 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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
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
Total revenue	24,333,593	21,909,641

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 RMB5,297,143,000 (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.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	24,333,593	21,909,641

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

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	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
	8,994,186	8,021,715	2,748,318	4,569,374	24,333,593
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
	8,994,186	8,021,715	2,748,318	4,569,374	24,333,593
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
	8,994,186	8,021,715	2,748,318	4,569,374	24,333,593

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

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					
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
	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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the year ended 31 December 2024

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

(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.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations (continued)

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.

	Notes	2025 RMB'000	2024 RMB'000
Other income			
Bank interest income		218,111	155,106
Other interest income		74,427	48,686
Government grants	30	474,761	425,668
Rental income	15	9,776	16,065
Profit from sale of scrap materials		41,491	26,920
Others		44,086	37,902
		862,652	710,347
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	38	—	22,742
		142,303	105,164
		1,004,955	815,511

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold		18,054,448	16,188,560
Cost of services provided		746,274	452,910
Depreciation of property, plant and equipment	13	828,426	548,985
Depreciation of investment properties	14	5,020	—
Depreciation of right-of-use assets	15(a)	134,481	86,249
Amortisation of other intangible assets*****	17	197,005	167,420
Auditors' remuneration		3,255	3,050
Provision of warranties*	29	82,562	28,317
Research and development costs**		1,435,262	1,524,346
Lease payments not included in the measurement of lease liabilities	15(c)	65,307	58,951
Impairment of goodwill***	16	72,112	470,363
Impairment of properties for sale*	19	—	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 (note 8)):			
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
		2,381,616	2,633,147
Foreign exchange differences, net***		33,996	9,959
Impairment of property, plant and equipment, net***	13	23,078	7,746
Impairment on financial assets and contract assets, net****:			
Impairment of trade receivables, net	20	217,231	134,627
Impairment of contract assets, net	21	6,007	(4,498)
Impairment of other receivables, net		65,877	(99)
		289,115	130,030
Provision against slow-moving and obsolete inventories*	18	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***	5	(41,491)	(26,920)
Remeasurement of financial guarantee contracts***	27	37,040	4,404
Gain on disposal of subsidiaries***	38	—	(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
		(142,303)	(82,422)

NOTES TO FINANCIAL STATEMENTS

31 December 2025

6. PROFIT BEFORE TAX (continued)

- * 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

7. FINANCE COSTS

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

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 RMB'000	2024 RMB'000
Fees	701	678
Other emoluments:		
Salaries, allowances and benefits in kind	16,966	13,585
Share option and share award expenses	11,843	15,271
Employee retirement benefits and other staff welfare	168	180
	28,977	29,036
	29,678	29,714

NOTES TO FINANCIAL STATEMENTS

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

During the year, certain directors were granted share options and share awards, in respect of their services to the Group, under the share option scheme and share award scheme of the Company, further details of which are set out in note 34 and 35 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 RMB'000	2024 RMB'000
Mr. Poon Chiu Kwok	238	241
Mr. Ng Yuk Keung	97	241
Mr. Hu Jiquan	183	185
Ms. Zhou Lan	183	11
Mr. Yang Shuyong	—	—
	701	678

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

(b) Executive directors, non-executive directors and the chief executive

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity-settled share option expense RMB'000	Pension Scheme contributions RMB'000	Total remuneration RMB'000
2025					
Executive directors:					
Mr. Zhou Fugui (note 1)	—	5,129	—	1	5,130
Mr. Qi Jian (note 2)	—	7,838	8,930	—	16,768
Mr. Fu Weizhong	—	3,099	2,913	167	6,179
Mr. Liang Zaizhong (note 3)	—	900	—	—	900
	—	16,966	11,843	168	28,977
Non-executive directors:					
Mr. Tang Xiuguo	—	—	—	—	—
Mr. Xiang Wenbo	—	—	—	—	—
	—	—	—	—	—

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors, non-executive directors and the chief executive (continued)

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Equity-settled share option expense RMB'000	Pension Scheme contributions RMB'000	Total remuneration RMB'000
2024					
Executive directors:					
Mr. Qi Jian (Chief executive)	—	9,187	12,886	—	22,073
Mr. Fu Weizhong	—	3,498	2,385	180	6,063
Mr. Liang Zaizhong	—	900	—	—	900
	—	13,585	15,271	180	29,036
Non-executive directors:					
Mr. Tang Xiuguo	—	—	—	—	—
Mr. Xiang Wenbo	—	—	—	—	—
	—	—	—	—	—

Notes:

- 1 Mr. Zhou Fugui has been appointed as an executive director and the chairman of the board with effect from 31 October 2025.
- 2 Mr. Qi Jian has resigned as an executive director and the vice chairman of the board with effect from 31 October 2025 and remains as the chief executive officer of the Company.
- 3 Mr. Liang Zaizhong has resigned as the chairman of the board with effect from 31 October 2025 and remains as an executive director.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors of the Company (2024: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries and allowances	10,750	3,995
Bonuses	3,947	3,963
Share option and share award expenses	1,443	2,535
Employee retirement benefits and other staff welfare	112	261
	16,252	10,754

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$3,000,001 to HK\$3,500,000	—	1
HK\$3,500,001 to HK\$4,000,000	—	1
HK\$4,000,001 to HK\$4,500,000	—	1
HK\$5,000,000 above	3	—
	3	3

During the year, share award were granted to three non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in notes 34 and 35 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. 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%).

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10. INCOME TAX (continued)

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 were subject to tax concessions as set out below:

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

	2025 RMB'000	2024 RMB'000
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 (note 32)	18,464	(95,194)
Total tax charge for the year	430,512	353,411

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. From 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong. The Group 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 2025 in certain 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 years 2024 and 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.

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10. INCOME TAX (continued)

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:

	2025		2024	
	RMB'000	%	RMB'000	%
Profit before tax	2,178,540		1,421,397	
Tax at the statutory tax rate	544,635	25.0	355,349	25.0
Entities subject to lower statutory income tax rates	(210,722)	(9.7)	(168,446)	(11.9)
Expenses not deductible for tax	26,303	1.2	158,952	11.2
Tax losses utilised from previous periods	(367)	—	—	—
Different tax rate when temporary difference is realised	—	—	8,828	0.6
Super — deduction of research and development costs	(153,449)	(7.0)	(176,756)	(12.4)
Adjustments in respect of current tax of previous periods	28,983	1.3	20,962	1.5
Profit attributable to a joint venture	756	—	(270)	—
Income not subject to tax	(1,767)	(0.1)	(3,791)	(0.3)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	5,993	0.3	8,783	0.6
Withholding tax for the profits of the Group's PRC subsidiaries distributed during the year	100,497	4.6	84,410	5.9
Tax losses not recognised	89,650	4.2	65,390	4.6
Tax charge at the Group's effective tax rate	430,512	19.8	353,411	24.8

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11. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
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.

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 RMB77,895,000 as at 31 December 2025 and RMB79,971,000 as at 31 December 2024) was recorded in "dividend payable" in the consolidated statement of financial position as at 31 December 2025 and 2024.

RMB13,976,000 of the final 2024 dividend has not been distributed and was recorded in "dividend payable" in the consolidated statement of financial position as at 31 December 2025.

12. 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.

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13. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Office and other equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2025							
At 1 January 2025							
Cost	4,747,278	35,786	4,216,669	383,961	306,493	850,957	10,541,144
Accumulated depreciation and impairment	(910,694)	(18,631)	(1,265,488)	(265,884)	(90,685)	—	(2,551,382)
Net carrying amount	3,836,584	17,155	2,951,181	118,077	215,808	850,957	7,989,762
At 1 January 2025, net of accumulated depreciation and impairment	3,836,584	17,155	2,951,181	118,077	215,808	850,957	7,989,762
Additions	229,324	14,498	526,942	887	12,718	891,050	1,675,419
Disposals	(8,253)	—	(346,423)	(1,211)	(15,643)	—	(371,530)
Depreciation provided during the year (note 6)	(284,623)	(10,525)	(454,088)	(34,835)	(44,355)	—	(828,426)
Impairment (note 6)	—	—	(13,359)	(1)	(8,472)	(1,246)	(23,078)
Transfers	934,452	—	362,935	2,453	9,289	(1,309,129)	—
At 31 December 2025, net of accumulated depreciation and impairment	4,707,484	21,128	3,027,188	85,370	169,345	431,632	8,442,147
At 31 December 2025							
Cost	5,900,956	50,284	4,719,450	376,254	302,516	432,878	11,782,338
Accumulated depreciation and impairment	(1,193,472)	(29,156)	(1,692,262)	(290,884)	(133,171)	(1,246)	(3,340,191)
Net carrying amount	4,707,484	21,128	3,027,188	85,370	169,345	431,632	8,442,147

NOTES TO FINANCIAL STATEMENTS

31 December 2025

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings RMB'000	Leasehold improvements RMB'000	Plant and machinery RMB'000	Office and other equipment RMB'000	Motor vehicles RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024							
At 1 January 2024							
Cost	3,302,545	10,492	3,098,545	364,905	265,444	2,278,541	9,320,472
Accumulated depreciation and impairment	(685,618)	(2,011)	(1,047,741)	(226,526)	(82,744)	—	(2,044,640)
Net carrying amount	2,616,927	8,481	2,050,804	138,379	182,700	2,278,541	7,275,832
At 1 January 2024, net of accumulated depreciation and impairment	2,616,927	8,481	2,050,804	138,379	182,700	2,278,541	7,275,832
Additions	31,794	25,294	351,369	8,928	57,715	754,766	1,229,866
Acquisition of subsidiaries (note 37)	11	—	103,715	866	367	5,142	110,101
Disposal of subsidiaries (note 38)	(3,680)	—	(21,645)	(3,054)	(1,721)	(1,852)	(31,952)
Disposals	(12,915)	—	(12,430)	(1,004)	(11,005)	—	(37,354)
Depreciation provided during the year (note 6)	(230,235)	(16,620)	(236,476)	(45,550)	(20,104)	—	(548,985)
Impairment (note 6)	—	—	(7,746)	—	—	—	(7,746)
Transfers	1,434,682	—	723,590	19,512	7,856	(2,185,640)	—
At 31 December 2024, net of accumulated depreciation and impairment	3,836,584	17,155	2,951,181	118,077	215,808	850,957	7,989,762
At 31 December 2024							
Cost	4,747,278	35,786	4,216,669	383,961	306,493	850,957	10,541,144
Accumulated depreciation and impairment	(910,694)	(18,631)	(1,265,488)	(265,884)	(90,685)	—	(2,551,382)
Net carrying amount	3,836,584	17,155	2,951,181	118,077	215,808	850,957	7,989,762

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14. INVESTMENT PROPERTIES

	2025 RMB'000
At 1 January, net of accumulated depreciation	—
Transfer from right-of-use assets (note 15)	118,942
Depreciation provided during the year (note 6)	(5,020)
At 31 December, net of accumulated depreciation	113,922

	2025 RMB'000
Cost	118,942
Accumulated depreciation	(5,020)
Net carrying amount	113,922

The Group's investment property consists of land and buildings located in the Chinese mainland, which is leased to a third party under operating lease. The investment property is depreciated on straight-line method over its useful life of 24 years.

As at 31 December 2025, the fair value of the investment property was approximately RMB131,500,000. The fair value has been arrived at based on a valuation carried out by an independent valuer not connected with the Group. Below is a summary of the valuation techniques used and the key inputs to the valuation of the investment properties:

Description	Valuation techniques	Significant unobservable inputs	Range of unobservable inputs
Land and buildings	Discounted cash flow method	Estimated rental value Discount rate	Land: RMB13 per square metre per month Buildings: RMB27 per square metre per month Term yield: 6.0% Reversionary yield: 6.5%

The fair value hierarchy as at 31 December 2025 of the investment property of the Group is at Level 3. In estimating the fair value of the property, the highest and best use of the property is its current use.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

15. LEASES

The Group as a lessee

The Group has lease contracts for lands, buildings, machinery and offices used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 20–50 years, and no ongoing payments will be made under the terms of these land leases. Leases of the buildings, machinery and offices generally have lease terms from 1 to 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land RMB'000	Plant and machinery RMB'000	Total RMB'000
As at 1 January 2024	1,363,841	24,513	1,388,354
Additions	—	102,120	102,120
Acquisition of subsidiaries (note 37)	—	8,848	8,848
Depreciation charge (note 6)	(34,155)	(52,094)	(86,249)
As at 31 December 2024 and 1 January 2025	1,329,686	83,387	1,413,073
Additions	79,899	161,749	241,648
Depreciation charge (note 6)	(32,726)	(101,755)	(134,481)
Transfer to investment properties (note 14)	(118,942)	—	(118,942)
Disposal	—	(16,767)	(16,767)
Lease modification	—	(2,244)	(2,244)
As at 31 December 2025	1,257,917	124,370	1,382,287

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15. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	89,042	37,799
New leases	241,648	102,120
Acquisition of subsidiaries (note 36)	—	8,120
Accretion of interest recognised during the year (note 7)	8,858	3,411
Payments	(125,966)	(62,408)
Disposal	(16,785)	—
Lease modification	(2,244)	—
Carrying amount at 31 December	194,553	89,042
Analysed into:		
Current portion	52,586	40,873
Non-current portion	141,967	48,169

The maturity analysis of lease liabilities is disclosed in note 44 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Depreciation charge of right-of-use assets (note 6)	134,481	86,249
Interest on lease liabilities (note 7)	8,858	3,411
Expense relating to short-term leases (note 6)	65,307	58,951
Total amount recognised in profit or loss	208,646	148,611

(d) The total cash outflow for leases is disclosed in note 39(c) to the consolidated financial statements.

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15. LEASES (continued)

The Group as a lessor

The Group leases land and buildings which is classified as investment properties, and office buildings and machinery which were classified as property, plant and equipment under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits. Rental income recognised by the Group during the year was RMB9,776,000 (2024: RMB16,065,000), details of which are included in note 5 to the consolidated financial statements.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	43,038	33,227
After 1 year but within 2 years	16,690	19,551
After 2 years but within 8 years	33,011	44,054
	92,739	96,832

The net carrying amounts of the Group's assets held under operating leases included in the total amounts of office buildings, machinery and investment properties as at 31 December 2025 were RMB10,009,000, RMB84,136,000 and RMB113,922,000, respectively (2024: RMB12,425,000, RMB94,334,000 and nil).

16. GOODWILL

	2025 RMB'000	2024 RMB'000
Cost and net carrying amount at 1 January	2,066,775	2,537,138
Impairment during the year (note 6)	(72,112)	(470,363)
Cost and net carrying amount at 31 December	1,994,663	2,066,775
At 31 December		
Cost	2,537,138	2,537,138
Accumulated impairment	(542,475)	(470,363)
Net carrying amount	1,994,663	2,066,775

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16. GOODWILL (continued)

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 RMB'000	2024 RMB'000
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
Carrying amount of goodwill	1,994,663	2,066,775

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 16% (2024: 16%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024:2%), 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.

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16. GOODWILL (continued)**Impairment testing of goodwill** (continued)***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 16% (2024: 16%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 2%), which was the same as the long-term average growth rate of the industry. No further impairment of goodwill incurred for the year ended 31 December 2025 based on the results of the above impairment testing (2024: RMB470,363,000).

Lithium 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 20% (2024: 21%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 2%), which was the same as the long-term average growth rate of the industry.

The carrying amount of the lithium battery manufacturing equipment cash-generating unit which belonged to the emerging industry 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. The recoverable amount of the cash-generating unit was RMB110,917,000 as at 31 December 2025. The impairment was attributable to the intense competition in the lithium battery manufacturing equipment industry in China in which led to weaker-than-expected market demand.

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 18% (2024: 17%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 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.

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16. GOODWILL (continued)

Impairment testing of goodwill (continued)***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 22% (2024: 20%). The growth rate used to extrapolate the cash flows beyond the five-year period is 2% (2024: 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.

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.

In the opinion of the directors of the Company, for the lithium battery manufacturing 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 RMB5,245,000 or decrease by RMB5,843,000, respectively, during the year ended 31 December 2025. If the perpetual growth rate increased or decreased by 1%, the impairment loss would decrease by RMB2,010,000 or increase by RMB1,771,000, respectively, during the year ended 31 December 2025.

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17. OTHER INTANGIBLE ASSETS

	Patents and licences RMB'000	Software RMB'000	Technical know-how and customer relationship RMB'000	Deferred development costs RMB'000	Total RMB'000
31 December 2025					
Cost at 1 January 2025, net of accumulated amortisation	193,940	91,131	1,195,752	74,574	1,555,397
Additions	15,638	257	—	16,452	32,347
Transfers	46,324	1,614	—	(47,938)	—
Amortisation provided during the year (note 6)	(48,173)	(11,842)	(136,990)	—	(197,005)
At 31 December 2025	207,729	81,160	1,058,762	43,088	1,390,739
At 31 December 2025					
Cost	293,897	105,335	1,393,251	43,088	1,835,571
Accumulated amortisation	(86,168)	(24,175)	(334,489)	—	(444,832)
Net carrying amount	207,729	81,160	1,058,762	43,088	1,390,739
31 December 2024					
Cost at 1 January 2024, net of accumulated amortisation	100,504	73,440	1,168,653	65,316	1,407,913
Additions	46,326	10,883	—	106,858	164,067
Acquisition of subsidiaries (note 37)	19,952	1,348	157,251	—	178,551
Disposal of subsidiaries (note 38)	—	(27,714)	—	—	(27,714)
Transfers	54,877	42,723	—	(97,600)	—
Amortisation provided during the year (note 6)	(27,719)	(9,549)	(130,152)	—	(167,420)
At 31 December 2024	193,940	91,131	1,195,752	74,574	1,555,397
At 31 December 2024 and at 1 January 2025:					
Cost	231,935	107,061	1,393,251	74,574	1,806,821
Accumulated amortisation	(37,995)	(15,930)	(197,499)	—	(251,424)
Net carrying amount	193,940	91,131	1,195,752	74,574	1,555,397

NOTES TO FINANCIAL STATEMENTS

31 December 2025

18. INVENTORIES

	2025 RMB'000	2024 RMB'000
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 costs of power station product	683,555	627,724
	6,021,782	5,200,165
Less: Provision against slow-moving and obsolete inventories	(176,979)	(152,325)
	5,844,803	5,047,840

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

	2025 RMB'000	2024 RMB'000
At 1 January	152,325	118,535
Charged for the year (note 6)	46,810	66,145
Write-back for the year (note 6)	(20,490)	(17,553)
Write-off for the year	(1,666)	(14,802)
At 31 December	176,979	152,325

19. PROPERTIES FOR SALE

	2025 RMB'000	2024 RMB'000
Cost	726,139	753,448
Less: Provision for impairment of properties held for sale (note 6)	(277,899)	(277,899)
	448,240	475,549

No 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 6).

All properties for sale are situated in the Chinese mainland.

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20. TRADE AND BILLS RECEIVABLES

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

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 4% (2024: 2%) 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 RMB2,552,103,000 (2024: RMB2,433,709,000) and the Group's joint venture of RMB12,650,000 (2024: RMB14,241,000) as at 31 December 2025 for sales of products by the Group, which accounted for 20% (2024: 21%) 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:

	2025 RMB'000	2024 RMB'000
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
	11,983,771	10,973,987

NOTES TO FINANCIAL STATEMENTS

31 December 2025

20. TRADE AND BILLS RECEIVABLES (continued)

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

	2025 RMB'000	2024 RMB'000
At beginning of year	718,022	632,554
Disposal of subsidiaries	—	(10,959)
Impairment, net (note 6)	217,231	134,627
Amount written off as uncollectible	(19,738)	(38,200)
At end of year	915,515	718,022

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 2025	Past due					Total
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Expected credit loss rate	1.40%	15.91%	46.16%	64.41%	99.89%	7.10%
Gross carrying amount (RMB'000)	9,913,732	2,259,698	474,886	147,762	103,208	12,899,286
Expected credit losses (RMB'000)	138,423	359,626	219,191	95,177	103,098	915,515

As at 31 December 2024	Past due					Total
	Current	Less than 1 year	1 to 2 years	2 to 3 years	Over 3 years	
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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

20. TRADE AND BILLS RECEIVABLES (continued)

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 RMB'000	2024 RMB'000
Within six months	1,133,631	1,131,661
Over six months	5,780	—
	1,139,411	1,131,661

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.

None of the bills receivable as at 31 December 2025 (2024: 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 2025, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “Endorsed Bills”) with a carrying amount of RMB486,223,000 (2024: RMB520,845,000) 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 RMB486,223,000 (2024: RMB520,845,000) as at 31 December 2025.

Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (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 RMB1,023,534,000 (2024: RMB3,484,352,000). 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.

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21. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Contract assets arising from:		
Sale of industrial products	589,134	333,236
Impairment	(12,808)	(6,801)
	576,326	326,435

Contract assets are initially recognised for revenue earned from the sale of industrial products as the receipt of consideration is conditional on successful assurance during the warranty periods. When passing the warranty periods, the amounts recognised as contract assets are reclassified to trade receivables.

During the year ended 31 December 2025, RMB6,007,000 was recognised (2024: RMB4,498,000 was reversed) as an allowance for expected credit losses on contract assets. The Group's trading terms and credit policy with customers are disclosed in note 20 to the financial statements.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	308,484	157,705
After one year	267,842	168,730
Total contract assets	576,326	326,435

The movements in the loss allowance for impairment of contract assets are as follows:

	2025 RMB'000	2024 RMB'000
At beginning of year	6,801	11,299
Impairment losses, net (note 6)	6,007	(4,498)
At end of year	12,808	6,801

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21. CONTRACT ASSETS (continued)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms 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.

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

	2025 RMB'000	2024 RMB'000
Expected credit loss rate	2.17%	2.04%
Gross carrying amount (RMB'000)	589,134	333,236
Expected credit losses (RMB'000)	12,808	6,801

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Non-current prepayments	20,598	21,645
Current assets:		
Prepayments	386,286	684,187
Deposits and other receivables	666,560	393,056
Value added tax to be deducted and certified	707,037	535,795
Loans to third parties	10,066	15,438
Gross balance	1,769,949	1,628,476
Impairment allowance	(87,644)	(30,203)
	1,682,305	1,598,273

Non-current prepayments represent prepayments for the acquisition of land of RMB9,650,000 (2024: RMB9,650,000) and the long-term deferred expense of non-monetary staff welfare of RMB10,948,000 (2024: RMB11,995,000).

Included in the current prepayments, RMB3,858,000 was due from fellow subsidiaries as at 31 December 2025 (31 December 2024: RMB14,090,000) for purchasing raw materials by the Group.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

Deposits and other receivables mainly represent deposits with suppliers. RMB17,914,000 was due from fellow subsidiaries as at 31 December 2025 (31 December 2024: RMB6,066,000). The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied as at 31 December 2025 was 11.7% (2024: 4.5%).

As at 31 December 2025, except for the defaulted receivables in loans to third parties of RMB10,066,000 (2024: RMB12,471,000), the Group assessed the expected loss rate for the rest to be minimal.

23. INVESTMENT IN A JOINT VENTURE

	2025 RMB'000	2024 RMB'000
Share of net assets	35,328	40,371

The Group's trade receivable balance due from the joint venture is disclosed in note 20 to the financial statements.

Particulars of the Group's material joint venture are as follows:

Name	Registered capital	Place of registration and business	Percentage of			
			Principal activities	Ownership interest	Voting power	Profit sharing
Sichuan Nengtou Jinshi Engineering Equipment Leasing Co., Ltd.	RMB1,000,000,000	PRC/Chinese mainland	40	40	40	Lease of equipment

The above investment is directly held by Sany Petroleum.

The following table illustrates the financial information of the Group's joint venture:

	2025 RMB'000	2024 RMB'000
Aggregate carrying amount of the Group's investment in the joint venture	35,328	40,371

NOTES TO FINANCIAL STATEMENTS

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24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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.

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	3,600,053	3,935,295
Time deposits	2,690,900	1,475,209
	6,290,953	5,410,504
Less: Pledged time deposits for banking facilities	(226,786)	(71,004)
Cash and cash equivalents	6,064,167	5,339,500
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	—
— Romanian Leu ("RON")	2	—
— Japanese Yen ("JPY")	50,036	—
	6,290,953	5,410,504

NOTES TO FINANCIAL STATEMENTS

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25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

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.

At 31 December 2025, bank balances of RMB481,839,000 (2024: RMB479,895,000) are deposited in Sanxiang Bank, a related company of the Group.

26. 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 RMB'000	2024 RMB'000
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
	12,126,140	11,213,230

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 RMB1,205,751,000 as at 31 December 2025 (2024: RMB655,585,000) for purchasing raw materials by the Group.

NOTES TO FINANCIAL STATEMENTS

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27. OTHER PAYABLES AND ACCRUALS

	Notes	2025 RMB'000	2024 RMB'000
Contract liabilities	(a)	2,373,146	1,632,498
Tax payables		46,280	66,334
Staff remunerations		603,429	598,214
Other payables	(b)	2,499,183	2,244,602
Financial guarantee contracts	(c)	54,288	17,248
Accruals		677,358	596,113
		6,253,684	5,155,009

(a) Details of contract liabilities are as follows:

	2025 RMB'000	2024 RMB'000
Sales of industrial products	2,373,146	1,632,498

Contract liabilities include short-term advances received to deliver industrial products. The increase in contract liabilities in 2025 was mainly due to the increase in short-term advances received from customers in relation to the delivery of industrial products at the end of the year.

Included in the contract liabilities was an amount of RMB26,444,000 as at 31 December 2025 (2024: RMB18,490,000) payable to a fellow subsidiary for the purchase of products.

(b) Other payables are non-interest-bearing and are repayable on demand.

Included in the other payables were amounts due to fellow subsidiaries of RMB219,971,000 (2024: RMB124,420,000) and Sany Group Co., Ltd. of RMB944,589,000 (2024: RMB977,561,000) as at 31 December 2024, which are non-interest-bearing and repayable on demand.

(c) The financial guarantee contracts represent guarantees given to financial institutions/finance lease companies in connection with facilities granted to customers. The Group does not hold any collateral or other credit enhancements over the guarantees. All guarantees are approved by the Head of Credit Control and the Chief Executive.

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27. OTHER PAYABLES AND ACCRUALS (continued)

(c) (continued)

The financial guarantee contracts are measured at the higher of the ECL allowance and the amount initially recognised less the cumulative amount of income recognised. The ECL allowance is measured by estimating the cash shortfalls, which are based on the expected payments to reimburse the holders for a credit loss that it incurs less any amounts that the Group expects to receive from the debtor. The amount initially recognised representing the fair value at initial recognition of the financial guarantees was not significant. During the year ended 31 December 2025, additional ECL allowance of RMB37,040,000 (2024: RMB4,404,000) was provided as a result of an additional amount in the balance of guarantees.

The credit exposure of the financial guarantee contracts is classified as stage 1. During the year, there were no transfers between stages.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Bank loans — secured	1.80–2.50	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
			4,268,701			4,250,167
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
			6,792,020			5,684,432
			11,060,721			9,934,599

NOTES TO FINANCIAL STATEMENTS

31 December 2025

28. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

	2025 RMB'000	2024 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
	9,245,453	7,907,342
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
	1,815,268	2,027,257
	11,060,721	9,934,599

- (a) As at 31 December 2025, RMB750,000,000 and RMB62,502,000 of the Group's bank loans are secured by mortgages over the Group's leasehold land of RMB669,306,000 (31 December 2024: RMB685,435,000) and the Group's right of electricity charge of RMB64,550,000 (31 December 2024: RMB64,550,000), respectively.
- (b) As at 31 December 2025, Sany Group Co., Ltd. has guaranteed certain of the Group's bank loans up to RMB8,701,086,000 (2024: RMB6,657,126,000) as at the end of the reporting period.
- (c) As at 31 December 2025 and 2024, all borrowings were denominated in RMB.
- (d) Other borrowings of RMB271,000,000 (2024: RMB312,000,000) were due to Sany Group Co., Ltd. and were repayable on demand. Other borrowings of RMB61,389,000 (2024: RMB35,025,000) were due to Sany Financial Leasing Co., Ltd. and were repayable by 96 monthly equal instalments commencing on 15 October 2023 and 15 December 2025. Other borrowings of RMB1,482,879,000 (2024: RMB1,650,000,000) were 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 2025, the Group has complied with all financial covenants. The covenants are tested half-yearly, at 30 June and 31 December in relation to the contracts of bank and other borrowings.

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29. PROVISION FOR WARRANTIES

	2025 RMB'000	2024 RMB'000
At 1 January	78,400	75,462
Additional provision (note 6)	115,151	81,003
Amounts utilised during the year	(69,699)	(25,379)
Reversal of unutilised amounts (note 6)	(32,589)	(52,686)
At 31 December	91,263	78,400

The Group provides warranties (one year for coal mining machinery, and the earlier of two years and 4,000 hours during usage for logistics equipment, and the earlier of one year and 1000 hours during usage for Oil & Gas equipment, and one year to twelve years for emerging industry equipment) for repair and maintenance of the products sold to its customers. The amount of the warranty provision is estimated based on the sales volume and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised when appropriate.

30. GOVERNMENT GRANTS

	2025 RMB'000	2024 RMB'000
At 1 January	1,765,642	1,916,665
Received during the year	295,343	257,888
Accrued during the year	7,607	16,757
Released to the statement of profit or loss during the year (note 5)	(474,761)	(425,668)
At 31 December	1,593,831	1,765,642
Current portion	(171,332)	(229,796)
Non-current portion	1,422,499	1,535,846

Government grants have been received for the purchase of certain items of property, plant and equipment or finance of research and development projects. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES TO FINANCIAL STATEMENTS

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31. DERIVATIVE FINANCIAL INSTRUMENTS

	2025 RMB'000	2024 RMB'000
Current assets		
Interest rate swaps	436	1,728

The interest rate swaps are not designated for hedge purposes and are measured at fair value through profit or loss. Fair value loss of non-hedging interest rate swaps amounting to RMB200,000 (2024: RMB12,012,000) were charged to the statement of profit or loss during the year.

32. DEFERRED TAX

Deferred tax assets

	Deductible temporary differences RMB'000	Losses available for offsetting against future taxable profits RMB'000	Total RMB'000
At 1 January 2024	302,159	116,107	418,266
Acquisition of subsidiaries (note 37)	4,473	28,856	33,329
Disposal of subsidiaries (note 38)	(5,268)	(20,484)	(25,752)
Credited to the consolidated statement of profit or loss (note 10)	43,499	78,148	121,647
At 31 December 2024 and 1 January 2025	344,863	202,627	547,490
Credited to the consolidated statement of profit or loss (note 10)	11,914	62,272	74,186
At 31 December 2025	356,777	264,899	621,676

The Group has tax losses arising in the Chinese mainland of RMB1,211,929,000 (2024: RMB888,175,000) that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have mainly arisen in certain subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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32. DEFERRED TAX (continued)

Deferred tax liabilities

	Fair value adjustments arising from financial assets at fair value RMB'000	Withholding taxes on dividend RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Instalment sales RMB'000	Total RMB'000
At 1 January 2024	23,245	85,550	182,203	46,586	18,102	355,686
Acquisition of subsidiaries (note 37)	—	—	20,018	—	—	20,018
Disposal of subsidiaries (note 38)	—	—	(3,671)	—	—	(3,671)
Charged/(credited) to the consolidated statement of profit or loss (note 10)	9,119	8,783	(19,991)	(33)	28,575	26,453
At 31 December 2024 and 1 January 2025	32,364	94,333	178,559	46,553	46,677	398,486
Charged/(credited) to the consolidated statement of profit or loss (note 10)	15,749	5,993	(21,037)	35,532	56,413	92,650
At 31 December 2025	48,113	100,326	157,522	82,085	103,090	491,136

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in the Chinese mainland in respect of earnings generated from 1 January 2008. The applicable rate is 5% for the Group. As at 31 December 2025, the Group has not recognised deferred tax liabilities of RMB234,094,000 (2024: RMB220,110,000) in respect of temporary differences relating to the unremitted profits of subsidiaries amounting to RMB4,681,890,000 (2024: RMB4,402,213,000), that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

32. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	621,676	547,490
Offsetting amounts	(214,236)	(124,258)
Net deferred tax assets recognized in the consolidated statements of financial position	407,440	423,232
Deferred tax liabilities	(491,136)	(398,486)
Offsetting amounts	214,236	124,258
Net deferred tax liabilities recognized in the consolidated statements of financial position	(276,900)	(274,228)

NOTES TO FINANCIAL STATEMENTS

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33. SHARE CAPITAL

Shares

	2025 HK\$'000	2024 HK\$'000
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	53,893	53,893
Total authorised capital	500,000	500,000
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	47,978	47,978
Total issued and fully paid capital	371,220	369,367
Equivalent to RMB'000	319,097	317,394

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 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

NOTES TO FINANCIAL STATEMENTS

31 December 2025

33. SHARE CAPITAL (continued)

Shares (continued)

	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 (note)	—	18,527,424	1,853	1,703
At 31 December 2025	479,781,034	3,232,417,929	371,220	319,097

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.

34. SHARE OPTION SCHEME

The Company operates a share option scheme which became effective on 16 February 2013 and expired on 15 February 2023 (the "2013 Share Option Scheme"). The exercise periods of the share options granted are determinable by the directors, and commences after a vesting period of one to three years and ends on a date which is not later than ten years from the dates of offer of the share options.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the 2013 Share Option Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the 2013 Share Option Scheme during the year:

	Year ended 31 December 2025		Year ended 31 December 2024	
	Price HK\$	Number of options	Price HK\$	Number of options
At 1 January	6.59	41,727,049	6.47	58,513,672
Exercised during the year	7.10	(1,713,825)	1.22	(3,295,000)
Forfeited during the year	7.39	—	7.39	(2,321,959)
Cancelled during the year	7.39	—	7.39	(11,169,664)
31 December	6.57	40,013,224	6.59	41,727,049

NOTES TO FINANCIAL STATEMENTS

31 December 2025

34. SHARE OPTION SCHEME (continued)

The weighted average share price at the date of exercise for share options exercised during the year was HK\$8.28 per share (2024: HK\$4.43 per share).

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

31 December 2025

Number of options	Exercise price per share HK\$	Exercise period
4,992,000	1.22	15-3-2019 to 15-12-2027
330,000	1.71	15-3-2019 to 29-12-2027
130,000	2.30	31-3-2020 to 14-11-2028
34,561,224	7.39	31-3-2022 to 29-12-2031
40,013,224		

31 December 2024

Number of options	Exercise price per share HK\$	Exercise period
5,072,000	1.22	15-3-2019 to 15-12-2027
330,000	1.71	15-3-2019 to 29-12-2027
130,000	2.30	31-3-2020 to 14-11-2028
36,195,049	7.39	31-3-2022 to 29-12-2031
41,727,049		

The fair value of equity-settled share options granted on 29 December 2021 was HK\$128,668,000 (HK\$1.33 each) (equivalent to RMB105,166,000), of which the Group recognised a share option expense of nil (2024: RMB4,355,000) during the year.

At the end of the reporting period, the Company had 40,013,224 share options outstanding under the 2013 Share Option Scheme, which represented approximately 1.2% of the Company's ordinary shares outstanding as at that date.

35. SHARE AWARD SCHEME

The Company operates a restricted share award scheme (the "2019 Share Award Scheme") which became effective on 3 December 2019 (the "Adoption date"). The vesting schedules of the share awards granted are determinable by the directors, and commences after a vesting period of one to five years, and ends on a date which is not later than ten years from the Adoption date.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share awards. The Group accounts for the 2019 Share Award Scheme as an equity-settled plan.

NOTES TO FINANCIAL STATEMENTS

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35. SHARE AWARD SCHEME (continued)

The following shares award were outstanding during the year:

	Year ended 31 December 2025 Number of share awards	Year ended 31 December 2024 Number of share awards
At 1 January	52,193,603	38,326,408
Granted during the period	36,465,501	27,061,582
Vested during the period	(13,733,178)	(8,553,633)
Lapsed during the period	(9,339,158)	(4,640,754)
31 December	65,586,768	52,193,603

There were 65,586,768 share awards outstanding and none of which were vested as at 31 December 2025.

The Group recognised a share award expense of RMB128,901,000 (31 December 2024: RMB134,787,000) during the year.

The fair values of the share awards granted on 18 December 2020, 2 September 2021, 8 June 2022, 16 November 2022, 20 September 2023, 17 May 2024, and 1 April 2025 were HK\$27,679,000 (HK\$5.28 each) (equivalent to RMB23,321,000), HK\$82,480,000 (HK\$10.40 each) (equivalent to RMB67,414,000), HK\$89,404,000 (HK\$7.76 each) (equivalent to RMB76,706,000), HK\$723,000 (HK\$7.92 each) (equivalent to RMB629,000), HK\$300,527,000 (HK\$12.38 each) (equivalent to RMB270,805,000), HK\$189,160,000 (HK\$6.99 each) (equivalent to RMB172,643,000), and HK\$190,715,000 (HK\$5.23 each) (equivalent to RMB175,534,000) respectively.

36. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity in the financial statements.

The Group's contributed surplus represents the excess of the nominal value of the shares of the subsidiaries acquired over the nominal value of the Company's shares issued in exchange therefor pursuant to the group reorganisation as defined in the prospectus of the Company dated 12 November 2009.

In accordance with the PRC Company Law, the PRC subsidiaries of the Group are required to allocate 10% of their profit after tax to the reserve funds until the reserve reaches 50% of the registered capital of the PRC subsidiaries. Subject to certain restrictions set out in the Company Law of the PRC, part of the reserve funds may be converted to increase the paid-up capital/issued capital of the PRC subsidiaries, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. ACQUISITION OF SUBSIDIARIES

(a) Sany Lithium Energy Co., Ltd. and its subsidiaries ("Sany Lithium")

On 28 June 2024, the Group and Sany Heavy Industry Co., Ltd. ("Sany Heavy Industry") entered into agreements to purchase 65% equity interest in Sany Lithium, and the 99.90% partnership interest in Changsha Sany Lithium Energy Enterprise Management Partnership (Limited Partnership) ("Changsha Sany Lithium") which held 25% equity interest in Sany Lithium, and all of which are known to be under common control. The transaction was completed on 22 July 2024 as all conditions precedent pursuant to the agreements had been fulfilled.

Sany Lithium are primarily engaged in the research and development, manufacture and sale of power exchange stations, and new energy batteries and provision of power exchange services. The Group considered the acquisition could speed up the implementation of its electrification strategy and development of the new energy equipment business.

The fair values of the identifiable assets and liabilities of Sany Lithium as at the date of acquisition were as follows:

	Fair value recognised on acquisition RMB'000
Property, plant and equipment (note 13)	110,101
Right-of-use assets (note 15(a))	8,848
Other intangible assets (note 17)	178,551
Deferred tax assets (note 32)	33,329
Inventories	79,525
Trade receivables	75,328
Prepayments, other receivables and other assets	9,400
Cash and cash equivalents	7,561
Trade and bills payables	(295,799)
Other payables and accruals	(178,767)
Lease liabilities (note 15(b))	(8,120)
Deferred tax liabilities (note 32)	(20,018)
Total identifiable net assets at fair value	(61)
Non-controlling interests	61
Consideration	—

NOTES TO FINANCIAL STATEMENTS

31 December 2025

37. ACQUISITION OF SUBSIDIARIES (continued)

(a) Sany Lithium Energy Co., Ltd. and its subsidiaries ("Sany Lithium") (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	2024 RMB'000
Cash consideration paid	—
Cash and bank balances acquired	7,561
Net inflow of cash and cash equivalents included in cash flows from investing activities	7,561
Transaction costs of the acquisition included in cash flows from operating activities	—
Total net cash inflow	7,561

Since the acquisition, Sany Lithium contributed RMB479,364,000 to the Group's revenue and RMB16,752,000 to the consolidated loss for the year ended 31 December 2024.

Had the combination taken place at the beginning of the year ended 31 December 2024, the revenue from continuing operations of the Group and the profit of the Group for the year ended 31 December 2024 would have been RMB22,607,062,000 and RMB1,022,620,000, respectively.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

38. DISPOSAL OF SUBSIDIARIES

On 14 May 2024, the Group and Sany Group entered into an agreement to dispose of 45.5% equity interest in Sany Robot; 99.9% equity interest in Changsha Zhiding Enterprise Management Partnership (Limited Partnership), which in turn holds 15% equity interest in Sany Robot; and 82.13% equity interest in Changsha Zhiqiang Enterprise Management Partnership (Limited Partnership), which in turn holds 15% equity interest in Sany Robot, at an aggregate consideration of RMB45,500,000. The transaction was completed on 24 May 2024 as all conditions precedent pursuant to the agreements had been fulfilled.

	2024 RMB'000
Net assets disposed of:	
Property, plant and equipment (note 13)	31,952
Other intangible assets (note 17)	27,714
Deferred tax assets (note 32)	25,752
Inventories	121,885
Trade receivables	369,793
Bills receivable	12,674
Prepayments, other receivables and other assets	43,301
Cash and cash equivalents	59,779
Trade and bills payables	(437,006)
Other payables and accruals	(174,675)
Dividend payable	(81,395)
Interest-bearing bank and other borrowings	(145)
Tax payable	(7,715)
Deferred tax liabilities (note 32)	(3,671)
Non-controlling interests	34,515
	22,758
Gain on disposal of subsidiaries (note 6)	22,742
Total consideration	45,500
Satisfied by:	
Cash	45,500

NOTES TO FINANCIAL STATEMENTS

31 December 2025

38. DISPOSAL OF SUBSIDIARIES (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of the subsidiaries was as follows:

	2024 RMB'000
Cash consideration	45,500
Cash and bank balances disposed of	(59,779)
Net outflow of cash and cash equivalents in respect of the disposal of a subsidiary	(14,279)

39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year ended 31 December 2025, the Group had non-cash additions to prepayments, other receivables and other assets of RMB7,607,000 (2024: RMB16,757,000), in respect of the accrual of government grant in relation to tax refund.

During the year ended 31 December 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB203,298,000 and RMB203,298,000 (2024: RMB102,120,000 and RMB102,120,000), respectively, in respect of lease arrangements for a production plant.

During the year ended 31 December 2024, the Group accepted certain bills receivable accepted by banks in the Chinese mainland from certain of its debtor with a carrying amount of RMB200,000,000.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2024	9,934,599	89,042	10,023,641
Changes from financing cash flows	1,118,336	(125,966)	992,370
New leases	—	241,648	241,648
Lease modification and disposal	—	(19,029)	(19,029)
Interest paid	(229,270)	—	(229,270)
Interest expense	237,056	8,858	245,914
At 31 December 2025	11,060,721	194,553	11,255,274

NOTES TO FINANCIAL STATEMENTS

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39. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

	Interest-bearing bank and other borrowings RMB'000	Lease liabilities RMB'000	Total RMB'000
At 31 December 2023	7,901,377	37,799	7,939,176
Changes from financing cash flows	1,808,549	(62,408)	1,746,141
New leases	—	110,240	110,240
Disposal of subsidiaries (note 38)	(145)	—	(145)
Endorsement of bills receivables	200,000	—	200,000
Interest paid	(221,363)	—	(221,363)
Interest rate swaps	(37)	—	(37)
Interest expense	246,218	3,411	249,629
At 31 December 2024	9,934,599	89,042	10,023,641

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 RMB'000	2024 RMB'000
Within operating activities	65,307	58,951
Within financing activities	125,966	62,408
	191,273	121,359

40. 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
	699,793	1,205,493

* Commitments as at 31 December 2025 mainly comprise RMB196,237,000 for the emerging industry equipment segment, RMB232,109,000 for the logistics equipment segment and RMB260,309,000 for the mining equipment segment for new production plants.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

(1) Recurring transactions

	Notes	2025 RMB'000	2024 RMB'000
Sales of products to:			
Hunan Automobile Manufacturing Co., Ltd. Changsha Branch (湖南汽車製造有限責任公司長沙分公司)	(i)&(vi)	1,360,260	314,853
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(i)&(vi)	554,118	89,716
SANY IMPORT ACAO Export acaoda Amer (三一南美進出口有限公司(巴西))		529,047	480,479
Sany International Development Limited. (三一國際發展有限公司)	(i)&(vi)	489,136	213,904
Hunan Xingbida Network Technology Co., Ltd. (湖南行必達網聯科技有限公司)		454,108	1,142
Sany Heavy Industry India Pvt Ltd. (三一重工印度私人有限公司)	(i)&(vi)	414,245	483,213
Sany America Inc. (三一美國有限公司)	(i)&(vi)	229,203	339,745
Sany (Russia) Co., Ltd. (三一有限公司(俄羅斯))	(i)&(vi)	175,089	326,641
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	(i)&(vi)	163,009	178,239
SANYMX EQUIPMENT & TECHNOLOGY SA DECV (三一墨西哥設備技術有限公司)	(i)&(vi)	126,387	25,472
Sany Heavy Machinery (Canada) Co., Ltd (三一重機(加拿大)有限公司)	(i)&(vi)	115,297	19,703
PT. SANY HEAVY INDUSTRY INDONESIA (三一重工印尼子公司)	(i)&(vi)	103,573	28,545
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(i)&(vi)	92,168	30,144
Sany Heavy Machinery (UK) Limited (三一重機(英國)有限公司)	(i)&(vi)	67,039	27,537
SANY Saudi Arabia Co., Ltd. (三一沙特有限公司)	(i)&(vi)	61,806	45,392
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(i)&(vi)	54,615	60,798
SANY SOUTHERN AFRICA (PTY) LTD (三一南非有限公司)	(i)&(vi)	47,949	40,827
Sany Heavy Machinery (France) Co., Ltd (三一重機(法國)有限公司)	(i)&(vi)	31,956	18,236
SANY Europe GmbH (三一歐洲有限公司)	(i)&(vi)	30,515	141,813
Putzmeister Makine Sanayi ve Ticaret A.S	(i)&(vi)	22,250	65,671
SANY INTERNATIONAL DEVELOPMENT (MALAYSIA) SDN BHD (三一國際發展(馬來西亞)有限公司(重機))	(i)&(vi)	21,411	1,150
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	(i)&(vi)	15,443	76,201
SANY GUINEA MACHINERY PUBLIC L (三一幾內亞有限公司(合資))	(i)&(vi)	12,569	15,412
Sany Equipment (South Africa) Limited (三一設備有限公司(南非合資公司))	(i)&(vi)	12,189	—
SANY HEAVY INDUSTRY (VIETNAM) (三一重工(越南)有限公司)	(i)&(vi)	11,130	2,967
Hunan Sany Road Machinery Co.,LTD (湖南三一泵路機械有限公司)	(i)&(vi)	11,086	—
Sany Hongxiang Battery Co., Ltd (三一紅象電池有限公司)	(i)&(vi)	10,565	14,855

NOTES TO FINANCIAL STATEMENTS

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of products to: (continued)			
SANY Equipment Zimbabwe Limited (三一設備辛巴威有限公司)	(i)&(vi)	8,686	1,820
SANY SOUTH East ASIA PTE. LTD. (三一東南亞有限責任公司)	(i)&(vi)	7,289	7,940
Sany Peru Co., Ltd (三一秘魯有限公司)	(i)&(vi)	7,045	13,453
Hunan Sany Smart New Energy Design Co., Ltd (湖南三一智慧新能源設計有限公司)	(i)&(vi)	6,381	94,426
Sany Automobile Manufacturing Central Asia Co. (三一汽車製造中亞有限責任公司)	(i)&(vi)	6,272	5,656
Sany Belgium Netherlands Luxembourg Private Limited (三一荷比盧私人有限公司)	(i)&(vi)	4,516	—
Sany Chile S.A. (三一智利子公司)	(i)&(vi)	4,019	—
Sany Colombia S.A. (三一哥倫比亞有限公司)	(i)&(vi)	3,610	—
Sany Italia S.r.l. (三一義大利有限公司)	(i)&(vi)	3,581	15,765
SANY TURBO FLY MACHINE LIMITED (SANY TURBO FLY MACHINE LIMITED)	(i)&(vi)	3,204	—
三一納米比亞合資公司	(i)&(vi)	2,734	—
SANY HEAVY INDUSTRY CO LTD (UAE) (三一重工股份有限公司阿聯酋分公司)	(i)&(vi)	2,294	1,299
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(i)&(vi)	2,052	(11,697)
中富歐洲有限公司中富歐洲有限公司	(i)&(vi)	1,616	—
Putzmeister Iberica S.A.	(i)&(vi)	1,569	—
Sany Centre Asia Company (三一中亞有限公司)	(i)&(vi)	1,562	1,155
Changde Sany Machinery Co., Ltd. (常德市三一機械有限公司)	(i)&(vi)	1,502	6,526
Sany Heavy Industry (Thailand) (三一重工(泰國)有限公司)	(i)&(vi)	1,483	7,253
SANY AUSTRALIA PTY LTD (三一澳洲有限公司(澳大利亞)(重機))	(i)&(vi)	1,472	9
Sany Magic Tower Energy Co., Ltd (三一魔塔能源有限公司)	(i)&(vi)	1,332	11,370
SANY TANZANIA LIMITED (三一坦桑尼亞有限公司)	(i)&(vi)	1,249	—
Sany Heavy Equipment Kenya Limited (三一重工肯雅有限公司)	(i)&(vi)	1,191	—
Sany Heavy Machinery Poland (Eastern Europe) Company (三一重機波蘭(東歐)子公司)	(i)&(vi)	1,058	383
Hunan Sany Vehicle Body Co., Ltd (湖南三一車身有限公司)	(i)&(vi)	985	99
Sany Nigeria Machinery Limited (三一尼日利亞機械有限公司)	(i)&(vi)	916	—
SANY COLOMBIA S.A.S (三一哥倫比亞公司)	(i)&(vi)	788	9,509
Sany Heavy Lift Türkiye Company (三一重起土耳其子公司)	(i)&(vi)	744	946
Chongqing Sany Heavy Machinery Co., Ltd. (三一重機(重慶)有限公司)	(i)&(vi)	469	11
Sany Bangladesh Limited (三一孟加拉有限公司)	(i)&(vi)	281	65
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(i)&(vi)	177	30,205
SANY Northern Europe AB (三一瑞典有限公司)	(i)&(vi)	141	775
SANY Philippines Inc. (三一國際菲律賓公司)	(i)&(vi)	136	5

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of products to: (continued)			
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司邵陽分公司)	(i)&(vi)	134	—
SARL SANY HEAVY INDUSTRY NORTH AFRICA (三一北非有限公司 (阿爾及利亞) SARL SANY HEAVY INDUSTRY NORTH AFRICA)	(i)&(vi)	93	—
Sany Heavy Energy Equipment (Chenzhou) Co., Ltd (三一重能裝備(郴州)有限公司)	(i)&(vi)	87	15
Sany Equipment Namibia (Pty) Ltd (三一設備納米比亞有限公司)	(i)&(vi)	75	—
Sany Heavy Energy (Rizhao) Wind Power Equipment Manufacturing Co., Ltd. (三一重能(日照)風電設備製造有限公司)	(i)&(vi)	68	—
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(i)&(vi)	58	—
Tongyu County Sany Wind Power Equipment Technology Co., Ltd (通榆縣三一風電裝備技術有限責任公司)	(i)&(vi)	41	56
中富香港機械有限公司中富香港機械有限公司	(i)&(vi)	41	—
Huzhou Sany Loader Co., Ltd. (湖州三一裝載機有限公司)	(i)&(vi)	25	—
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司)	(i)&(vi)	21	1,282
三一歐洲中富塞爾維亞公司	(i)&(vi)	20	—
Sany Construction Technology (Miluo) Co., Ltd (三一築工科技(汨羅)有限公司)	(i)&(vi)	12	—
Sany (Xilingol) Wind Power Equipment Co., Ltd (三一(錫林郭勒)風電裝備有限公司)	(i)&(vi)	9	1,416
Sany Korea Co., Ltd (三一韓國有限公司)	(i)&(vi)	9	16
SANY NIGERIA COMPANY LIMITED (三一尼日利亞有限公司(中西非))	(i)&(vi)	4	—
Hunan Sany Logistics Co., Ltd. (湖南三一物流有限責任公司)	(i)&(vi)	4	—
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(i)&(vi)	3	(2,682)
Henan Sany Equipment Operation and Maintenance Management Co., Ltd. (河南三一設備運維管理有限公司)	(i)&(vi)	3	—
Sichuan Sany Engineering Machinery Co., Ltd. (四川三一工程機械有限公司)	(i)&(vi)	3	—
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(i)&(vi)	1	264
Jiangsu Sany Environmental Technology Co., Ltd. (江蘇三一環境科技有限公司)	(i)&(vi)	—	6,635
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(i)&(vi)	—	2,459
Beijing Sany Intelligent Motor Co., Ltd (北京三一智慧電機有限公司)	(i)&(vi)	—	1,948
Sany (Barikun) Wind Power Equipment Co., Ltd (三一(巴里坤)風電裝備 有限公司)	(i)&(vi)	—	1,416
Tangshan Chite Machinery Equipment Co., Ltd (唐山馳特機械設備有限公司)	(i)&(vi)	—	1,150
SANY-ANGOLA, LIMITADA (三一安哥拉有限公司)	(i)&(vi)	—	964
SANY KENYA COMPANY LIMITED (SANY HEAVY INDUSTRY CO. (KENYA) LIMT)	(i)&(vi)	—	671
Changsha Shugen Internet Technology Co., Ltd (長沙樹根互聯技術有限公司)	(i)&(vi)	—	660
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(i)&(vi)	—	561

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of products to: (continued)			
Sany Lithium Energy Co., Ltd (三一鋰能有限公司)	(i)&(vi)	—	547
Sany High Altitude Machinery Equipment Co., Ltd (三一高空機械裝備有限公司)	(i)&(vi)	—	539
SANYMX EQUIPMENT & TECHNOLOGY SA DE CV (三一墨西哥設備技術有限公司)	(i)&(vi)	—	421
Sany Supply Chain Technology (Shanghai) Co., Ltd (三一供應鏈科技(上海)有限公司)	(i)&(vi)	—	361
Sany Robot Equipment (Xi'an) Co., Ltd (三一機器人裝備(西安)有限公司)	(i)&(vi)	—	222
Sany (Bayannur) Wind Power Equipment Co., Ltd (三一(巴彥淖爾)風電裝備有限公司)	(i)&(vi)	—	210
SANY Cote d'Ivoire SAS (三一象牙海岸有限責任公司)	(i)&(vi)	—	196
Sany Equipment QFZ LLC (三一設備有限公司)	(i)&(vi)	—	69
Hangzhou Lilong Hydraulic Co., Ltd. (杭州力龍液壓有限公司)	(i)&(vi)	—	30
Hunan Sany Construction Co., Ltd (湖南三一築工有限公司)	(i)&(vi)	—	28
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智慧控制設備有限公司)	(i)&(vi)	—	12
Hunan Sany Zhongyang Machinery Co., Ltd. (湖南三一中陽機械有限公司)	(i)&(vi)	—	11
Shengjing Intelligent Technology (Jiaxing) Co., Ltd. (盛景智慧科技(嘉興)有限公司)	(i)&(vi)	—	2
Sany Group Co., Ltd. (三一集團有限公司)	(i)&(vi)	(88)	45,773
Others	(i)&(vi)	3	3
		5,297,143	3,304,883

NOTES TO FINANCIAL STATEMENTS

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of raw materials, parts and equipment to:			
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	(i)&(vi)	42,343	4,672
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(i)&(vi)	12,188	316
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司益陽分公司)	(i)&(vi)	10,552	7,466
Hunan Sanyi Huayuan Machinery Co., Ltd. (湖南三一華源機械有限公司)	(i)&(vi)	2,832	84
Sany Hongxiang Battery Co., Ltd (三一紅象電池有限公司)	(i)&(vi)	2,325	109
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(i)&(vi)	2,028	5,705
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(i)&(vi)	1,563	2,372
Sany Construction Technology (Miluo) Co., Ltd (三一築工科技(汨羅)有限公司)	(i)&(vi)	1,311	—
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(i)&(vi)	1,130	1,556
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(i)&(vi)	1,115	550
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(i)&(vi)	928	465
Huachu Petrochemical (Guangdong) Co., Ltd (華儲石化(廣東)有限公司)	(i)&(vi)	846	—
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(i)&(vi)	542	3,222
Hunan Sany Medium Lifting Machinery Co. Ltd. (湖南三一中型起重機械有限公司)	(i)&(vi)	496	3,414
Zhuzhou Sany Energy Equipment Co., Ltd (株洲三一能源裝備有限公司)	(i)&(vi)	466	—
Guangzhou Ygp Industrial Trading Co., Ltd. (廣州市易工品貿易有限公司)	(i)&(vi)	300	898
Hunan Automobile Manufacturing Co., Ltd. Changsha Branch (湖南汽車製造有限責任公司長沙分公司)	(i)&(vi)	269	160
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	(i)&(vi)	169	57
Zhuzhou Sany Smart Industry and Trade Co., Ltd. (株洲三一智慧工貿有限公司)	(i)&(vi)	103	—
Sany Group Co., Ltd. (三一集團有限公司)	(i)&(vi)	101	27
Chenzhou Zhongren Machinery Manufacturing Co., Ltd (郴州市中仁機械製造有限公司)	(i)&(vi)	76	4,051
Rootcloud Technology Co., Ltd. (樹根互聯股份有限公司)		75	—
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(i)&(vi)	71	47
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智能控制設備有限公司)	(i)&(vi)	50	—
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(i)&(vi)	49	28
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司)	(i)&(vi)	46	149
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(i)&(vi)	41	28
Hunan Sany Zhongcheng Vehicle Body Co., Ltd (湖南三一中誠車身有限公司)	(i)&(vi)	35	54
Hunan Xingbida Network Technology Co., Ltd. (湖南行必達網聯科技有限公司)	(i)&(vi)	30	5
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	(i)&(vi)	18	692
Changde Sany Machinery Co., Ltd. (常德市三一機械有限公司)	(i)&(vi)	14	86
Hunan Sany Road Machinery Co.,LTD (湖南三一泵路機械有限公司)	(i)&(vi)	13	—

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of raw materials, parts and equipment to: (continued)			
Hunan Sany Road Machinery Co., LTD (湖南三一路面機械有限公司)	(i)&(vi)	13	—
Hunan Sany Zhongyang Machinery Co., Ltd. (湖南三一中陽機械有限公司)	(i)&(vi)	12	1,396
Huzhou Sany Loader Co., Ltd (湖州三一裝載機有限公司)	(i)&(vi)	11	557
Hunan Sany Vocational and Technical College of Industry (湖南三一工業職業技術學院)	(i)&(vi)	9	60
Hangzhou Lilong Hydraulic Co., Ltd. (杭州力龍液壓有限公司)	(i)&(vi)	6	216
Kunshan Sany Environmental Protection Technology Co., Ltd (昆山三一環保科技有限公司)	(i)&(vi)	6	66
Sany Construction Engineering (Xi'an) Technology Co., Ltd (三一築工(西安)科技有限公司)	(i)&(vi)	3	3
Jiangsu Sany Environmental Technology Co., Ltd. (江蘇三一環境科技有限公司)	(i)&(vi)	2	327
Hainan Sany Machinery Equipment Co., Ltd. (海南三一機械設備有限責任公司)	(i)&(vi)	2	—
Hunan Anren Sany Construction Technology Co., Ltd (湖南安仁三一築工科技有限公司)	(i)&(vi)	1	309
Sany Robot Equipment (Xi'an) Co., Ltd (三一機器人裝備(西安)有限公司)	(i)&(vi)	1	—
Beijing Sany Technology Co., Ltd. (北京三一智造科技有限公司)	(i)&(vi)	—	30
Chongqing Sany Heavy Machinery Co., Ltd. (三一重機(重慶)有限公司)	(i)&(vi)	—	460
Hunan Sany Vehicle Body Co., Ltd (湖南三一車身有限公司)	(i)&(vi)	—	707
Loudi Zhongyuan New Material Co., Ltd. (婁底市中源新材料有限公司)	(i)&(vi)	—	1,414
Sany Supply Chain Technology (Shanghai) Co., Ltd (三一供應鏈科技(上海)有限公司)	(i)&(vi)	—	818
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智慧控制設備有限公司)	(i)&(vi)	—	143
Sany Northwest Heavy Industry Co., Ltd (三一西北重工有限公司)	(i)&(vi)	—	137
Shenzhen Haixing Zhijia Technology Co., Ltd (深圳海星智駕科技有限公司)	(i)&(vi)	—	100
Beijing Sany Intelligent Motor Co., Ltd (北京三一智慧電機有限公司)	(i)&(vi)	—	74
Sany Construction Technology (Miluo) Co., Ltd (三一築工科技(汨羅)有限公司)	(i)&(vi)	—	69
Sany Hydrogen Energy Technology Co., Ltd. Hunan Branch (三一氫能科技有限公司湖南分公司)	(i)&(vi)	—	63
Shanghai Huaxing Digital Technology Co., Ltd. (上海華興數字科技有限公司)	(i)&(vi)	—	16
Sany Lithium Energy Co., Ltd (三一鋰能有限公司)	(i)&(vi)	—	8
Sany High Altitude Machinery Equipment Co., Ltd (三一高空機械裝備有限公司)	(i)&(vi)	—	3
Hunan Sany Tower Lifting Machinery Co., Ltd. (湖南三一塔式起重機械有限公司)	(i)&(vi)	—	1
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(i)&(vi)	—	10
Others	(i)&(vi)	1	1
		82,192	43,201

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Purchases of raw materials from:			
Sany Hongxiang Battery Co., Ltd (三一紅象電池有限公司)	(ii)&(vi)	511,397	150,106
Sany Heavy Industry India Pvt Ltd. (三一重工印度私人有限公司)	(ii)&(vi)	311,149	522,192
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(ii)&(vi)	274,465	302,838
Sany (Russia) Co., Ltd. (三一有限公司(俄羅斯))		194,939	—
Changsha Dilian Industrial Control Technology Co., Ltd. (長沙帝聯工控科技 有限公司)	(ii)&(vi)	152,660	169,236
Hunan Sany Zhongcheng Vehicle Body Co., Ltd (湖南三一中誠車身 有限公司)	(ii)&(vi)	139,367	119,228
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(ii)&(vi)	113,394	128,975
Guangzhou Ygp Industrial Trading Co., Ltd. (廣州市易工品貿易有限公司)	(ii)&(vi)	104,585	94,524
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	(ii)&(vi)	77,064	623
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(ii)&(vi)	56,879	102,558
Hunan Automobile Manufacturing Co., Ltd. Changsha Branch (湖南汽車 製造有限責任公司長沙分公司)	(ii)&(vi)	50,904	9
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智能控制設 備有限公司)	(ii)&(vi)	45,655	—
Loudi Zhongyuan New Material Co., Ltd. (婁底市中源新材料有限公司)	(ii)&(vi)	42,806	96,262
Sany Group Co., Ltd. Yiyang Branch (三一集團有限公司益陽分公司)	(ii)&(vi)	35,055	—
Hangzhou Lilong Hydraulic Co., Ltd. (杭州力龍液壓有限公司)	(ii)&(vi)	31,377	4,832
Hunan Deutz Power Co., Ltd (湖南道依茨動力有限公司)	(ii)&(vi)	14,514	12,998
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(ii)&(vi)	12,806	642
Sany Heavy Machinery (Canada) Co., Ltd (三一重機(加拿大)有限公司)	(ii)&(vi)	12,086	23,182
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(ii)&(vi)	10,595	374
Huachu Petrochemical (Guangdong) Co., Ltd (華儲石化(廣東)有限公司)	(ii)&(vi)	9,557	4,475
Rootcloud Technology Co., Ltd. (樹根互聯股份有限公司)	(ii)&(vi)	9,489	9,381
Sany Magic Tower Energy Co., Ltd (三一魔塔能源有限公司)	(ii)&(vi)	9,353	—
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(ii)&(vi)	9,215	11,916
Hunan Sany Culture Co. Ltd. (湖南三一文化產業有限公司)	(ii)&(vi)	8,432	9,095
Sany Construction Technology (Miluo) Co., Ltd (三一築工科技(汨羅) 有限公司)	(ii)&(vi)	8,005	—
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(ii)&(vi)	7,773	10,279
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(ii)&(vi)	7,593	—
Shanghai Huaxing Digital Technology Co., Ltd. (上海華興數字科技 有限公司)	(ii)&(vi)	4,613	5,095
Hunan Sany Vehicle Body Co., Ltd (湖南三一車身有限公司)	(ii)&(vi)	4,197	35
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(ii)&(vi)	3,289	128,191
Sany High Altitude Machinery Equipment Co., Ltd (三一高空機械裝備 有限公司)	(ii)&(vi)	2,775	884
Hunan Sany Medium Lifting Machinery Co. Ltd. (湖南三一中型起重機械 有限公司)	(ii)&(vi)	2,476	1,491

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Purchases of raw materials from: (continued)			
PT.SANY HEAVY INDUSTRY INDONESIA (三一重工印尼子公司)	(ii)&(vi)	2,133	23,337
Huzhou Sany Loader Co., Ltd (湖州三一裝載機有限公司)	(ii)&(vi)	1,365	27
Jiangsu Sany Environmental Technology Co., Ltd. (江蘇三一環境科技 有限公司)	(ii)&(vi)	1,063	19,041
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(ii)&(vi)	1,011	2,159
Kunshan Shugen Internet Technology Co., Ltd. (崑山樹根互聯科技 有限公司)	(ii)&(vi)	699	—
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司 益陽分公司)	(ii)&(vi)	563	11,446
Beijing Sany Heavy Machinery Co., Ltd. (北京市三一重機有限公司)	(ii)&(vi)	443	—
Changsha Shugen Internet Technology Co., Ltd (長沙樹根互聯技術 有限公司)	(ii)&(vi)	420	2,950
SANY Europe GmbH (三一歐洲有限公司)	(ii)&(vi)	132	503
Hunan New Pipaxi Hotel Co., Ltd (湖南新琵琶溪賓館有限公司)	(ii)&(vi)	114	321
Shengjing Intelligent Technology (Jiaxing) Co., Ltd. (盛景智能科技(嘉興) 有限公司)	(ii)&(vi)	82	—
Sany Robot Equipment (Xian) Co., Ltd. (三一機器人裝備(西安)有限公司)	(ii)&(vi)	71	5
Shugen Gezhi Technology (Hunan) Co., Ltd (樹根格致科技(湖南)有限公司)	(ii)&(vi)	54	—
Changde Sany Machinery Co., Ltd. (常德市三一機械有限公司)	(ii)&(vi)	42	537
Hunan Sanyi Huayuan Machinery Co., Ltd. (湖南三一華源機械有限公司)	(ii)&(vi)	28	1
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司)	(ii)&(vi)	27	50
Hunan Sany Road Machinery Co.,LTD (湖南三一泵路機械有限公司)	(ii)&(vi)	18	—
Kunshan Sany Environmental Protection Technology Co., Ltd (崑山三一環保 科技有限公司)	(ii)&(vi)	12	—
Hunan Sany Road Machinery Co.,LTD (湖南三一路面機械有限公司)	(ii)&(vi)	10	—
Hunan Sany Zhongyang Machinery Co., Ltd. (湖南三一中陽機械有限公司)	(ii)&(vi)	9	106
Beijing Sany Technology Co., Ltd. (北京三一智造科技有限公司)	(ii)&(vi)	4	—
Changsha Shufeng Enterprise Management Co., Ltd. (長沙樹豐企業管理 有限公司)	(ii)&(vi)	3	—
Chenzhou Zhongren Machinery Manufacturing Co., Ltd (郴州市中仁機械 製造有限公司)	(ii)&(vi)	2	6,130
Hunan Sany Tower Lifting Machinery Co., Ltd. (湖南三一塔式起重機械 有限公司)	(ii)&(vi)	1	11
Chongqing Sany Heavy Machinery Co., Ltd. (三一重機(重慶)有限公司)	(ii)&(vi)	1	2
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智慧控制設 備有限公司)	(ii)&(vi)	—	38,868
Sany Supply Chain Technology (Shanghai) Co., Ltd (三一供應鏈科技(上海) 有限公司)	(ii)&(vi)	—	24,383
Sany America Inc. (三一美國有限公司)	(ii)&(vi)	—	5,176

	Notes	2025 RMB'000	2024 RMB'000
Purchases of equipment from:			
Sany Heavy Industry India Pvt Ltd. (三一重工印度私人有限公司)	(ii)&(vi)	5,715	48
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(ii)&(vi)	5,566	—
Changsha Dilian Industrial Control Technology Co., Ltd. (長沙帝聯工控科技 有限公司)	(ii)&(vi)	4,513	7,278
Guangzhou Ygp Industrial Trading Co., Ltd. (廣州市易工品貿易有限公司)	(ii)&(vi)	3,760	—
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	(ii)&(vi)	2,781	1,920
Hunan Sany Zhongcheng Vehicle Body Co., Ltd (湖南三一中誠車身 有限公司)	(ii)&(vi)	1,285	—
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(ii)&(vi)	1,276	2,228
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(ii)&(vi)	867	244
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智能控制設 備有限公司)	(ii)&(vi)	750	41
Hunan Deutz Power Co., Ltd (湖南道依茨動力有限公司)	(ii)&(vi)	482	—
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(ii)&(vi)	127	—
Sany Heavy Machinery (Canada) Co., Ltd (三一重機(加拿大)有限公司)	(ii)&(vi)	129	—

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41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Purchases of equipment from: (continued)			
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(ii)&(vi)	109	292
Huachu Petrochemical (Guangdong) Co., Ltd. (華儲石化(廣東)有限公司)	(ii)&(vi)	104	611
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(ii)&(vi)	86	525
Rootcloud Technology Co., Ltd. (樹根互聯股份有限公司)	(ii)&(vi)	45	238
Sany Construction Technology (Miluo) Co., Ltd. (三一築工科技(汨羅)有限公司)	(ii)&(vi)	31	—
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(ii)&(vi)	23	—
Hangzhou Lilong Hydraulic Co., Ltd. (杭州力龍液壓有限公司)	(ii)&(vi)	18	1,230
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(ii)&(vi)	8	1,310
Beijing Sany Technology Co., Ltd. (北京三一智造科技有限公司)	(ii)&(vi)	7	—
Hunan Sany Culture Co. Ltd. (湖南三一文化產業有限公司)	(ii)&(vi)	7	—
Shanghai Huaxing Digital Technology Co., Ltd. (上海華興數字科技有限公司)	(ii)&(vi)	3	7
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(ii)&(vi)	3	2
Sany High Altitude Machinery Equipment Co., Ltd. (三一高空機械裝備有限公司)	(ii)&(vi)	3	—
Hunan Sany Tower Lifting Machinery Co., Ltd. (湖南三一塔式起重機械有限公司)	(ii)&(vi)	2	8
Hunan Sany Medium Lifting Machinery Co. Ltd. (湖南三一中型起重機械有限公司)	(ii)&(vi)	1	443
Huzhou Sany Loader Co., Ltd. (湖州三一裝載機有限公司)	(ii)&(vi)	1	8
Kunshan Shugen Internet Technology Co., Ltd. (崑山樹根互聯科技有限公司)	(ii)&(vi)	—	7,522
Sany Magic Tower Energy Co., Ltd. (三一魔塔能源有限公司)	(ii)&(vi)	—	1,161
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(ii)&(vi)	—	960
Hunan Sany Zhongyi Machinery Co., Ltd. (湖南三一中益機械有限公司益陽分公司)	(ii)&(vi)	—	579
Shengjing Intelligent Technology (Jiaxing) Co., Ltd. (盛景智能科技(嘉興)有限公司)	(ii)&(vi)	—	497
Changsha Shugen Internet Technology Co., Ltd. (長沙樹根互聯技術有限公司)	(ii)&(vi)	—	209
Others	(ii)&(vi)	—	437
		27,702	27,798

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Rental fees paid to:			
Sany Group Co., Ltd. (三一集團有限公司)	(iii)&(vi)	1,550	1,240
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(iii)&(vi)	1,322	736
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(iii)&(vi)	943	1,683
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(iii)&(vi)	863	623
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(iii)&(vi)	685	194
Chongqing Sany Heavy Machinery Co., Ltd. (三一重機(重慶)有限公司)	(iii)&(vi)	543	—
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(iii)&(vi)	441	321
Huzhou Sany Loader Co., Ltd. (湖州三一裝載機有限公司)	(iii)&(vi)	334	119
Others	(iii)&(vi)	1,074	201
		7,755	5,117
Right-of-use asset recognised from:			
Zhuzhou Sany Energy Equipment Co., Ltd (株洲三一能源裝備有限公司)	(iii)&(vi)	151,077	47,563
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iii)&(vi)	8,603	—
Sany Northwest Heavy Industry Equipment Co., Ltd. (三一西北重工有限公司)	(iii)&(vi)	1,056	5,787
Hunan Deutz Power Co., Ltd (湖南道依茨動力有限公司)	(iii)&(vi)	341	—
Guangdong Sany Machinery Co., Ltd (廣東三一機械有限公司)	(iii)&(vi)	153	12,177
Ningxia Sany Machinery Co., Ltd (寧夏三一機械有限公司)	(iii)&(vi)	92	—
Jiangsu Sany Machinery Co., Ltd. (江蘇三一機械有限公司)	(iii)&(vi)	67	—
Sany Heavy Energy Equipment (Chenzhou) Co., Ltd (三一重能裝備(郴州)有限公司)	(iii)&(vi)	—	16,824
PT.SANY INDONESIA MACHINERY (PT.SANY INDONESIA MACHINERY)	(iii)&(vi)	—	13,103
Sany Group Co., Ltd. (三一集團有限公司)	(iii)&(vi)	—	4,379
Beijing Sany Heavy Machinery Co., Ltd. (北京市三一重機有限公司)	(iii)&(vi)	—	2,287
		161,389	102,120

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Agency fees paid to:			
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	(iii)&(vi)	93,977	37,448
SANY Europe GmbH (三一歐洲有限公司)	(iii)&(vi)	16,916	19,401
Sany America Inc. (三一美國有限公司)	(iii)&(vi)	12,225	9,845
Sany (Russia) Co., Ltd. (三一有限公司(俄羅斯))	(iii)&(vi)	37	—
PT.SANY HEAVY INDUSTRY INDONESIA (三一重工印尼子公司)	(iii)&(vi)	—	14,779
SANY SOUTH EasT ASIA PTE. LTD. (三一東南亞有限責任公司)	(iii)&(vi)	—	1,295
Others	(iii)&(vi)	—	1,970
		123,155	84,738
Administrative service fee paid to:			
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	(iv)&(vi)	5,911	3,775
Hunan Zhushengyuan Property Service Co., Ltd. (湖南竹勝園物業服務有限公司)	(iv)&(vi)	5,618	3,946
Zhuzhou Sany Zhushengyuan Property Service Co., Ltd. (株洲三一竹勝園物業服務有限公司)	(iv)&(vi)	5,168	5,202
Sany Group Co., Ltd. (三一集團有限公司)	(iv)&(vi)	4,176	3,895
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	2,913	1,074
Hunan Zhushengyuan Property Service Co., Ltd. (湖南竹勝園物業服務有限公司珠海分公司)	(iv)&(vi)	2,525	3,638
Hunan Zhushengyuan Property Service Co., Ltd. (湖南竹勝園物業服務有限公司西安分公司)	(iv)&(vi)	1,808	1,022
Hunan Sany Culture Co. Ltd. (湖南三一文化產業有限公司)	(iv)&(vi)	1,525	234
Linli Zhushengyuan Real Estate Co., Ltd. (臨澧竹勝園房地產有限公司)	(iv)&(vi)	672	—
Beijing Sany Heavy Machinery Co., Ltd. (北京市三一重機有限公司)	(iv)&(vi)	464	8
Sany Northwest Heavy Industry Co., Ltd (三一西北重工有限公司)	(iv)&(vi)	390	43
Hunan New Pipaxi Hotel Co., Ltd (湖南新琵琶溪賓館有限公司)	(iv)&(vi)	344	193
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(iv)&(vi)	309	1,267
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	(iv)&(vi)	298	2,849
Hunan Sany Intelligent Control Equipment Co., Ltd. (湖南三一智能控制設備有限公司)	(iv)&(vi)	204	—
Hunan Xingbida Network Technology Co., Ltd. (湖南行必達網聯科技有限公司)	(iv)&(vi)	165	266
Sany Heavy Energy Equipment (Chenzhou) Co., Ltd (三一重能裝備(郴州)有限公司)	(iv)&(vi)	121	819
Others	(iv)&(vi)	682	9,076
		33,293	37,307

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Sales of photovoltaic energy:			
Sany Group Co., Ltd. (三一集團有限公司)	(iv)&(vi)	14,834	8,268
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(iv)&(vi)	9,480	4,582
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(iv)&(vi)	9,121	4,740
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(iv)&(vi)	5,957	6,732
Suote Transmission Equipment Co., Ltd. (索特傳動設備有限公司)	(iv)&(vi)	4,889	4,154
Zhejiang Sany Equipment Co., Ltd. (浙江三一裝備有限公司)	(iv)&(vi)	3,884	1,292
Chongqing Sany Heavy Machinery Co., Ltd. (三一重機(重慶)有限公司)	(iv)&(vi)	3,443	—
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(iv)&(vi)	3,098	173
Huzhou Sany Loader Co., Ltd. (湖州三一裝載機有限公司)	(iv)&(vi)	1,893	792
Loudi Zhongyuan New Material Co., Ltd. (婁底市中源新材料有限公司)	(iv)&(vi)	1,865	—
Changsha Zhongsheng New Energy Co., Ltd. (長沙中盛新能源有限公司)	(iv)&(vi)	1,520	1,073
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(iv)&(vi)	1,448	—
Sany Construction Technology (Miluo) Co., Ltd. (三一築工科技(汨羅)有限公司)	(iv)&(vi)	1,300	1,343
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	847	213
Loudi Zizhu Yunzhi Industrial Park Development Co., Ltd. (婁底紫竹雲智產業園發展有限公司)	(iv)&(vi)	630	—
Hunan Sany Vocational and Technical College of Industry (湖南三一工業職業技術學院)	(iv)&(vi)	544	—
Hunan Sany Zhongyang Machinery Co., Ltd. (湖南三一中陽機械有限公司)	(iv)&(vi)	409	—
Sany (Shaoshan) Wind Power Equipment Co., Ltd. (三一(韶山)風電設備有限公司)	(iv)&(vi)	389	—
Others	(iv)&(vi)	1,292	178
		66,843	33,540
Master shared service fee paid to:			
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(iv)&(vi)	6,230	3,302
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	(iv)&(vi)	4,685	12,623
Sany Group Co., Ltd. (三一集團有限公司)	(iv)&(vi)	734	15,886
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	327	5,574
		11,976	37,385

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Master short term lease fees paid to:			
Chenzhou Zhongren Machinery Manufacturing Co., Ltd (郴州市中仁機械製造有限公司)	(iv)&(vi)	1,479	3,278
Sany Heavy Energy Equipment (Chenzhou) Co., Ltd (三一重能裝備(郴州)有限公司)	(iv)&(vi)	609	14,622
Sanyi Heavy Industry Shanghai Sanyi Technology Co.,Ltd. (上海三一科技有限公司)	(iv)&(vi)	289	377
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	(iv)&(vi)	155	3
Hunan New Pipaxi Hotel Co., Ltd (湖南新琵琶溪賓館有限公司)	(iv)&(vi)	141	1
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	—	2,001
Others	(iv)&(vi)	413	1,449
		3,086	22,240
After-sales service fee paid to:			
Sany America Inc. (三一美國有限公司)	(iv)&(vi)	25,763	—
Heilongjiang Sany Engineering Equipment Co., Ltd. Liaoning Branch (黑龍江三一遼寧分公司)	(iv)&(vi)	6,795	—
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	(iv)&(vi)	3,244	—
SANY Northern Europe AB (三一瑞典有限公司)	(iv)&(vi)	2,994	—
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	1,743	—
Shugen Gezhi Technology (Hunan) Co., Ltd (樹根格致科技(湖南)有限公司)	(iv)&(vi)	792	—
Sany Heavy Energy Equipment Co., Ltd. (三一重能股份有限公司)	(iv)&(vi)	736	—
Huzhou Sany Engineering Machinery Testing Co., Ltd. (湖州三一工程機械試驗檢測有限公司)	(iv)&(vi)	544	—
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限公司)	(iv)&(vi)	509	—
Hunan Sany Vocational and Technical College of Industry (湖南三一工業職業技術學院)	(iv)&(vi)	394	—
SANY Perkasa (三一印尼機械有限公司)	(iv)&(vi)	370	—
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	(iv)&(vi)	220	—
Rootcloud Technology Co., Ltd. (樹根互聯股份有限公司)	(iv)&(vi)	193	—
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	(iv)&(vi)	154	—
Hebei Sany Machinery Co., Ltd (河北三一機械有限公司)	(iv)&(vi)	145	—
Sany Construction Technology Co., Ltd. (三一築工科技股份有限公司合併)	(iv)&(vi)	136	—
Sany Group Co., Ltd. (三一集團有限公司)	(iv)&(vi)	117	—
Sany Robot Equipment (Xi'an) Co., Ltd (三一機器人裝備(西安)有限公司)	(iv)&(vi)	88	—
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	(iv)&(vi)	71	—
Shanghai Huaxing Digital Technology Co., Ltd. (上海華興數字科技 有限公司)	(iv)&(vi)	71	—
Sany Construction Industry Co., Ltd. (三一築工科技股份有限公司湖南分 公司)	(iv)&(vi)	59	—
Shaanxi Sany Equipment Co., Ltd. (陝西三一裝備有限公司)	(iv)&(vi)	46	—
Others	(iv)&(vi)	125	—
		45,309	—

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Master product value chain service fee paid to:			
Sany America Inc. (三一美國有限公司)	(iv)&(vi)	28,732	23,380
SANY Europe GmbH (三一歐洲有限公司)	(iv)&(vi)	12,926	10,385
		41,658	33,765
Utility charges paid to:			
Sany Group Co., Ltd. (三一集團有限公司)	(iv)&(vi)	7,908	4,485
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	(iv)&(vi)	4,692	2,241
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限公司)	(iv)&(vi)	3,069	1,424
Shanghai Sany Heavy Machinery Co., Ltd. (上海三一重機股份有限公司)	(iv)&(vi)	995	443
Sany Special Purpose Vehicle Co., Ltd. (三一專用汽車有限責任公司)	(iv)&(vi)	981	—
Others	(iv)&(vi)	3,216	5,834
		20,861	14,427
Purchases of logistics service and agency services from:			
Hunan Sany Logistics Co., Ltd. (湖南三一物流有限責任公司)	(iv)&(vi)	52,049	37,362
Sany Supply Chain Technology (Shanghai) Co., Ltd. (三一供應鏈科技(上海)有限公司)	(iv)&(vi)	1	6,475
		52,050	43,837

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(1) Recurring transactions (continued)

	Notes	2025 RMB'000	2024 RMB'000
Balance of deposits with:			
Sanxiang Bank (湖南三湘銀行股份有限公司)	(v)&(vi)	477,750	746,255
Annual interests provided by:			
Sanxiang Bank (湖南三湘銀行股份有限公司)	(v)&(vi)	18,710	13,223
Sales of parts and equipment under a financial guarantee contract with:			
Sany Auto Finance Co., Ltd. (三一汽車金融有限公司, "Sany Auto Finance")	(i)&(vi)	121,914	836,096
Sany Financial Leasing Co., Ltd. (三一融資租賃有限公司, "Sany Leasing")	(i)&(vi)	1,315,027	629,452
		1,436,941	1,465,548
Provision of a financial guarantee under a financial guarantee contract with:			
Sany Auto Finance	(i)&(vi)	98,399	706,744
Sany Leasing	(i)&(vi)	1,046,824	538,123
		1,145,223	1,244,867

Notes:

- (i) The sales to companies owned and controlled by the Controlling Shareholders* were made at prices and on conditions as mutually agreed.
- (ii) The purchases from companies owned and controlled by the Controlling Shareholders* were made at prices and on conditions as mutually agreed.
- (iii) The rentals were made according to the prevailing market rent.
- (iv) The services were made at prices and on conditions as mutually agreed.
- (v) The Group deposited RMB477,750,000 at the interest rates between 1.80% and 4.15% per annum, with the deposit agreements due from 5 March 2026 to 8 June 2029.
- (vi) The above companies are owned and controlled by the Controlling Shareholders*.

* The Controlling Shareholders refer to 17 individual shareholders: Liang Wengen, Tang Xiuguo, Xiang Wenbo, Mao Zhongwu, Yuan Jinhua, Zhou Fugui, Wang Haiyan, Yi Xiaogang, Zhao Xiangzhang, Wang Zuochun, Duan Dawei, Zhai Xian, Liang Linhe, Zhai Chun and Huang Jianlong, Beijing Sany commonweal foundation ("北京三一公益基金會") and Beijing Deqing commonweal foundation ("北京德清公益基金會"), who hold 56.38%, 8.70%, 7.95%, 7.95%, 4.72%, 3.48%, 2.98%, 2.98%, 0.99%, 0.99%, 0.68%, 0.60%, 0.50%, 0.40%, 0.08%, 0.31% and 0.31% of the equity interests in Sany BVI, respectively.

In the opinion of the Directors, the above transactions were carried out in the ordinary course of business of the Group and will continue in future.

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31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(2) Non-recurring transactions

	2025 RMB'000	2024 RMB'000
Supervisor fee paid to:		
Hunan Xingxiang Construction Consultation Co., Ltd. (湖南興湘建設監理諮詢有限公司)	3,092	2,182
Service income from:		
Sany Hongxiang Battery Co., Ltd (三一紅象電池有限公司)	5,719	—
Hunan Sany Smart New Energy Design Co., Ltd (湖南三一智慧 新能源設計有限公司)	5,413	—
Hunan Sany Jinpiao Technology Co., Ltd. (湖南三一金票科技有限 公司)	4,029	—
Sany Automobile Lifting Machinery Co., Ltd. (三一汽車起重機械有限 公司)	562	3,014
Loudi Taisheng New Energy Co., Ltd (婁底市泰盛新能源有限公司)	484	548
Shaoyang Zhongsheng New Energy Co., Ltd (邵陽中盛新能源有限 責任公司)	441	441
Others	1,887	5,317
	18,535	9,320
Insurance service fee paid to:		
Long Property&casualty Insurance Co., Ltd. (久隆財產保險有限公司)	3,063	6,775
Other service fee paid to:		
Hunan Zhongtai Equipment Engineering Co., Ltd. (湖南中泰設備工程有限公司)	2,296	—
Rootcloud Technology Co., Ltd. (樹根互聯股份有限公司)	2,186	—
Changsha Shugen Internet Technology Co., Ltd (長沙樹根互聯技術有限公司)	746	—
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	—	2,056
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司)	—	1,435
Shengjing Intelligent Technology (Jiaxing) Co., Ltd. (盛景智慧科技(嘉興)有限公司)	—	809
Sany Tree Heavy Industry Management Co., Ltd. (廣州樹重運營管理有限公司)	—	795
Hunan Sany Vocational and Technical College of Industry (湖南三一工業職業技術學院)	—	620
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	—	618
Sany Construction Technology Co., Ltd (三一築工科技股份有限公司)	—	377
Sany Hongxiang Battery Co., Ltd (三一紅象電池有限公司)	—	236
Sany Robot Equipment (Xi'an) Co., Ltd (三一機器人裝備(西安)有限公司)	—	211
Hebei Sany Machinery Co., Ltd (河北三一機械有限公司)	—	86
Sany Construction Industry Co., Ltd. (三一築工科技股份有限公司湖南分公司)	—	66
Others	—	138
	5,228	7,447

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(2) Non-recurring transactions (continued)

	2025 RMB'000	2024 RMB'000
Administrative service income from:		
Hunan Sany Smart New Energy Design Co., Ltd (湖南三一智慧 新能源設計有限公司)	10,923	—
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	804	—
Sany Group Co., Ltd. (三一集團有限公司)	433	—
Zhuzhou Sany Energy Equipment Co., Ltd (株洲三一能源裝備有限 公司)	249	—
Sany Heavy Industry Co., Ltd. (三一重工股份有限公司湖南分公司)	112	—
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	67	—
Sany Automobile Manufacturing Co., Ltd. (三一汽車製造有限公司)	28	—
Shengjing Intelligent Technology (Jiaxing) Co., Ltd. (盛景智能科技 (嘉興)有限公司)	21	—
Sany Heavy Machinery Co., Ltd. (三一重機有限公司)	21	—
Liaoning Xinyang Century Machinery Equipment Co., Ltd. (遼寧新揚 世紀機械設備有限公司)	19	—
Jiangsu Sany Environmental Technology Co., Ltd. (江蘇三一環境科技 有限公司)	19	—
Kunshan Sany Environmental Protection Technology Co., Ltd (昆山三 一環保科技有限公司)	11	—
Loudi Zhongxing Hydraulic Parts Co., Ltd. (婁底市中興液壓件有限 公司)	10	—
Others	110	—
	12,827	—
Contract manufacturing service income from:		
Hunan Sany Smart New Energy Design Co., Ltd (湖南三一智慧 新能源设计有限公司)	18,753	—
	18,753	—

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(2) Non-recurring transactions (continued)

	2025 RMB'000	2024 RMB'000
Rental income received from:		
Sany Environmental Industry Co., Ltd (三一環境產業有限公司)	1,032	2,658
Kunshan Sany Environmental Protection Technology Co., Ltd (昆山三一環保科技有限公司)	734	685
Jiangsu Sany Environmental Technology Co., Ltd. (江蘇三一環境科技有限公司)	60	164
SANY Robotics Technology Co., Ltd. (三一機器人科技有限公司)	38	64
Zhuzhou Sany Zhushengyuan Property Service Co., Ltd (株洲三一竹勝園物業服務有限公司)	11	—
Others	15	18
	1,890	3,589
Rental fees paid to :		
Sany Magic Tower Energy Co., Ltd (三一魔塔能源有限公司)	3,274	—
SANY SOUTH East ASIA PTE. LTD. (三一東南亞有限責任公司)	156	—
Sany Heavy Energy Equipment (Chenzhou) Co., Ltd (三一重能裝備(郴州)有限公司)	51	1,221
Others	—	904
	3,481	2,125
Sales of parts and equipment under a financial guarantee contract with:		
Fuhong Capital (Hunan) Financial Leasing Co., Ltd. (富鴻資本(湖南)融資租賃有限公司, "Fuhong Leasing")	—	446,306
Provision of a financial guarantee under a financial guarantee contract with:		
Fuhong Leasing	—	367,421
Maximum balance of deposits with:		
Sanxiang Bank (湖南三湘銀行股份有限公司)	—	927,361

NOTES TO FINANCIAL STATEMENTS

31 December 2025

41. RELATED PARTY TRANSACTIONS (continued)

(3) Compensation of key management personnel

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	18,900	15,415
Equity-settled share-based payment expenses	12,205	15,630
Employee retirement benefits and other staff welfare	271	264
Total compensation paid to key management personnel	31,376	31,309

Further details of the compensation paid to the Company's directors and the chief executive are included in note 8 to the financial statements. The compensation paid to other senior management personnel of the Group is as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,233	1,152
Equity-settled share-based payment expenses	362	359
Employee retirement benefits and other staff welfare	103	84
Total	1,698	1,595

Number of members of the senior management personnel above by remuneration band:

	2025	2024
Nil to HK\$1,000,000	1	1
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,500,000	1	1

NOTES TO FINANCIAL STATEMENTS

31 December 2025

42. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income (debt instruments) RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	—	—	11,983,771	11,983,771
Bills receivable	—	—	1,139,411	1,139,411
Financial assets included in prepayments, other receivables and other assets	—	—	588,982	588,982
Derivative financial instruments	436	—	—	436
Financial assets at fair value through profit or loss	3,167,845	—	—	3,167,845
Pledged deposits	—	—	226,786	226,786
Cash and cash equivalents	—	—	6,064,167	6,064,167
	3,168,281	—	20,003,117	23,171,398

Financial liabilities	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	—	12,126,140	12,126,140
Financial liabilities included in other payables and accruals	54,288	2,499,183	2,553,471
Interest — bearing bank and other borrowings	—	11,060,721	11,060,721
	54,288	25,686,044	25,740,332

NOTES TO FINANCIAL STATEMENTS

31 December 2025

42. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2024

Financial assets	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income (debt instruments) RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Trade receivables	—	—	10,973,987	10,973,987
Bills receivable	—	—	1,131,661	1,131,661
Financial assets included in prepayments, other receivables and other assets	—	—	378,291	378,291
Derivative financial instruments	1,728	—	—	1,728
Financial assets at fair value through profit or loss	2,451,496	—	—	2,451,496
Pledged deposits	—	—	71,004	71,004
Cash and cash equivalents	—	—	5,339,500	5,339,500
	2,453,224	—	17,894,443	20,347,667

Financial liabilities	Financial liabilities at fair value through profit or loss RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	—	11,213,230	11,213,230
Financial liabilities included in other payables and accruals	17,248	2,244,602	2,261,850
Interest — bearing bank and other borrowings	—	9,934,599	9,934,599
	17,248	23,392,431	23,409,679

NOTES TO FINANCIAL STATEMENTS

31 December 2025

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets				
Trade receivables, non-current portion	1,113,884	964,142	1,113,884	964,142
Bills receivable	1,139,411	1,131,661	1,139,411	1,131,661
Derivative financial instruments	436	1,728	436	1,728
Financial assets at fair value through profit or loss	3,167,845	2,451,496	3,167,845	2,451,496
	5,421,576	4,549,027	5,421,576	4,549,027
Financial liabilities				
Interest-bearing bank and other borrowings, non-current portion	6,792,020	5,684,432	6,658,945	5,454,206
	6,792,020	5,684,432	6,658,945	5,454,206

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, the current portion of trade receivables, financial assets included in prepayments, other receivables and other assets, the current portion of interest-bearing bank and other borrowings, trade and bills payables, and financial liabilities included in other payables and accruals approximate to their carrying amounts as at the end of the reporting period due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The manager reports directly to the chief financial officer and the audit committee. At each reporting date, the department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

NOTES TO FINANCIAL STATEMENTS*31 December 2025***43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS***(continued)*

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of trade receivable and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of trade receivable, interest-bearing bank and other borrowings as at 31 December 2025 were assessed to be insignificant.

The fair values of bills receivable measured at fair value through other comprehensive income, which were previously classified as loans and receivables, have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group invests in unlisted investments. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The Group enters into derivative financial instruments with various counterparties. Derivative financial instruments, including forward currency contracts and interest rate swaps, are measured using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and interest rate curves. The carrying amounts of forward currency contracts and interest rate swaps are the same as their fair values.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2025	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	—	1,139,411	—	1,139,411
Derivative financial instruments	—	436	—	436
Financial assets at fair value through profit or loss	—	3,167,845	—	3,167,845
	—	4,307,692	—	4,307,692

As at 31 December 2024	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Bills receivable	—	1,131,661	—	1,131,661
Derivative financial instruments	—	1,728	—	1,728
Financial assets at fair value through profit or loss	—	2,451,496	—	2,451,496
	—	3,584,885	—	3,584,885

The Group did not have any financial liabilities measured at fair value as at 31 December 2025 and as at 31 December 2024.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

43. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

As at 31 December 2025	Fair value measurement using			Total RMB'000
	Quoted prices in active markets RMB'000	Significant observable inputs RMB'000	Significant unobservable inputs RMB'000	
Trade receivables, non-current portion	—	1,113,884	—	1,113,884

As at 31 December 2024	Fair value measurement using			Total RMB'000
	Quoted prices in active markets RMB'000	Significant observable inputs RMB'000	Significant unobservable inputs RMB'000	
Trade receivables, non-current portion	—	964,142	—	964,142

Liabilities for which fair values are disclosed:

As at 31 December 2025	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings, non- current portion	—	6,858,537	—	6,858,537

As at 31 December 2024	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Interest-bearing bank and other borrowings, non- current portion	—	5,454,206	—	5,454,206

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, bills receivable, trade payables and bills payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The interest rate risk of the Group is mainly due to the interest rate fluctuations of its bank borrowings. Interest on these bank borrowings is computed based on market rates.

The Group will constantly assess the interest rate risk it encounters to decide whether it is required to hedge against the possible interest rate risk that may arise. As at 31 December 2025, if the interest rate of the floating rate bank borrowings had increased/decreased by 5% and all other factors remained unchanged, there would have been a decrease/increase of RMB7,384,000 on the profit before tax for the year (2024: RMB10,673,000).

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 37.9% (2024: 37.3%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst all costs were denominated in the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's profit before tax arising from HK\$, US\$, EUR, JPY, SEK, IDR, SGD, ZMW, RUB and AUD denominated financial instruments.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

	Increase/ (decrease) in exchange rate %	Increase/ (decrease) in profit before tax RMB'000
31 December 2025		
If RMB weakens against HK\$	5	(2,599)
If RMB strengthens against HK\$	(5)	2,599
If RMB weakens against US\$	5	309,605
If RMB strengthens against US\$	(5)	(309,605)
If RMB weakens against EUR	5	20,725
If RMB strengthens against EUR	(5)	(20,725)
If RMB weakens against JPY	5	104
If RMB strengthens against JPY	(5)	(104)
If RMB weakens against SGD	5	4,203
If RMB strengthens against SGD	(5)	(4,203)
If RMB weakens against AUD	5	171
If RMB strengthens against AUD	(5)	(171)
If RMB weakens against RUB	5	10,327
If RMB strengthens against RUB	(5)	(10,327)
31 December 2024		
If RMB weakens against HK\$	5	628
If RMB strengthens against HK\$	(5)	(628)
If RMB weakens against US\$	5	178,372
If RMB strengthens against US\$	(5)	(178,372)
If RMB weakens against EUR	5	21,105
If RMB strengthens against EUR	(5)	(21,105)
If RMB weakens against JPY	5	(789)
If RMB strengthens against JPY	(5)	789
If RMB weakens against SEK	5	(20)
If RMB strengthens against SEK	(5)	20
If RMB weakens against SGD	5	5,013
If RMB strengthens against SGD	(5)	(5,013)
If RMB weakens against AUD	5	237
If RMB strengthens against AUD	(5)	(237)

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

As at 31 December 2025	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	12,899,286	12,899,286
Bills receivable	1,139,411	—	—	—	1,139,411
Contract assets*	—	—	—	589,134	589,134
Financial assets included in prepayments, other receivables and other assets					
Normal**	620,787	—	—	—	620,787
Doubtful**	—	—	55,839	—	55,839
Pledged deposits					
— Not yet past due	226,786	—	—	—	226,786
Cash and cash equivalents					
— Not yet past due	6,064,167	—	—	—	6,064,167
Guarantees given to financial institutions/finance lease companies in connection with facilities granted to customers***					
— Not yet past due	4,075,405	—	—	—	4,075,405
	12,126,556	—	55,839	13,488,420	25,670,815

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2024	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	11,692,009	11,692,009
Bills receivable	1,131,661	—	—	—	1,131,661
Contract assets*	—	—	—	333,236	333,236
Financial assets included in prepayments, other receivables and other assets					
Normal**	396,023	—	—	—	396,023
Doubtful**	—	—	12,471	—	12,471
Pledged deposits					
— Not yet past due	71,004	—	—	—	71,004
Cash and cash equivalents					
— Not yet past due	5,339,500	—	—	—	5,339,500
Guarantees given to financial institutions/finance lease companies in connection with facilities granted to customers***					
— Not yet past due	5,829,472	—	—	—	5,829,472
	12,767,660	—	12,471	12,025,245	24,805,376

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 and note 21 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

*** At the end of the reporting period, the financial guarantee contracts provided by the Group were as follows:

	Notes	2025 RMB'000	2024 RMB'000
Guarantees given to financial institutions in connection with loans granted to customers	(a)	4,478	215,708
Guarantees given to the finance lease companies in connection with the unsettled lease amounts due from customers	(b)	4,070,927	5,613,764
		4,075,405	5,829,472

Notes:

- (a) Sany Heavy Equipment, Sany Marine Heavy Industry and Sany Petroleum Equipment enters into sale agreements with end-user customers directly for the sale of equipment. The end-user customers enter into equipment mortgage loan agreements with financial institutions to obtain funding to pay for the equipment, using the equipment as collateral. The seller are usually required to enter into a separate agreement with financial institutions under which it has the obligation to repay the outstanding loan from the relevant financial institutions if the end-user customers default loan repayments.
- (b) Sany Heavy Equipment, Sany Marine Heavy Industry, Sany Petroleum Equipment and Sany Robot enters into agreements with China Kangfu International Leasing Co., Ltd. ("Kangfu Leasing"), Fuhong Leasing, Hunan Zhonghong Finance Lease Co., Ltd. ("Zhonghong Leasing"), Sany Financial Leasing Co., Ltd. ("Sany Leasing"), Cinda Financial Leasing Co., Ltd. ("Cinda Leasing"), Industrial Bank Financial Leasing Co., Ltd. or Sany Auto Finance Co., Ltd. ("Sany Auto Finance") (hereafter collectively referred to as "the Leasing Companies") and agrees to:
- either sell the equipment to the Leasing Companies for leasing to lessees or sell the equipment to the lessees who will then on-sell the equipment to the Leasing Companies for leasing back to lessees; and
 - provide a financial guarantee to the Leasing Companies in favour of the lessees in respect of the leasing of the equipment by the Leasing Companies and repurchase the equipment under certain circumstances.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objective is to maintain sufficient cash and cash equivalents and have available funding through capital contribution and financial support from bank and other borrowings.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted payments, is as follows:

	31 December 2025			
	On demand RMB'000	Less than 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
Trade and bills payables	—	12,126,140	—	12,126,140
Financial liabilities included in other payables and accruals	—	2,553,471	—	2,553,471
Interest-bearing bank and other borrowings	301,166	4,173,934	7,141,942	11,617,042
Lease liabilities	—	60,598	196,942	257,540
	301,166	18,914,143	7,338,884	26,554,193

	31 December 2024			
	On demand RMB'000	Less than 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
Trade and bills payables	—	11,213,230	—	11,213,230
Financial liabilities included in other payables and accruals	—	2,261,850	—	2,261,850
Interest-bearing bank and other borrowings	326,072	4,139,799	5,975,314	10,441,185
Lease liabilities	—	52,412	50,131	102,543
	326,072	17,667,291	6,025,445	24,018,808

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

NOTES TO FINANCIAL STATEMENTS

31 December 2025

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the adjusted capital plus net debt. Net debt includes interest-bearing bank and other borrowings, trade and bills payables, and certain other payables and accruals, and less cash and cash equivalents. Capital includes equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

	Notes	2025 RMB'000	2024 RMB'000
Capital and net debt			
Interest-bearing bank and other borrowings	28	11,060,721	9,934,599
Trade and bills payables	26	12,126,140	11,213,230
Other payables and accruals	27	6,253,684	5,155,009
Less: Cash and cash equivalents	25	(6,064,167)	(5,339,500)
Net debt		23,376,378	20,963,338
Equity attributable to owners of the parent		13,192,367	12,221,204
Capital and net debt		36,568,745	33,184,542
Gearing ratio		64%	63%

NOTES TO FINANCIAL STATEMENTS

31 December 2025

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Investments in subsidiaries	7,013,096	6,831,988
Total non-current assets	7,013,096	6,831,988
CURRENT ASSETS		
Inventories	19,018	15,856
Trade receivables	189,926	464,379
Dividend receivable	42,391	42,391
Interests receivable	3,832	5,048
Due from subsidiaries	790,310	716,910
Financial assets at fair value through profit or loss	1,022,280	—
Cash and cash equivalents	923,163	988,391
Total current assets	2,990,920	2,232,975
CURRENT LIABILITIES		
Due to subsidiaries	1,105,190	1,125,402
Other payables and accruals	(116,854)	16,885
Dividend payable	91,871	79,971
Tax payable	34,685	19,209
Total current liabilities	1,114,892	1,241,467
NET CURRENT ASSETS	1,876,028	991,508
TOTAL ASSETS LESS CURRENT LIABILITIES	8,889,124	7,823,496
Net assets	8,889,124	7,823,496
EQUITY		
Issued capital	319,097	317,394
Reserves (note)	8,570,027	7,506,102
Total equity	8,889,124	7,823,496

NOTES TO FINANCIAL STATEMENTS

31 December 2025

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Contributed surplus RMB'000	Share-based compensation reserve RMB'000	Exchange fluctuation reserve RMB'000	Capital redemption reserve RMB'000	Retained profits RMB'000	Total RMB'000
As at 1 January 2024	1,691,370	1,670,338	238,748	(13,197)	2,620	2,793,559	6,383,438
Profit for the year	—	—	—	—	—	1,597,327	1,597,327
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	—	—	—	20,472	—	—	20,472
Total comprehensive income for the year	—	—	—	20,472	—	1,597,327	1,617,799
Issue of shares	1,436	—	—	—	—	—	1,436
Share-based payments	—	—	139,142	—	—	—	139,142
Dividends declared	—	—	—	—	—	(635,713)	(635,713)
Release of share-based compensation reserve to share premium upon exercise of share options (note 33)	1,986	—	(1,986)	—	—	—	—
At 31 December 2024 and 1 January 2025	1,694,792	1,670,338	375,904	7,275	2,620	3,755,173	7,506,102
Profit for the year	—	—	—	—	—	1,982,419	1,982,419
Other comprehensive loss for the year:							
Exchange differences on translation of foreign operations	—	—	—	(73,060)	—	—	(73,060)
Total comprehensive income for the year	—	—	—	(73,060)	—	1,982,419	1,909,359
Issue of shares	9,381	—	—	—	—	—	9,381
Share-based payments	—	—	128,901	—	—	—	128,901
Dividends declared	—	—	—	—	—	(983,716)	(983,716)
Release of share-based compensation reserve to share premium upon exercise of share options (note 33)	16,281	—	(16,281)	—	—	—	—
At 31 December 2025	1,720,454	1,670,338	488,524	(65,785)	2,620	4,753,876	8,570,027

NOTES TO FINANCIAL STATEMENTS*31 December 2025***45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY** (continued)

The share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised and fair value of restricted share awards granted which are yet to be vested, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amounts will either be transferred to the share premium account when the related options are exercised and the restricted share awards are vested, or be transferred to retained profits should the related options and awards expire or be forfeited.

46. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current year's presentation.

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

	2025 RMB'000	Year ended 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
REVENUE	24,333,593	21,909,641	20,277,944	15,536,716	10,194,616
Cost of sales	(18,909,604)	(16,996,278)	(14,830,890)	(11,908,372)	(7,804,976)
Gross profit	5,423,989	4,913,363	5,447,054	3,628,344	2,389,640
Other income and gains	1,004,955	815,511	715,197	646,942	790,923
Selling and distribution expenses	(1,358,197)	(1,286,266)	(1,262,226)	(932,879)	(566,567)
Administrative expenses	(2,173,869)	(2,162,629)	(2,213,353)	(1,177,331)	(1,053,151)
Impairment on financial and contract assets, net	(289,115)	(130,030)	(225,347)	(87,194)	(2,434)
Other expenses	(171,312)	(501,750)	(42,464)	(24,982)	(694)
Finance costs	(252,868)	(228,600)	(158,411)	(131,967)	(119,666)
PROFIT BEFORE TAX	2,178,540	1,421,397	2,260,450	1,920,933	1,438,051
Income tax expense	(430,512)	(353,411)	(421,696)	(251,859)	(128,893)
PROFIT FOR THE YEAR	1,748,028	1,067,986	1,838,754	1,669,074	1,309,158
Attributable to:					
Owners of the parent	1,778,814	1,101,608	1,928,992	1,664,911	1,259,071
Non-controlling interests	(30,786)	(33,622)	(90,238)	4,163	50,087
	1,748,028	1,067,986	1,838,754	1,669,074	1,309,158

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2025 RMB'000	As at 31 December			
		2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000
TOTAL ASSETS	44,921,214	40,927,728	34,963,011	24,953,269	20,785,122
TOTAL LIABILITIES	(31,752,155)	(28,752,468)	(23,424,614)	(14,849,495)	(12,001,974)
NON-CONTROLLING INTERESTS	(23,308)	(45,944)	(51,062)	63,795	82,092