THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SANY Heavy Industry Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).



SANY Heavy Industry Co., Ltd.

三一重工股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6031)

2025 WORK REPORT OF THE BOARD
2025 ANNUAL REPORT AND ITS SUMMARY
2025 AUDITED FINANCIAL STATEMENTS
2025 PROFIT DISTRIBUTION PLAN
ASSESSMENT OF DIRECTORS' REMUNERATION FOR 2025
PROPOSED APPLICATION FOR CREDIT FACILITIES FROM BANKS
PROPOSED RE-APPOINTMENT OF AUDITORS FOR 2026
PROPOSED CONDUCTING OF FINANCIAL DERIVATIVES BUSINESS
PROPOSED USE OF IDLE OWN FUNDS TO PURCHASE WEALTH MANAGEMENT PRODUCTS
2025 WORK REPORTS OF INDEPENDENT DIRECTORS
SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026–2028)
PROPOSED ESTABLISHMENT OF AND APPLICATION FOR ISSUANCE OF ASSET-BACKED SECURITIES (ABS) BY THE CONTROLLED SUBSIDIARY SANY FINANCIAL LEASING CO., LTD. AND THE RELATED-PARTY TRANSACTION
PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM RELATING TO REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at 10:00 a.m. on Tuesday, June 2, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC is set out on pages 66 to 67 of this circular.

The form of proxy for the AGM has been distributed to the Shareholders who have indicated their wish to receive a printed copy on Monday, May 11, 2026 and has also been published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.sany.com.cn). If you are not able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 24 hours before the time appointed for the AGM, and deposit it together with the notarized power of attorney or other document of authorization with the H Share Registrar of the Company, Tricor Investor Services Limited (for holders of H Shares). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person should you so desire.

This circular is prepared in both Chinese and English. In case of any discrepancies between the Chinese and the English versions, the Chinese version shall prevail.

May 11, 2026

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 3

APPENDIX I **2025 WORK REPORTS OF INDEPENDENT DIRECTORS** 17

APPENDIX II **SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026–2028)** 54

APPENDIX III **MANAGEMENT SYSTEM RELATING TO REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT** 60

NOTICE OF ANNUAL GENERAL MEETING 66

In this circular, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

"A Share(s)"	the domestic listed share(s) with a par value of RMB1.00 each in the share capital of the Company, which is listed on the Shanghai Stock Exchange and traded in RMB
"A Shareholder(s)"	holder(s) of the A Share(s)
"AGM" or "Annual General Meeting"	the annual general meeting of the Company for the year 2025 to be held at 10:00 a.m. on Tuesday, June 2, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC and any adjournment thereof
"Articles of Association"	the Articles of Association of SANY Heavy Industry Co., Ltd., as amended from time to time
"associate(s)"	has the meaning as ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	the board of directors of the Company
"CCASS"	the Central Clearing and Settlement System, a securities settlement system established and operated by the Hong Kong Securities Clearing Company Limited
"Company" or "Sany Heavy Industry"	SANY Heavy Industry Co., Ltd., a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under the stock code 06031 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code 600031
"Company Law"	the Company Law of the People's Republic of China
"Director(s)"	director(s) of the Company
"H Share(s)"	overseas listed share(s) with a par value of RMB1.00 each in the share capital of the Company, which is listed on the Hong Kong Stock Exchange and traded in HK dollars
"H Share Registrar"	Tricor Investor Services Limited

"H Shareholder(s)"	holder(s) of the H Share(s)
"HK$" or "Hong Kong dollar(s)"	the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Latest Practicable Date"	May 8, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"PRC" or "China"	the People's Republic of China, but for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Sany Financial Leasing"	Sany Financial Leasing Co., Ltd. (三一融資租賃有限公司), a limited liability company established in the PRC on October 27, 2016 and one of our subsidiaries owned as to 94.86% by the Company
"SANY Group"	SANY Group Co., Ltd. (三一集團有限公司), a limited liability company established in the PRC on October 18, 2000 and one of the controlling Shareholders of the Company
"Share(s)"	the A Share(s) and/or the H Share(s) of the Company
"Shareholder(s)"	the shareholder(s) of the Company, including H Shareholder(s) and A Shareholder(s)
"%"	per cent



SANY Heavy Industry Co., Ltd.
三一重工股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6031)

Executive Directors:
Mr. XIANG Wenbo *(Chairman of the Board of Directors)*
Mr. YU Hongfu

Non-executive Directors:
Mr. LIANG Wengen
Mr. LIANG Zaizhong
Mr. LIU Daojun

Independent Non-executive Directors:
Mr. WU Zhongxin
Ms. XI Qing
Mr. LAM Yuk Kun Lawrence

Registered Office and Headquarters in Mainland China:
5/F, Building 6
No. 8, Beiqing Road
Changping District, Beijing
PRC

Principal place of business in Hong Kong:
Room 1808-10, 18th Floor, Landmark North
No. 39 Lung Sum Avenue, Sheung Shui
New Territories
Hong Kong

May 11, 2026

To the Shareholders

Dear Sir/Madam,

2025 WORK REPORT OF THE BOARD
2025 ANNUAL REPORT AND ITS SUMMARY
2025 AUDITED FINANCIAL STATEMENTS
2025 PROFIT DISTRIBUTION PLAN
ASSESSMENT OF DIRECTORS' REMUNERATION FOR 2025
PROPOSED APPLICATION FOR CREDIT FACILITIES FROM BANKS
PROPOSED RE-APPOINTMENT OF AUDITORS FOR 2026
PROPOSED CONDUCTING OF FINANCIAL DERIVATIVES BUSINESS
PROPOSED USE OF IDLE OWN FUNDS TO PURCHASE WEALTH MANAGEMENT PRODUCTS
2025 WORK REPORTS OF INDEPENDENT DIRECTORS
SHAREHOLDER RETURN PLAN FOR THE NEXT THREE YEARS (2026–2028)
PROPOSED ESTABLISHMENT OF AND APPLICATION FOR ISSUANCE OF ASSET-BACKED SECURITIES (ABS) BY THE CONTROLLED SUBSIDIARY SANY FINANCIAL LEASING CO., LTD. AND THE RELATED-PARTY TRANSACTION
PROPOSED AMENDMENTS TO THE MANAGEMENT SYSTEM RELATING TO REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT
NOTICE OF ANNUAL GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you, as holders of H Shares, with the notice of the AGM (set out on pages 66 to 67 of this circular) and information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions or abstain from voting at the AGM.

The following ordinary resolutions will be proposed to the AGM to approve: (i) 2025 Work Report of the Board; (ii) 2025 Annual Report and Its Summary; (iii) 2025 Audited Financial Statements; (iv) 2025 Profit Distribution Plan; (v) Assessment of Directors' Remuneration for 2025; (vi) proposed application for credit facilities from banks; (vii) proposed re-appointment of auditors for 2026; (viii) proposed conducting of financial derivatives business; (ix) proposed use of idle own funds to purchase wealth management products; (x) 2025 Work Reports of Independent Directors; (xi) Shareholder Return Plan for the Next Three Years (2026–2028); (xii) proposed establishment of and application for issuance of asset-backed securities (ABS) by the controlled subsidiary SANY Financial Leasing Co., Ltd. and the related-party transaction; (xiii) proposed amendments to the Management System Relating to Remuneration of Directors and Senior Management; and (xiv) notice of annual general meeting.

II. ORDINARY RESOLUTIONS

(i) Proposal regarding the 2025 Work Report of the Board

In 2025, the Board, in accordance with the Company Law, Securities Law, Rules Governing the Listing of Stocks of the Shanghai Stock Exchange, the Articles, the Rules of Procedure of the Board, and other relevant laws, regulations, normative documents, and company systems, earnestly performed the duties of the Board in accordance with the law. The Directors, with the goal of safeguarding the rights and interests of all Shareholders, diligently and responsibly exercised their powers, earnestly implemented the resolutions of the general meeting, and conscientiously carried out the various work of the Board. For the contents of the 2025 Work Report of the Board, please refer to the relevant sections of the 2025 annual report issued by the Company and published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.sany.com.cn).

In line with the requirements of the Articles, the work report of the Board for 2025 has been considered and approved by the Board. An ordinary resolution will be proposed at the AGM to consider and approve the 2025 Work Report of the Board.

(ii) Proposal regarding the 2025 Annual Report and Its Summary

The A Share Annual Report and its Summary was published on the website of the Shanghai Stock Exchange (www.sse.com.cn) on March 31, 2026 and the H Share Annual Report was published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.sany.com.cn) on April 29, 2026. The 2025 annual report has been considered and approved by the Board, and is hereby proposed at the AGM for review and approval by way of an ordinary resolution.

(iii) Proposal regarding the 2025 Audited Financial Statements

The Board considered and approved the 2025 Audited Financial Statements at the Board meeting held on March 30, 2026. For details of the 2025 Audited Financial Statements, please refer to the 2025 annual report issued by the Company and published on the website of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the website of the Company (www.sany.com.cn).

The 2025 Audited Financial Statements has been considered and approved by the Board and is hereby proposed at the AGM for review and approval by way of an ordinary resolution.

(iv) Proposal regarding the 2025 Profit Distribution Plan

The Board considered and approved the resolution in relation to the 2025 Profit Distribution Plan at the board meeting held on March 30, 2026. The proposed profit distribution is as follows:

The Company plans to distribute a cash dividend of RMB0.18 per share, totaling RMB1,647 million. The final dividend is calculated based on the total share capital of the Company as of December 31, 2025 after deducting the number of repurchased shares in the special account for repurchase, and adjusted accordingly based on the total share capital at the date of record when profit distribution is made. The specific amount is subject to actual distribution. Such proposal is subject to shareholders' approval at the forthcoming annual general meeting of the Company. The proposed final dividend is expected to be paid to the shareholders of the Company on or about June 22, 2026.

For determining the entitlement to the final dividend, the register of members of the Company will be closed from June 8, 2026 to June 10, 2026, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to the final dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) before 4:30 p.m. on June 5, 2026.

For details of the tax arrangement in respect of the final dividend, please refer to the 2025 annual report issued by the Company and published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (www.sany.com.cn).

The 2025 Profit Distribution Plan has been considered and approved by the Board, and is hereby proposed at the AGM for review and approval by way of an ordinary resolution.

(v) Proposal regarding the Assessment of Directors' Remuneration for 2025

In accordance with the Company's Management System Relating to Remuneration of Directors and Senior Management, the 2025 Annual Performance Contracts and other relevant requirements, and following assessment by the Human Resources Headquarters of the Company and the Remuneration Committee of the Board, the results of the assessment of the remuneration of the Directors of the Company for 2025 are as follows:

Name	**Position**	**Total Remuneration** *(RMB ten thousand)*
XIANG Wenbo	Chairman of the Board	139.32
YU Hongfu	Vice chairman of the Board and president	816.46
LIANG Wengen	Director	27.28
TANG Xiuguo	Former Director	0
LIANG Zaizhong	Director	0
LIU Daojun	Employee representative Director	278.24

The above results of the assessment of the remuneration of the Directors of the Company for 2025 are hereby proposed at the AGM for review and approval by way of an ordinary resolution.

(vi) Proposal regarding the Application for Credit Facilities from Banks

To meet the needs of the Company's production and operations, and taking into account its capital budget, the Company and its controlled subsidiaries propose to apply to partner banks for comprehensive credit facilities with an aggregate amount of not more than RMB200 billion. The business types include, but are not limited to, working capital loans, trade finance, bank acceptance bills, mortgage-related business, various types of letters of guarantee and other related banking services. The business term shall be from the date on which the proposal is considered and approved at the AGM to the date on which the Company's 2026 annual general meeting is convened.

Meanwhile, it will be proposed at the AGM that Mr. XIANG Wenbo, Chairman of the Board, be authorized to sign, on behalf of the Board, the relevant documents for applying to the relevant banks for credit facilities and for utilizing such facilities within the approved credit facility limit.

This proposal was considered and approved by the Board on March 30, 2026 and is hereby proposed at the AGM for review and approval by way of an ordinary resolution.

(vii) Proposal regarding the re-appointment of auditors

An ordinary resolution will be proposed at AGM to consider and approve (i) the re-appointment of Ernst & Young Hua Ming LLP ("**Ernst & Young Hua Ming**") as the Company's domestic audit institution for the year 2026 and (ii) the re-appointment of Ernst & Young ("**Ernst & Young**") as the Company's overseas audit institution for the year 2026 with the term of one year, which shall take effect from the date of consideration and approval at AGM.

Following preliminary negotiations with Ernst & Young Hua Ming and Ernst & Young, taking into account the Company's current business conditions, scope of consolidated financial statements, estimated audit workload for 2026 and prevailing market fee levels, the total domestic and overseas audit fees for financial statements and internal control services for 2026 are estimated to amount to approximately RMB5.3 million. Should there be any material changes to the Company's business operations or consolidation scope, the audit fees will be adjusted accordingly based on actual circumstances. The Board proposes that the general meeting authorize the Audit Committee of the Board of the Company to negotiate and determine the audit fees for 2026 with the audit institutions in accordance with the above pricing principles.

The resolution, which was considered and approved by the Board on March 30, 2026, is proposed to be considered and approved at AGM by way of an ordinary resolution.

(viii) Proposal regarding Conducting of Financial Derivatives Business

In 2026, the Company proposes to continue conducting financial derivatives transactions for hedging purposes. Details are set out below:

1. Purpose of Transactions

As the Company has substantial foreign currency receipts and payments, foreign currency deposits and foreign currency loans in its operations, and as exchange rate fluctuations have had an increasingly significant impact on the Company's operating results, the Company and its wholly owned subsidiaries in Hong Kong conduct ordinary forward foreign exchange transactions, interest rate swaps, currency swaps, foreign exchange options and other transactions to mitigate the risks arising from exchange rate fluctuations.

The above foreign exchange products operated by the Company and the currencies involved are aligned with the Company's international business. The Company makes full use of the hedging function of foreign exchange derivative transactions to hedge exchange rate risks in its international business and reduce the impact of exchange rate and interest rate fluctuations on the Company.

2. Transaction Amount

For the financial derivatives transactions conducted by the Company, a certain percentage of margin is required to be paid in accordance with the requirements of financial institutions, either by using the comprehensive credit facilities provided by financial institutions or by direct payment. Upon maturity, settlement may be made by principal delivery or net settlement.

The maximum contract value of outstanding contracts under the proposed financial derivatives transactions shall not exceed 100% of the Company's audited operating revenue for the most recent year at any time, and the maximum amount of transaction margin and premiums expected to be used shall not exceed 5% of the Company's audited net assets for the most recent year. The authorization shall be valid from the date on which the proposal is considered and approved at the AGM to the date on which the Company's 2026 annual general meeting is convened. During the authorization period, the transaction amount at any time, including the relevant amounts arising from reinvestment of proceeds from the foregoing transactions, shall not exceed the approved limit. Within the above limit, the funds may be used on a revolving basis. The Company will comply with the requirements under Chapter 14 and/or Chapter 14A of the Hong Kong Listing Rules as and when appropriate.

3. Source of Funds

The transaction amounts used for the above derivative financial products are for hedging business risks and shall not exceed 100% of the Company's audited operating revenue for the most recent year. The funds used by the Company for derivative financial product transactions are sourced from bank credit facilities and the Company's own funds, and this does not involve the Company's use of the net proceeds from its H Share offering.

This proposal was considered and approved at the Board meeting held on March 30, 2026 and is now submitted to the AGM for consideration and approval by way of an ordinary resolution.

(ix) Proposal regarding the Use of Idle Own Funds to Purchase Wealth Management Products

To improve the efficiency of fund utilization and make reasonable use of idle funds, while ensuring the Company's daily operations, fund safety and controllable risks, the Company proposes to use idle own funds to purchase low-risk wealth management products. Details are set out below:

1. Basic Information

(1) Investment Limit

The Company proposes to use idle own funds of not more than RMB39 billion to purchase low-risk wealth management products. The total amount at any time shall not exceed RMB39 billion. Within this limit, the funds may be used on a revolving basis.

(2) Investment Products

The Company will strictly control risks in accordance with relevant requirements, conduct rigorous assessments of wealth management products, and select principal-protected or low-risk wealth management products with relatively good liquidity and relatively good investment returns.

The Company's low-risk investments and wealth management mainly include bond investments, money market fund investments, entrusted wealth management, including wealth management products of financial institutions, trust products and asset management plans, and other products. The counterparties are financial institutions such as banks, trust companies, securities firms, fund companies and insurance companies, and no related-party relationship is involved. The Company will comply with the requirements under Chapter 14 and/or Chapter 14A of the Hong Kong Listing Rules as and when appropriate.

(3) Investment Term

The authorization shall be valid for 12 months from the date on which the proposal is considered and approved at the AGM.

(4) Source of Funds

The funds used by the Company for investment in low-risk wealth management products shall be the Company's idle own funds, and this does not involve the Company's use of the net proceeds from its H Share offering.

2. Impact on the Company

The Company's use of idle own funds to invest in short-term, low-risk wealth management products is implemented on the premise of ensuring the Company's daily operations and fund safety. It will not affect the Company's normal working capital needs for daily operations and will not affect the normal development of the Company's principal business.

This proposal was considered and approved at the Board meeting held on March 30, 2026 and is now submitted to the AGM for consideration and approval by way of an ordinary resolution.

(x) Proposal regarding the 2025 Work Reports of Independent Directors

In 2025, the Company's independent Directors strictly performed their duties in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and other laws and regulations, as well as the relevant provisions of the Articles of Association. They fully expressed independent opinions, voted in accordance with the law, and effectively promoted the standardized operation of the Company. They each prepared a 2025 Work Report of Independent Directors, covering four parts: basic information of the independent Directors, overview of annual performance of duties, key matters of concern in the annual performance of duties, and overall evaluation and recommendations. The 2025 Work Reports of Independent Directors of the Company are set out in Appendix I to this circular.

This proposal was considered and approved at the Board meeting held on March 30, 2026 and is now submitted to the AGM for consideration and approval by way of an ordinary resolution.

(xi) Proposal regarding the Shareholder Return Plan for the Next Three Years (2026–2028)

While committed to its own development, the Company attaches great importance to investment returns to shareholders, as well as the stability and continuity of such returns. To further optimize the dividend decision-making and supervision mechanisms, actively reward investors, and guide investors to establish a long-term and rational investment philosophy, the Company has formulated the Shareholder Return Plan for the Next Three Years (2026–2028) in accordance with the Guidelines No. 3 for the Supervision of Listed Companies – Cash Dividends of Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation and other relevant requirements. The plan is set out in Appendix II to this circular, and its principal contents are summarized as follows:

1. Specific Dividend Return Plan for the Next Three Years (2026–2028)

(1) Principles of Profit Distribution

The Company's profit distribution shall attach importance to providing reasonable investment returns to public shareholders. With sustainable development and the protection of shareholders' rights and interests as its objectives, the Company shall maintain the continuity and stability of its profit distribution policy.

(2) Forms of Profit Distribution

The Company may distribute profits in cash, in shares or in a combination of cash and shares. When the conditions for cash dividends are met, the Company shall give priority to profit distribution in cash.

(3) Interval of Profit Distribution

In accordance with the Company Law and other relevant laws and regulations, as well as the Articles of Association, the Company shall, in principle, distribute profits annually. It may also make interim profit distributions based on its actual profitability and capital requirements. Unless otherwise justified and approved by the Board, the interval between two cash dividend distributions shall, in principle, be no less than six months.

(4) Conditions for Cash Dividends

a. The Company is profitable during the annual reporting period and has positive accumulated undistributed profits.

b. The audit institution has issued a standard unqualified audit report on the Company's annual financial report.

c. Each year, the Company shall distribute dividends to Shareholders in a certain proportion of the distributable profit attributable to owners of the parent company as realized in the Company's consolidated financial statements for the year. The profit distributed in cash shall be no less than 5% of the distributable profit attributable to owners of the parent company as realized in the Company's consolidated financial statements for the year. The cumulative profit distributed in cash for the most recent three years shall be no less than 30% of the average annual distributable profit

realized for the most recent three years. The Company's profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue as a going concern.

(5) Conditions for Share Dividends

a. The Company is profitable during the annual reporting period and has positive accumulated undistributed profits.

b. The audit institution has issued a standard unqualified audit report on the Company's annual financial report.

c. Where the Board considers that the Company's share price is not commensurate with the size of the Company's share capital, and that the Company has genuine and reasonable factors such as growth potential and dilution of net assets per share, and has made necessary analysis or explanation of the reasonableness of such factors in publicly disclosed documents, and where the distribution of share dividends is in the overall interests of all Shareholders of the Company, the Board may, subject to satisfaction of the above conditions for cash dividends, propose a share dividend distribution plan to keep share capital expansion in step with growth in operating results.

2. Formulation Cycle of the Dividend Return Plan and Relevant Decision-making Mechanism

The Board shall review the dividend return plan at least once every three years in accordance with the profit distribution policy formulated by the general meeting. The Board shall determine the dividend return plan for the relevant period after taking into account the opinions of shareholders, especially public investors, and independent Directors, and shall ensure that the dividend return plan does not violate the relevant provisions of the profit distribution policy.

This proposal was considered and approved at the Board meeting held on March 30, 2026 and is now submitted to the AGM for consideration and approval by way of an ordinary resolution.

(xii) **Proposal regarding the Establishment of and Application for Issuance of Asset-backed Securities (ABS) by the Controlled Subsidiary SANY Financial Leasing Co., Ltd. and the Related-party Transaction**

Reference is made to the announcement of the Company dated March 30, 2026. The proposed establishment of and application for issuance of asset-backed securities was considered and approved at the Board meeting held on March 30, 2026. The relevant proposal will be proposed at the AGM for consideration and approval by way of an ordinary resolution.

The following sets out the contents of the relevant proposal regarding the establishment of and application for issuance of asset-backed securities:

Sany Financial Leasing, a controlled subsidiary of the Company, proposes to use finance lease receivables and their ancillary security interests arising in the course of its operations as the underlying assets to establish an asset-backed special plan. The shelf size of the special plan shall be not more than RMB9 billion, which may be issued in one or more tranches. The proposed asset-backed securities will be divided into senior asset-backed securities and subordinated asset-backed securities, and may be issued through a revolving issuance or non-revolving issuance model. The specific arrangements above shall be subject to the special plan actually established.

The principal terms of the special plan are as follows:

(1) Originator/Asset Servicing Institution: SANY Financial Leasing Co., Ltd.

(2) Liquidity Shortfall Payment Undertaking Provider: SANY Heavy Industry Co., Ltd.

(3) Underlying Assets: The rental claim rights and other rights under finance lease contracts, together with their ancillary security interests, that are transferred by Sany Financial Leasing, as originator, to the special plan on the establishment date of the special plan, that meet the eligibility criteria, and that were formed and are held by the originator in the course of its operations.

(4) Issuance Size: The proposed shelf filing amount is expected to be not more than RMB9 billion, including a filing amount of RMB1 billion for revolving asset-backed securities, to be issued in tranches within two years; the subordinated portion shall not be less than 5%.

(5) Issuance Interest Rate: The specific coupon rate shall be determined based on the guidance price and market conditions at the time of issuance.

(6) Credit Enhancement Measures: The Company shall assume the obligation to make up the shortfall if the funds in the special plan account are insufficient to pay the relevant taxes and expenses payable by the special plan, the expected returns on the senior asset-backed securities and the principal payable.

(7) Issuance Model: Depending on the different terms of the senior asset-backed securities corresponding to each tranche of the special plan, each tranche of the special plan may be issued using a revolving issuance model or a non-revolving issuance model at the asset-backed securities level.

SANY Group, the controlling shareholder of the Company, proposes to subscribe for all subordinated ABS under the proposed issuance of ABS, with an aggregate subscription amount of not more than RMB1 billion. As SANY Group is a controlling shareholder of the Company and, as at the Latest Practicable Date, held approximately 31.09% of the total issued Shares of the Company, SANY Group is a connected person. Accordingly, SANY Group, its associates and parties acting in concert shall abstain from voting on this proposal.

As of the Latest Practicable Date, the final transaction documents in relation to the establishment of the special plan and the proposed issuance of ABS had not been signed, and the terms and conditions of the special plan and the proposed issuance of ABS had not been finalized. The Company will comply with the requirements under Chapter 14 and/or Chapter 14A of the Hong Kong Listing Rules as and when appropriate.

(xiii) Proposal regarding the Amendments to the Management System Relating to Remuneration of Directors and Senior Management

To further improve the Company's corporate governance structure and enhance its management standards, and in accordance with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies and other relevant laws, regulations and regulatory documents, the Company has reviewed its relevant governance policies. Taking into account the Company's actual circumstances, the Company proposes to formulate the Management System Relating to Remuneration of Directors and Senior Management. Details of the amendments to the Management System Relating to Remuneration of Directors and Senior Management are set out in Appendix III to this circular.

This proposal was considered and approved by the Board on April 29, 2026 and is now submitted to the AGM for consideration and approval by way of an ordinary resolution.

I. AGM ARRANGEMENT

The AGM will be held at 10:00 a.m. on Tuesday, June 2, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC, and the notice of the AGM is set out on pages 66 to 67 of this circular.

The register of members of H Shares will be closed from May 28, 2026 to June 2, 2026 (both days inclusive), during which period no share transfers of H Shares will be effected. Holders of Shares whose names appear on the register of members of H Shares of the Company on June 2, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the AGM. In order to attend the AGM, holders of H Shares should ensure that all transfer documents, accompanied by relevant share certificates, are lodged with the H Share Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on May 27, 2026. The record date for determining the entitlement to attend and vote at the AGM will be June 2, 2026.

The form of proxy for the AGM has been distributed to the Shareholders who have indicated their wishes to receive a printed copy on May 11, 2026 and has also been published on the HKEXnews website of the Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.sany.com.cn).

To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the H Share Registrar not less than 24 hours before the time appointed for the AGM (i.e. before 10:00 a.m. on Monday, June 1, 2026). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

II. HONG KONG LISTING RULES REQUIREMENT

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, voting for all resolutions at the AGM will be taken by way of a poll.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, no Shareholder has a material interest in any of the above resolutions and therefore no Shareholder is required to abstain from voting in respect of the above resolutions at the AGM.

III. RESPONSIBILITY STATEMENT

The Board considers that the resolutions mentioned above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board of Directors recommends that all Shareholders to vote in favour of the relevant resolutions at the AGM as set out in the notice of AGM as attached to this circular.

Yours faithfully,
By order of the Board
SANY Heavy Industry Co., Ltd.
XIANG Wenbo
Executive Director and
Chairman of the Board

I. WU ZHONGXIN, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As an independent Director of the Company, I performed my duties in 2025 in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and other laws and regulations, as well as the relevant provisions of the Articles of Association. I fully expressed independent opinions, voted in accordance with the law, and effectively promoted the standardized operation of the Company. I hereby report on the performance of my duties as an independent Director as follows:

(i) Basic Information

WU Zhongxin, male, born in August 1966, is China's first postdoctoral fellow in finance, an expert entitled to the special government allowance of the State Council, a second-grade professor of the School of Management of Hainan University, and a doctoral supervisor at Hainan University, Hunan University and Xiangtan University. He formerly served as president of Hunan University of Finance and Economics, dean of the College of Accounting of Hunan University, head of the Department of Finance and Accounting of Hunan College of Finance and Economics, assistant to the director of the Department of Finance of Hunan Province, member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference, member of the Standing Committee of the 10th Hunan Provincial People's Congress, member of the 10th All-China Youth Federation, member of the Central Committee of the China Zhi Gong Party, deputy chairman of the Hunan Provincial Committee of the China Zhi Gong Party, and chairman of the Hunan Youth Social Sciences Working Committee. He currently serves as chairman of the Hunan Finance Society, vice chairman of the Hunan Accounting Society, standing council member of the Accounting Society of China, deputy director of the Accounting Basic Theory Professional Committee, vice chairman of the Accounting Society for Business of China, co-chairman of the Annual Conference of China Finance, "Accounting Master" of the Ministry of Finance, "Senior Chinese Certified Public Accountant" of the Ministry of Finance, evaluation expert for the "Accounting Masters" of the Ministry of Finance, chairman of the Institute of Accounting for China-foreign Cultural Exchange of the Ministry of Education, vice chairman of the International Management Accounting Education Alliance, and financial and accounting expert for Shenzhen's "Pilot Demonstration Zone" development. He has served as an independent Director of the Company since April 25, 2022.

As an independent Director of the Company, I met the qualification requirements and independence requirements for independent directors under the Company Law, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the

Shanghai Stock Exchange – Standardized Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations. I possessed the required competence, and there were no circumstances affecting my independence.

(ii) Annual Performance of Duties

1. Attendance at Board meetings and Shareholders' meetings

In 2025, the Company held a total of 10 Board meetings and 6 Shareholders' meetings. I attended Board meetings in strict compliance with the relevant requirements. After fully understanding the proposals, I carefully considered the relevant proposals, prudently expressed independent opinions, and exercised voting rights with a scientific and rigorous attitude. I voted in favor of all proposals at Board meetings, and did not vote against or abstain from voting on any proposal.

Number of Board meetings required to attend during the reporting period	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of Board meetings absent from	Number of Shareholders' meetings attended
10	10	0	0	0

2. Participation in Board special committees and special meetings of independent Directors

(1) Participation in meetings of Board special committees

I served as a member of the Audit Committee, Remuneration and Appraisal Committee, and Strategy Committee of the Board, and as chairman of the Audit Committee. I voted in favor of all proposals at the meetings of the special committees, and did not vote against or abstain from voting on any proposal.

Type of special committee	Number of meetings required to attend	Number of meetings attended in person
Audit Committee	5	5
Remuneration and Appraisal Committee	3	3
Strategy Committee	1	1

a. Attendance at meetings of the Audit Committee during the reporting period

Date of meeting	Meeting	Matters considered
April 3, 2025	First meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the appointment of audit institutions for the Company's H Share issuance and listing.
April 17, 2025	Second meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2024 annual report and its summary; 2. The 2024 profit distribution plan; 3. The 2024 financial final accounts report; 4. The proposal regarding the re-appointment of accounting firms for 2025; 5. The 2024 internal control evaluation report.
April 28, 2025	First meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 first quarterly report.

Date of meeting	Meeting	Matters considered
August 21, 2025	Second meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 interim report and its summary; 2. The 2025 interim profit distribution plan.
October 30, 2025	Third meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 third quarterly report.

b. Attendance at meetings of the Remuneration and Appraisal Committee during the reporting period

Date of meeting	Meeting	Major opinions and recommendations
April 3, 2025	First meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 employee share ownership plan (draft) and its summary.

Date of meeting	Meeting	Major opinions and recommendations
April 17, 2025	Second meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the assessment of remuneration of directors, supervisors and senior management for 2024; 2. The proposal regarding the repurchase and cancellation of certain restricted shares.
December 5, 2025	First meeting of the Remuneration and Appraisal Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The management system relating to remuneration of directors and senior management.

c. Attendance at meetings of the Strategy Committee during the reporting period

Date of meeting	Meeting	Major opinions and recommendations
April 26, 2025	First meeting of the Strategy Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2024 work report of the Board.

(2) Participation in special meetings of independent Directors

In accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Company's Working System for Independent Directors, and taking into account the actual circumstances of the Company, during the reporting period, I attended three special meetings of independent Directors and expressed opinions, at which proposals including the Proposal regarding the Estimated Daily Related-party Transactions for 2025, the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026 were considered.

3. Exercise of powers as an independent Director

During the reporting period, I actively participated in meetings of the Board and special committees, carefully reviewed relevant materials, fully understood relevant information, leveraged my professional strengths, performed my duties diligently, and exercised the powers of an independent Director in accordance with the law. I made independent and objective judgments on major matters such as the Company's overseas issuance of H Shares, re-appointment of accounting firms, related-party transactions, profit distribution, employee share ownership plan, and assessment of remuneration of Directors and senior management, and prudently and objectively expressed relevant opinions. I provided professional and objective recommendations on the Company's operation and development, promoted Board decisions that were in the overall interests of the Company, and protected the interests of minority Shareholders. During the reporting period, there were no circumstances in which I exercised special powers as an independent Director.

4. Communication with the internal audit department and accounting firms

As a member of the Audit Committee of the Board, during the reporting period, I carefully supervised and evaluated the work of the Company's internal audit department and the accounting firms responsible for the Company's audit work.

In accordance with the requirements of the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, I supervised the internal audit department in conducting special inspections on the implementation of major matters, including the provision of guarantees by the Company to its subsidiaries, daily related-party transactions, wealth management of the Company, external investments and large fund transactions, and gained an in-depth understanding of the establishment and implementation of the Company's internal control system.

I participated in two audit communication meetings with the annual audit accounting firm. In respect of the audit of the Company's annual financial statements and internal control audit, I communicated in advance on matters such as audit scope, audit methods and timetable, and urged the accounting firm to act honestly, in good faith and diligently, strictly comply with professional rules and industry self-regulatory standards, and prudently express professional opinions. I listened to the accounting firm's report on the preliminary results of the annual report audit and internal control audit, and paid attention to major audit adjustments, key audit matters, important matters identified during the audit process, and general deficiencies in internal control identified.

5. Communication with minority Shareholders

During the reporting period, I proactively strengthened communication with minority Shareholders, participated in activities such as investors' visits to listed companies, conducted face-to-face communication with minority Shareholders, and actively listened to their opinions and recommendations.

6. On-site work at the Company

During the reporting period, I conducted two on-site inspections of the Company. Through attending meetings and on-site exchanges, I listened to reports on the Company's operation and management, corporate governance, information disclosure, internal control, compliance and risk management, financial management, progress of major matters such as the overseas issuance of H Shares, and other matters. My cumulative on-site working time reached 15 working days. I fully communicated with the Company's Directors, senior management and the annual audit accounting firm on the Company's daily production and annual report audit, kept abreast of the progress of the Company's major matters, obtained the materials required for decision-making, understood and grasped the Company's business development, operation and management, and effectively performed my duties as an independent Director.

7. Cooperation by the Company

During the reporting period, the Company's Directors, senior management and staff of departments including finance, securities and business maintained continuous and effective communication with me, enabling me to keep abreast of the Company's operating dynamics. They also provided convenient conditions for my on-site research and inspection and access to required materials, and actively and effectively cooperated with my work as an independent Director.

(iii) Key Matters of Concern in the Annual Performance of Duties by Independent Directors

During the reporting period, I focused on and reviewed matters including the Company's related-party transactions, remuneration of senior management, and re-appointment of accounting firms.

1. Related-party transactions required to be disclosed

In 2025, as an independent Director, I considered and approved four related-party transaction proposals, namely the Proposal regarding the Estimated Daily Related-party Transactions for 2025, the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026. I was of the view that the Company's daily related-party transactions for 2025 and the estimated amount of daily related-party transactions for 2026 were required for production and operation. The prices of the above related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders. In addition, the Company's conduct of deposit business with related party Hunan Sanxiang Bank Co., Ltd. represented the Company's normal deposit of funds with a banking financial institution. The pricing of the related-party transaction was fair, and there was no prejudice to the interests of the Company and minority Shareholders. The Company's cooperation with related parties that have good cooperative relationships and quality assurance enables the Company to make full use of their resources and advantages to serve the Company, which is conducive to safeguarding the Company's production and operation and product quality, and reducing procurement and logistics costs. The prices of the related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders.

2. Performance of undertakings by the Company and Shareholders

During the reporting period, I actively paid attention to the performance of undertakings by the Company and Shareholders and protected the legitimate rights and interests of minority Shareholders from infringement. I did not identify any breach of relevant undertakings by the Company or Shareholders, nor was there any change to or waiver of undertakings.

3. Selection and appointment of Directors and senior management and their remuneration

During the reporting period, I reviewed the appointment of Directors and senior management of the Company and the implementation of their remuneration. The appointment procedures for the Company's Directors and senior management were lawful, and the remuneration was in compliance with the management requirements under the Company's performance appraisal and remuneration systems.

4. Re-appointment of accounting firms

Ernst & Young Hua Ming LLP and Ernst & Young (collectively, "**EY**"), as the Company's domestic and overseas financial and internal control audit institutions, completed the Company's annual audit work with a rigorous working attitude and issued the audit reports on schedule, fully performing the responsibilities and obligations of audit institutions. In performing the Company's audit for 2025, EY followed the principles of independence, objectivity and impartiality, and had the corresponding professional competence and diligence. The review procedures for the Company's appointment of the audit institutions were lawful and compliant, in compliance with the Articles of Association of the Company and relevant laws and regulations, and there was no prejudice to the interests of the Company and Shareholders.

5. Disclosure of financial information in financial accounting reports and periodic reports

During the reporting period, the Company prepared and disclosed its 2024 Annual Report, 2025 First Quarterly Report, 2025 Interim Report and 2025 Third Quarterly Report on time in strict accordance with the requirements of the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies and other relevant laws, regulations and normative documents. The Company disclosed financial data and important matters for the corresponding reporting periods in a timely and accurate manner, and fully presented its operating conditions to investors. The above reports were considered and approved by the Audit Committee and the Board of the Company, and the Directors and senior management of the Company signed written confirmations on the Company's periodic reports.

6. Implementation of internal control

The Company has established internal control systems for the businesses and entities included in the scope of evaluation in accordance with the Basic Standards for Enterprise Internal Control, the Application Guidelines and Evaluation Guidelines for Enterprise Internal Control and other relevant laws and regulations. The internal control systems are standardized, complete, reasonable and effective,

and there are no material deficiencies. The Company's internal control system and relevant systems are able to meet the requirements of the Company's management and development needs, and provide assurance for the healthy operation of the Company's businesses and the control of its operating risks.

(iv) Overall Evaluation

In 2025, as an independent Director of the Company, I strictly complied with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, as well as the Articles of Association and the Working System for Independent Directors. Adhering to the principles of objectivity, fairness and independence, I effectively performed my duties, participated in decision-making on major matters of the Company, acted diligently and responsibly, fully played the role of an independent Director, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of the Company's Shareholders, especially minority Shareholders.

In 2026, I will continue to act with integrity and diligence, strictly perform the duties of an independent Director in accordance with the relevant laws and regulations and the provisions and requirements of the Articles of Association, actively provide advice and recommendations for the development of the Company, fully play the role of an independent Director, promote the continuous improvement of the Company's corporate governance and standardized operation, and effectively safeguard the legitimate rights and interests of all Shareholders, especially minority Shareholders.

II. XI QING, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As an independent Director of the Company, I performed my duties in 2025 in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and other laws and regulations, as well as the relevant provisions of the Articles of Association. I fully expressed independent opinions, voted in accordance with the law, and effectively promoted the standardized operation of the Company. I hereby report on the performance of my duties as an independent Director as follows:

(i) Basic Information

XI Qing, female, Mongolian ethnicity, born in 1983, a member of the Communist Party of China, chief reporter of Xinhua News Agency, and holder of dual master's degrees in philosophy and management. She currently serves as executive president of Xinhuanet Client and senior researcher of the China Enterprise Reform and Development Society. Ms. XI worked at Xinhua News Agency for over ten years in news editing and mobile media management, during which she conducted exclusive interviews with more than one hundred individuals, including state leaders, Nobel Prize-winning scientists,

academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, and business leaders, and planned and produced more than 700 episodes of finance and economics feature programs. She was named an Outstanding Journalist in 2012, received the Xinhuanet Annual Individual Special Contribution Award in 2018, and received the Xinhua News Agency Annual Individual Outstanding Contribution Award in 2020. In March 2021, she was fully responsible for the content review and distribution work of nearly one hundred sessions of the China Development Forum. In January 2023, she served as a member of the National Expert Committee on Supervision of Off-campus Education and Training under the Ministry of Education. She has served as an independent Director of the Company since April 25, 2022.

As an independent Director of the Company, I met the qualification requirements and independence requirements for independent directors under the Company Law, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations. I possessed the required competence, and there were no circumstances affecting my independence.

(ii) Annual Performance of Duties

1. Attendance at Board meetings and Shareholders' meetings

In 2025, the Company held a total of 10 Board meetings and 6 Shareholders' meetings. I attended Board meetings in strict compliance with the relevant requirements. After fully understanding the proposals, I carefully considered the relevant proposals, prudently expressed independent opinions, and exercised voting rights with a scientific and rigorous attitude. I voted in favor of all proposals at Board meetings, and did not vote against or abstain from voting on any proposal.

Number of Board meetings required to attend during the reporting period	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of Board meetings absent from	Number of Shareholders' meetings attended
10	10	0	0	0

2. Participation in Board special committees and special meetings of independent Directors

(1) Participation in meetings of Board special committees

I served as a member of the Audit Committee, Nomination Committee, Remuneration and Appraisal Committee, and Sustainable Development Committee of the Board, and as chairman of the Nomination Committee. I voted in favor of all proposals at the meetings of the special committees, and did not vote against or abstain from voting on any proposal.

Type of special committee	Number of meetings required to attend	Number of meetings attended in person
Audit Committee	5	5
Nomination Committee	2	2
Remuneration and Appraisal Committee	3	3
Sustainable Development Committee	1	1

a. Attendance at meetings of the Audit Committee during the reporting period

Date of meeting	Meeting	Matters considered
April 3, 2025	First meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the appointment of audit institutions for the Company's H Share issuance and listing.

Date of meeting	Meeting	Matters considered
April 17, 2025	Second meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2024 annual report and its summary; 2. The 2024 profit distribution plan; 3. The 2024 financial final accounts report; 4. The proposal regarding the re-appointment of accounting firms for 2025; 5. The 2024 internal control evaluation report.
April 28, 2025	First meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 first quarterly report.
August 21, 2025	Second meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 interim report and its summary; 2. The 2025 interim profit distribution plan.
October 30, 2025	Third meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 third quarterly report.

b. Attendance at meetings of the Nomination Committee during the reporting period

Date of meeting	Meeting	Major opinions and recommendations
January 4, 2025	First meeting of the Nomination Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the appointment of the secretary to the Board of the Company.
April 4, 2025	Second meeting of the Nomination Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the election of non-independent directors of the ninth session of the Board of Directors upon re-election of the Board of the Company; 2. The proposal regarding the election of independent directors of the ninth session of the Board of Directors upon re-election of the Board of the Company.

c. Attendance at meetings of the Remuneration and Appraisal Committee during the reporting period

Date of meeting	Meeting	Major opinions and recommendations
April 3, 2025	First meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 employee share ownership plan (draft) and its summary.
April 17, 2025	Second meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the assessment of remuneration of directors, supervisors and senior management for 2024; 2. The proposal regarding the repurchase and cancellation of certain restricted shares.
December 5, 2025	First meeting of the Remuneration and Appraisal Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The management system relating to remuneration of directors and senior management.

d. Attendance at meetings of the Sustainable Development Committee during the reporting period

Date of meeting	Meeting	Major opinions and recommendations
April 16, 2025	First meeting of the Sustainable Development Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2024 sustainable development report.

(2) Participation in special meetings of independent Directors

In accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Company's Working System for Independent Directors, and taking into account the actual circumstances of the Company, during the reporting period, I attended three special meetings of independent Directors and expressed opinions, at which proposals including the Proposal regarding the Estimated Daily Related-party Transactions for 2025, the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026 were considered.

3. Exercise of powers as an independent Director

During the reporting period, I actively participated in meetings of the Board and special committees, carefully reviewed relevant materials, fully understood relevant information, leveraged my professional strengths, performed my duties diligently, and exercised the powers of an independent Director in accordance with the law. I made independent and objective judgments on major matters such as the Company's overseas issuance of H Shares, re-appointment of accounting firms, related-party transactions, profit distribution, employee share ownership plan, and assessment of remuneration of Directors and senior management, and prudently and objectively expressed relevant opinions. I provided professional and objective recommendations on the Company's operation and development, promoted Board decisions that were in the overall interests of the Company, and protected the interests of minority Shareholders. During the reporting period, there were no circumstances in which I exercised special powers as an independent Director.

4. Communication with the internal audit department and accounting firms

As a member of the Audit Committee of the Board, during the reporting period, I carefully supervised and evaluated the work of the Company's internal audit department and the accounting firms responsible for the Company's audit work.

In accordance with the requirements of the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, I supervised the internal audit department in conducting special inspections on the implementation of major matters, including the provision of guarantees by the Company to its subsidiaries, daily related-party transactions, wealth management of the Company, external investments and large fund transactions, and gained an in-depth understanding of the establishment and implementation of the Company's internal control system.

I participated in two audit communication meetings with the annual audit accounting firm. In respect of the audit of the Company's annual financial statements and internal control audit, I communicated in advance on matters such as audit scope, audit methods and timetable, and urged the accounting firm to act honestly, in good faith and diligently, strictly comply with professional rules and industry self-regulatory standards, and prudently express professional opinions. I listened to the accounting firm's report on the preliminary results of the annual report audit and internal control audit, and paid attention to major audit adjustments, key audit matters, important matters identified during the audit process, and general deficiencies in internal control identified.

5. Communication with minority Shareholders

During the reporting period, I proactively strengthened communication with minority Shareholders, participated in activities such as investors' visits to listed companies, conducted face-to-face communication with minority Shareholders, and actively listened to their opinions and recommendations.

6. On-site work at the Company

During the reporting period, I conducted two on-site inspections of the Company. Through attending meetings and on-site exchanges, I listened to reports on the Company's operation and management, corporate governance, information disclosure, internal control, compliance and risk management, financial management, progress of major matters such as the overseas issuance of H Shares, and other matters. My cumulative on-site working time reached 15 working days. I fully communicated with the Company's Directors, senior management and the annual audit accounting firm on the Company's daily production and annual report audit, kept abreast of the progress of the Company's major matters, obtained the

materials required for decision-making, understood and grasped the Company's business development, operation and management, and effectively performed my duties as an independent Director.

7. Cooperation by the Company

During the reporting period, the Company's Directors, senior management and staff of departments including finance, securities and business maintained continuous and effective communication with me, enabling me to keep abreast of the Company's operating dynamics. They also provided convenient conditions for my on-site research and inspection and access to required materials, and actively and effectively cooperated with my work as an independent Director.

(iii) Key Matters of Concern in the Annual Performance of Duties by Independent Directors

During the reporting period, I focused on and reviewed matters including the Company's related-party transactions, remuneration of senior management, and re-appointment of accounting firms.

1. Related-party transactions required to be disclosed

In 2025, as an independent Director, I considered and approved four related-party transaction proposals, namely the Proposal regarding the Estimated Daily Related-party Transactions for 2025, the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026. I was of the view that the Company's daily related-party transactions for 2025 and the estimated amount of daily related-party transactions for 2026 were required for production and operation. The prices of the above related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders. In addition, the Company's conduct of deposit business with related party Hunan Sanxiang Bank Co., Ltd. represented the Company's normal deposit of funds with a banking financial institution. The pricing of the related-party transaction was fair, and there was no prejudice to the interests of the Company and minority Shareholders. The Company's cooperation with related parties that have good cooperative relationships and quality assurance enables the Company to make full use of their resources and advantages to serve the Company, which is conducive to safeguarding the Company's production and operation and product quality, and reducing procurement and logistics costs. The prices of the related-party transactions were determined through negotiation with reference to market pricing,

and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders.

2. Performance of undertakings by the Company and Shareholders

During the reporting period, I actively paid attention to the performance of undertakings by the Company and Shareholders and protected the legitimate rights and interests of minority Shareholders from infringement. I did not identify any breach of relevant undertakings by the Company or Shareholders, nor was there any change to or waiver of undertakings.

3. Selection and appointment of Directors and senior management and their remuneration

During the reporting period, I reviewed the appointment of Directors and senior management of the Company and the implementation of their remuneration. The appointment procedures for the Company's Directors and senior management were lawful, and the remuneration was in compliance with the management requirements under the Company's performance appraisal and remuneration systems.

4. Re-appointment of accounting firms

EY as the Company's domestic and overseas financial and internal control audit institutions, completed the Company's annual audit work with a rigorous working attitude and issued the audit reports on schedule, fully performing the responsibilities and obligations of audit institutions. In performing the Company's audit for 2025, EY followed the principles of independence, objectivity and impartiality, and had the corresponding professional competence and diligence. The review procedures for the Company's appointment of the audit institutions were lawful and compliant, in compliance with the Articles of Association of the Company and relevant laws and regulations, and there was no prejudice to the interests of the Company and Shareholders.

5. Disclosure of financial information in financial accounting reports and periodic reports

During the reporting period, the Company prepared and disclosed its 2024 Annual Report, 2025 First Quarterly Report, 2025 Interim Report and 2025 Third Quarterly Report on time in strict accordance with the requirements of the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies and other relevant laws, regulations and normative documents. The Company disclosed financial data and important matters for the

corresponding reporting periods in a timely and accurate manner, and fully presented its operating conditions to investors. The above reports were considered and approved by the Audit Committee and the Board of the Company, and the Directors and senior management of the Company signed written confirmations on the Company's periodic reports.

6. Implementation of internal control

The Company has established internal control systems for the businesses and entities included in the scope of evaluation in accordance with the Basic Standards for Enterprise Internal Control, the Application Guidelines and Evaluation Guidelines for Enterprise Internal Control and other relevant laws and regulations. The internal control systems are complete, standardized, reasonable and effective, and there are no material deficiencies. The Company's internal control system and relevant systems are able to meet the requirements of the Company's management and development needs, and provide assurance for the healthy operation of the Company's businesses and the control of its operating risks.

(iv) Overall Evaluation

In 2025, as an independent Director of the Company, I strictly complied with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, as well as the Articles of Association and the Working System for Independent Directors. Adhering to the principles of objectivity, fairness and independence, I effectively performed my duties, participated in decision-making on major matters of the Company, acted diligently and responsibly, fully played the role of an independent Director, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of the Company's Shareholders, especially minority Shareholders.

In 2026, I will continue to act with integrity and diligence, strictly perform the duties of an independent Director in accordance with the relevant laws and regulations and the provisions and requirements of the Articles of Association, actively provide advice and recommendations for the development of the Company, fully play the role of an independent Director, promote the continuous improvement of the Company's corporate governance and standardized operation, and effectively safeguard the legitimate rights and interests of all Shareholders, especially minority Shareholders.

III. LAM YUK KUN LAWRENCE, AN INDEPENDENT NON-EXECUTIVE DIRECTOR

As an independent Director of the Company, I performed my duties in 2025 in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and other laws and regulations, as well as the relevant provisions of the Articles of Association. I fully expressed independent opinions, voted in accordance with the law, and effectively promoted the standardized operation of the Company. I hereby report on the performance of my duties as an independent Director during my term of office in 2025 as follows:

(i) Basic Information

LAM Yuk Kun Lawrence, male, born in August 1958, graduated with a bachelor's degree in arts from the University of Toronto in Canada in 1981 and a master's degree in economics from the University of Windsor in Canada in 1982. From 1983 to 1990, he served as vice president and head of money market trading of the Hong Kong branch of Chase Manhattan Bank, N.A.; from 1990 to 1994, he served as vice president and head of capital and money market trading of the Hong Kong branch of Citibank, N.A.; from 1994 to 1995, he served as executive director of Carr Indosuez Asia, and head of equity, interest rate and currency derivatives; from 1995 to 2012, he served as chairman of Greater China of The Royal Bank of Scotland; from 2013 to 2019, he served as senior advisor for Greater China of National Australia Bank; and from January 2017 to February 2023, he served as an independent director of Hunan Sanxiang Bank Co., Ltd. He has served as an independent Director of the Company since April 21, 2025.

Mr. LAM was formerly a member of the Risk Management Committee of Hong Kong Exchanges and Clearing Limited, a member of the board of directors of The Hong Kong Mortgage Corporation Limited, a member of the Executive Board of the Treasury Markets Association, a non-official member of the Financial Infrastructure Sub-Committee under the Exchange Fund Advisory Committee of Hong Kong, and chairman of the Leveraged Foreign Exchange Trading (LFET) Arbitration Committee.

As an independent Director of the Company, I met the qualification requirements and independence requirements for independent directors under the Company Law, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations. I possessed the required competence, and there were no circumstances affecting my independence.

(ii) Annual Performance of Duties

1. Attendance at Board meetings and Shareholders' meetings

In 2025, the Company held a total of 10 Board meetings and 6 Shareholders' meetings. During my term of office in 2025, I attended Board meetings in strict compliance with the relevant requirements. After fully understanding the proposals, I carefully considered the relevant proposals, prudently expressed independent opinions, and exercised voting rights with a scientific and rigorous attitude. I voted in favor of all proposals at Board meetings, and did not vote against or abstain from voting on any proposal.

Number of Board meetings required to attend during the reporting period	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of Board meetings absent from	Number of Shareholders' meetings attended
7	7	0	0	0

2. Participation in Board special committees and special meetings of independent Directors

(1) Participation in meetings of Board special committees

I served as a member of the Audit Committee, Nomination Committee and Remuneration and Appraisal Committee of the Board, and as chairman of the Remuneration and Appraisal Committee. I voted in favor of all proposals at the meetings of the special committees, and did not vote against or abstain from voting on any proposal.

Type of special committee	Number of meetings required to attend	Number of meetings attended in person
Audit Committee	3	3
Nomination Committee	0	0
Remuneration and Appraisal Committee	1	1

a. Attendance at meetings of the Audit Committee during the reporting period

Date of meeting	Meeting	Matters considered
April 28, 2025	First meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 first quarterly report.
August 21, 2025	Second meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 interim report and its summary; 2. The 2025 interim profit distribution plan.
October 30, 2025	Third meeting of the Audit Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 third quarterly report.

b. Attendance at meetings of the Remuneration and Appraisal Committee during the reporting period

Date of meeting	Meeting	Matters considered
December 5, 2025	First meeting of the Remuneration and Appraisal Committee of the ninth session of the Board of Directors for 2025	Considered and approved: 1. The management system relating to remuneration of directors and senior management.

(2) Participation in special meetings of independent Directors

In accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Company's Working System for Independent Directors, and taking into account the actual circumstances of the Company, during the reporting period, I attended two special meetings of independent Directors and expressed opinions, at which the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026 were considered.

3. Exercise of powers as an independent Director

During the reporting period, I actively participated in meetings of the Board and special committees, carefully reviewed relevant materials, fully understood relevant information, leveraged my professional strengths, performed my duties diligently, and exercised the powers of an independent Director in accordance with the law. I made independent and objective judgments on major matters such as the Company's overseas issuance of H Shares, related-party transactions and profit distribution, and prudently and objectively expressed relevant opinions. I provided professional and objective recommendations on the Company's operation and development, promoted Board decisions that were in the overall interests of the Company, and protected the interests of minority Shareholders. During the reporting period, there were no circumstances in which I exercised special powers as an independent Director.

4. Communication with the internal audit department and accounting firms

As a member of the Audit Committee of the Board, during the reporting period, I carefully supervised and evaluated the work of the Company's internal audit department and the accounting firms responsible for the Company's audit work.

In accordance with the requirements of the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, I supervised the internal audit department in conducting special inspections on the implementation of major matters, including the provision of guarantees by the Company to its subsidiaries, daily related-party transactions, wealth management of the Company, external investments and large fund transactions, and gained an in-depth understanding of the establishment and implementation of the Company's internal control system.

I participated in one audit communication meeting with the annual audit accounting firm. In respect of the audit of the Company's annual financial statements and internal control audit, I communicated in advance on matters such as

audit scope, audit methods and timetable, and urged the accounting firm to act honestly, in good faith and diligently, strictly comply with professional rules and industry self-regulatory standards, and prudently express professional opinions. I listened to the accounting firm's report on the preliminary results of the annual report audit and internal control audit, and paid attention to major audit adjustments, key audit matters, important matters identified during the audit process, and general deficiencies in internal control identified.

5. Communication with minority Shareholders

During the reporting period, I proactively strengthened communication with minority Shareholders, participated in activities such as investors' visits to listed companies, conducted face-to-face communication with minority Shareholders, and actively listened to their opinions and recommendations.

6. On-site work at the Company

During the reporting period, I conducted two on-site inspections of the Company. Through attending meetings and on-site exchanges, I listened to reports on the Company's operation and management, corporate governance, information disclosure, internal control, compliance and risk management, financial management, progress of major matters such as the overseas issuance of H Shares, and other matters. My cumulative on-site working time reached 15 working days. I fully communicated with the Company's Directors, senior management and the annual audit accounting firm on the Company's daily production and annual report audit, kept abreast of the progress of the Company's major matters, obtained the materials required for decision-making, understood and grasped the Company's business development, operation and management, and effectively performed my duties as an independent Director.

7. Cooperation by the Company

During the reporting period, the Company's Directors, senior management and staff of departments including finance, securities and business maintained continuous and effective communication with me, enabling me to keep abreast of the Company's operating dynamics. They also provided convenient conditions for my on-site research and inspection and access to required materials, and actively and effectively cooperated with my work as an independent Director.

(iii) Key Matters of Concern in the Annual Performance of Duties by Independent Directors

During the reporting period, I focused on and reviewed matters including the Company's related-party transactions, remuneration of senior management, and re-appointment of accounting firms.

1. Related-party transactions required to be disclosed

In 2025, as an independent Director, I considered and approved three related-party transaction proposals, namely the Proposal regarding the Increase in the Estimated Amount of Daily Related-party Transactions for 2025, the Proposal regarding Conducting Deposit Business with a Related Bank, and the Proposal regarding the Estimated Daily Related-party Transactions for 2026. I was of the view that the additional estimated amount of the Company's daily related-party transactions for 2025 and the estimated amount of daily related-party transactions for 2026 were required for production and operation. The prices of the above related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders. In addition, the Company's conduct of deposit business with related party Hunan Sanxiang Bank Co., Ltd. represented the Company's normal deposit of funds with a banking financial institution. The pricing of the related-party transaction was fair, and there was no prejudice to the interests of the Company and minority Shareholders. The Company's cooperation with related parties that have good cooperative relationships and quality assurance enables the Company to make full use of their resources and advantages to serve the Company, which is conducive to safeguarding the Company's production and operation and product quality, and reducing procurement and logistics costs. The prices of the related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders.

2. Performance of undertakings by the Company and Shareholders

During the reporting period, I actively paid attention to the performance of undertakings by the Company and Shareholders and protected the legitimate rights and interests of minority Shareholders from infringement. I did not identify any breach of relevant undertakings by the Company or Shareholders, nor was there any change to or waiver of undertakings.

3. Selection and appointment of Directors and senior management and their remuneration

During the reporting period, I reviewed the appointment of Directors and senior management of the Company and the implementation of their remuneration. The appointment procedures for the Company's Directors and senior management were lawful, and the remuneration was in compliance with the management requirements under the Company's performance appraisal and remuneration systems.

4. Re-appointment of accounting firms

Prior to my appointment, the Company convened the twenty-fifth meeting and the twenty-sixth meeting of the eighth session of the Board of Directors, at which the appointment of EY as the Company's domestic and overseas financial and internal control audit institutions was considered and approved, respectively. The above matters were considered and approved at the Company's second extraordinary general meeting for 2025 and the 2024 annual general meeting.

After my appointment as an independent Director, I paid attention to the compliance and implementation of this matter, and gained an understanding of the progress, communication mechanism and professional performance of EY's audit work through the continuous performance of duties by the Audit Committee.

Based on my observations and communications during the reporting period, I was of the view that EY completed the Company's annual audit work with a rigorous working attitude and issued the audit report on schedule, fully performing the responsibilities and obligations of an audit institution. In performing the Company's audit for 2025, EY followed the principles of independence, objectivity and impartiality, and had the corresponding professional competence and diligence. The review procedures for the Company's appointment of the audit institution were lawful and compliant, in compliance with the Articles of Association of the Company and relevant laws and regulations, and there was no prejudice to the interests of the Company and Shareholders.

5. Disclosure of financial information in financial accounting reports and periodic reports

During the reporting period, the Company prepared and disclosed its 2025 First Quarterly Report, 2025 Interim Report and 2025 Third Quarterly Report on time in strict accordance with the requirements of the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies and other relevant laws, regulations and normative documents. The Company disclosed financial data and important matters for the corresponding reporting periods in a timely and accurate manner, and fully presented its operating conditions

to investors. The above reports were considered and approved by the Audit Committee and the Board of the Company, and the Directors and senior management of the Company signed written confirmations on the Company's periodic reports.

6. Implementation of internal control

The Company has established internal control systems for the businesses and entities included in the scope of evaluation in accordance with the Basic Standards for Enterprise Internal Control, the Application Guidelines and Evaluation Guidelines for Enterprise Internal Control and other relevant laws and regulations. The internal control systems are complete, standardized, reasonable and effective, and there are no material deficiencies. The Company's internal control system and relevant systems are able to meet the requirements of the Company's management and development needs, and provide assurance for the healthy operation of the Company's businesses and the control of its operating risks.

(iv) Overall Evaluation

In 2025, as an independent Director of the Company, I strictly complied with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, as well as the Articles of Association and the Working System for Independent Directors. Adhering to the principles of objectivity, fairness and independence, I effectively performed my duties, participated in decision-making on major matters of the Company, acted diligently and responsibly, fully played the role of an independent Director, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of the Company's Shareholders, especially minority Shareholders.

In 2026, I will continue to act with integrity and diligence, strictly perform the duties of an independent Director in accordance with the relevant laws and regulations and the provisions and requirements of the Articles of Association, actively provide advice and recommendations for the development of the Company, fully play the role of an independent Director, promote the continuous improvement of the Company's corporate governance and standardized operation, and effectively safeguard the legitimate rights and interests of all Shareholders, especially minority Shareholders.

IV. ZHOU HUA, AN INDEPENDENT NON-EXECUTIVE DIRECTOR (RESIGNED ON APRIL 21, 2025)

As an independent Director of the Company, I performed my duties in 2025 in accordance with the Company Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation and other laws and regulations, as well as the relevant

provisions of the Articles of Association. I fully expressed independent opinions, voted in accordance with the law, and effectively promoted the standardized operation of the Company. I hereby report on the performance of my duties as an independent Director during my term of office in 2025 as follows:

(i) Basic Information

ZHOU Hua, male, born in 1976, currently serves as a professor and doctoral supervisor of the Department of Accounting of the Business School of Renmin University of China, director of the Curriculum Ideological and Political Education Teaching Center, and a researcher of the National Academy of Development and Strategy of Renmin University of China. He served as an independent Director of the Company from August 30, 2019 to April 21, 2025.

As an independent Director of the Company, I met the qualification requirements and independence requirements for independent directors under the Company Law, the Measures for the Administration of Independent Directors of Listed Companies, the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws and regulations. I possessed the required competence, and there were no circumstances affecting my independence.

(ii) Annual Performance of Duties

1. Attendance at Board meetings and Shareholders' meetings

In 2025, the Company held a total of 10 Board meetings and 6 Shareholders' meetings. During my term of office in 2025, I attended Board meetings in strict compliance with the relevant requirements. After fully understanding the proposals, I carefully considered the relevant proposals, prudently expressed independent opinions, and exercised voting rights with a scientific and rigorous attitude. I voted in favor of all proposals at Board meetings, and did not vote against or abstain from voting on any proposal.

Number of Board meetings required to attend during the reporting period	Number of Board meetings attended in person	Number of Board meetings attended by proxy	Number of Board meetings absent from	Number of Shareholders' meetings attended
3	3	0	0	0

2. Participation in Board special committees and special meetings of independent Directors

(1) Participation in meetings of Board special committees

During my term of office in 2025, I served as a member of the Audit Committee, Nomination Committee, and Remuneration and Appraisal Committee of the Board, and as chairman of the Remuneration and Appraisal Committee. I voted in favor of all proposals at the meetings of the special committees, and did not vote against or abstain from voting on any proposal.

Type of special committee	**Number of meetings required to attend**	**Number of meetings attended in person**
Audit Committee	2	2
Nomination Committee	2	2
Remuneration and Appraisal Committee	2	2

a. Attendance at meetings of the Audit Committee during my term of office in 2025

Date of meeting	**Meeting**	**Matters considered**
April 3, 2025	First meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the appointment of audit institutions for the Company's H Share issuance and listing.

Date of meeting	Meeting	Matters considered
April 17, 2025	Second meeting of the Audit Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2024 annual report and its summary; 2. The 2024 profit distribution plan; 3. The 2024 financial final accounts report; 4. The proposal regarding the re-appointment of accounting firms for 2025; 5. The 2024 internal control evaluation report.

b. Attendance at meetings of the Nomination Committee during my term of office in 2025

Date of meeting	Meeting	Major opinions and recommendations
January 4, 2025	First meeting of the Nomination Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the appointment of the secretary to the Board of the Company.

Date of meeting	Meeting	Major opinions and recommendations
April 4, 2025	Second meeting of the Nomination Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the election of non-independent directors of the ninth session of the Board of Directors upon re-election of the Board of the Company; 2. The proposal regarding the election of independent directors of the ninth session of the Board of Directors upon re-election of the Board of the Company.

c. Attendance at meetings of the Remuneration and Appraisal Committee during my term of office in 2025

Date of meeting	Meeting	Major opinions and recommendations
April 3, 2025	First meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The 2025 employee share ownership plan (draft) and its summary.
April 17, 2025	Second meeting of the Remuneration and Appraisal Committee of the eighth session of the Board of Directors for 2025	Considered and approved: 1. The proposal regarding the assessment of remuneration of directors, supervisors and senior management for 2024; 2. The proposal regarding the repurchase and cancellation of certain restricted shares.

(2) Participation in special meetings of independent Directors

In accordance with the relevant provisions of the Measures for the Administration of Independent Directors of Listed Companies and the Company's Working System for Independent Directors, and taking into account the actual circumstances of the Company, during my term of office in 2025, I attended one special meeting of independent Directors and expressed opinions, at which the Proposal regarding the Estimated Daily Related-party Transactions for 2025 was considered.

3. Exercise of powers as an independent Director

During my term of office in 2025, I actively participated in meetings of the Board and special committees, carefully reviewed relevant materials, fully understood relevant information, leveraged my professional strengths, performed my duties diligently, and exercised the powers of an independent Director in accordance with the law. I made independent and objective judgments on major matters such as the Company's issuance of H Shares, related-party transactions, and re-appointment of accounting firms, and prudently and objectively expressed relevant opinions. I provided professional and objective recommendations on the Company's operation and development, promoted Board decisions that were in the overall interests of the Company, and protected the interests of minority Shareholders. During my term of office in 2025, there were no circumstances in which I exercised special powers as an independent Director.

4. Communication with the internal audit department and accounting firms

As a member of the Audit Committee of the Board, during my term of office in 2025, I carefully supervised and evaluated the work of the Company's internal audit department and the accounting firms responsible for the Company's audit work.

In accordance with the requirements of the Guidelines No. 1 on Self-regulation and Supervision for Listed Companies on the Shanghai Stock Exchange – Standardized Operation, I supervised the internal audit department in conducting special inspections on the implementation of major matters, including the provision of guarantees by the Company to its subsidiaries, daily related-party transactions, wealth management of the Company, external investments and large fund transactions, and gained an in-depth understanding of the establishment and implementation of the Company's internal control system.

During my term of office in 2025, I participated in one audit communication meeting with the annual audit accounting firm. In respect of the audit of the Company's annual financial statements and internal control audit, I communicated in advance on matters such as audit scope, audit methods and timetable, and urged the accounting firm to act honestly, in good faith and diligently, strictly comply with professional rules and industry self-regulatory standards, and prudently express professional opinions. I listened to the accounting firm's report on the preliminary results of the annual report audit and internal control audit, and paid attention to major audit adjustments, key audit matters, important matters identified during the audit process, and general deficiencies in internal control identified.

5. Communication with minority Shareholders

During my term of office in 2025, I proactively strengthened communication with minority Shareholders, participated in activities such as investors' visits to listed companies, conducted face-to-face communication with minority Shareholders, and actively listened to their opinions and recommendations.

6. On-site work at the Company

During my term of office in 2025, I conducted one on-site inspection of the Company. Through attending meetings and on-site exchanges, I listened to reports on the Company's operation and management, corporate governance, information disclosure, internal control, compliance and risk management, financial management, progress of major matters such as the overseas issuance of H Shares, and other matters. My cumulative on-site working time reached five working days. I fully communicated with the Company's Directors, senior management and the annual audit accounting firm on the Company's daily production and annual report audit, kept abreast of the progress of the Company's major matters, obtained the materials required for decision-making, understood and grasped the Company's business development, operation and management, and effectively performed my duties as an independent Director.

7. Cooperation by the Company

During my term of office in 2025, the Company's Directors, senior management and staff of departments including finance, securities and business maintained continuous and effective communication with me, enabling me to keep abreast of the Company's operating dynamics. They also provided convenient conditions for my on-site research and inspection and access to required materials, and actively and effectively cooperated with my work as an independent Director.

(iii) Key Matters of Concern in the Annual Performance of Duties by Independent Directors

During my term of office in 2025, I focused on and reviewed matters including the Company's related-party transactions, remuneration of senior management, and re-appointment of accounting firms.

1. Related-party transactions required to be disclosed

During my term of office in 2025, as an independent Director, I considered and approved the Proposal regarding the Estimated Daily Related-party Transactions for 2025. I was of the view that the estimated amount of the Company's daily related-party transactions for 2025 was required for production and operation. The prices of the above related-party transactions were determined through negotiation

with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders. The Company's cooperation with related parties that have good cooperative relationships and quality assurance enables the Company to make full use of their resources and advantages to serve the Company, which is conducive to safeguarding the Company's production and operation and product quality, and reducing procurement and logistics costs. The prices of the related-party transactions were determined through negotiation with reference to market pricing, and the pricing was fair and reasonable, in compliance with the relevant laws, regulations, normative documents and the Articles of Association. Such transactions did not affect the independence of the Company, nor did they prejudice the interests of the Company and Shareholders.

2. Performance of undertakings by the Company and Shareholders

During my term of office in 2025, I actively paid attention to the performance of undertakings by the Company and Shareholders and protected the legitimate rights and interests of minority Shareholders from infringement. I did not identify any breach of relevant undertakings by the Company or Shareholders, nor was there any change to or waiver of undertakings.

3. Selection and appointment of Directors and senior management and their remuneration

During my term of office in 2025, I reviewed the appointment of Directors and senior management of the Company and the implementation of their remuneration. The appointment procedures for the Company's Directors and senior management were lawful, and the remuneration was in compliance with the management requirements under the Company's performance appraisal and remuneration systems.

4. Re-appointment of accounting firms

The Company convened the twenty-fifth meeting and the twenty-sixth meeting of the eighth session of the Board of Directors, at which the appointment of EY as the Company's domestic and overseas financial and internal control audit institutions was considered and approved, respectively. I was of the view that EY had extensive experience in the audit of listed companies and possessed sufficient independence, professional competence and investor protection capability, and I agreed with the above proposals. The above matters were considered and approved at the Company's second extraordinary general meeting for 2025 and the 2024 annual general meeting.

5. Disclosure of financial information in financial accounting reports and periodic reports

During the reporting period, the Company prepared and disclosed its 2024 Annual Report and 2025 First Quarterly Report on time in strict accordance with the requirements of the Company Law, the Securities Law, the Measures for the Administration of Information Disclosure by Listed Companies and other relevant laws, regulations and normative documents. The Company disclosed financial data and important matters for the corresponding reporting periods in a timely and accurate manner, and fully presented its operating conditions to investors. The above reports were considered and approved by the Audit Committee and the Board of the Company, and the Directors and senior management of the Company signed written confirmations on the Company's periodic reports.

6. Implementation of internal control

The Company has established internal control systems for the businesses and entities included in the scope of evaluation in accordance with the Basic Standards for Enterprise Internal Control, the Application Guidelines and Evaluation Guidelines for Enterprise Internal Control and other relevant laws and regulations. The internal control systems are complete, standardized, reasonable and effective, and there are no material deficiencies. The Company's internal control system and relevant systems are able to meet the requirements of the Company's management and development needs, and provide assurance for the healthy operation of the Company's businesses and the control of its operating risks.

(iv) Overall Evaluation

During my term of office in 2025, as an independent Director of the Company, I strictly complied with the requirements of the Company Law, the Securities Law, the Code of Corporate Governance for Listed Companies, the Measures for the Administration of Independent Directors of Listed Companies and other laws and regulations, as well as the Articles of Association and the Working System for Independent Directors. Adhering to the principles of objectivity, fairness and independence, I effectively performed my duties, participated in decision-making on major matters of the Company, acted diligently and responsibly, fully played the role of an independent Director, and effectively safeguarded the overall interests of the Company and the legitimate rights and interests of the Company's Shareholders, especially minority Shareholders.

While committed to its own development, the Company attaches great importance to investment returns to Shareholders, as well as the stability and continuity of such returns. To further optimize the dividend decision-making and supervision mechanisms, actively reward investors, and guide investors to establish a long-term and rational investment philosophy, the Company has formulated the Shareholder Return Plan for the Next Three Years of SANY Heavy Industry Co., Ltd. (2026–2028) (the "**Plan**") in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines No. 3 for the Supervision of Listed Companies – Cash Dividends of Listed Companies, the Guidelines No. 1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation (Revised in May 2025) and the Articles of Association, details of which are set out as follows:

I. FACTORS CONSIDERED IN FORMULATING THE DIVIDEND RETURN PLAN

With sustainable development and the protection of Shareholders' rights and interests as its objectives, the Company has comprehensively considered factors such as the characteristics and development trends of the industry in which it operates, as well as the Company's development strategy, business plan, profitability and major investment arrangements, and has established and improved a continuous, stable and scientific shareholder return plan and mechanism to ensure the continuity and stability of the Company's profit distribution policy.

II. PRINCIPLES FOR FORMULATING THE DIVIDEND RETURN PLAN

(i) The formulation of the Plan shall comply with the relevant provisions of laws, regulations and normative documents such as the Company Law and the Securities Law, as well as the Articles of Association.

(ii) The Plan shall take into account both the sustainable development of the Company and reasonable investment returns to the Company's Shareholders. On the premise of ensuring the normal operation and development of the Company, the Company shall implement an active, stable and continuous profit distribution policy.

(iii) The formulation of the Plan shall fully take into account and listen to the demands of Shareholders, especially minority shareholders, and the opinions of independent Directors, and shall safeguard Shareholders' rights to participate in decision-making, right to know and right to investment returns.

III. SPECIFIC DIVIDEND RETURN PLAN FOR THE NEXT THREE YEARS (2026–2028)

(i) The Company's profit distribution shall attach importance to providing reasonable investment returns to public Shareholders. With sustainable development and the protection of Shareholders' rights and interests as its objectives, the Company shall maintain the continuity and stability of its profit distribution policy.

(ii) Forms of Profit Distribution

The Company may distribute profits in cash, in shares or in a combination of cash and shares. When the conditions for cash dividends are met, the Company shall give priority to profit distribution in cash.

(iii) Interval of Profit Distribution

In accordance with the Company Law and other relevant laws and regulations, as well as the Articles of Association, the Company shall, in principle, distribute profits annually. It may also make interim profit distributions based on its actual profitability and capital requirements. Unless otherwise justified and approved by the Board, the interval between two cash dividend distributions shall, in principle, be no less than six months.

(iv) Conditions for Cash Dividends

1. The Company is profitable during the annual reporting period and has positive accumulated undistributed profits.

2. The audit institution has issued a standard unqualified audit report on the Company's annual financial report.

Each year, the Company shall distribute dividends to Shareholders at a certain proportion of the distributable profit attributable to owners of the parent company as realized in the Company's consolidated financial statements for the year. The profit distributed in cash shall be no less than 5% of the distributable profit attributable to owners of the parent company as realized in the Company's consolidated financial statements for the year. The cumulative profit distributed in cash for the most recent three years shall be no less than 30% of the average annual distributable profit realized for the most recent three years. The Company's profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue as a going concern.

The Board of the Company shall comprehensively consider factors such as the characteristics of the industry in which the Company operates, its stage of development, its own business model, profitability and whether there are any major capital expenditure arrangements, distinguish between the following circumstances, and propose differentiated cash dividend policies in accordance with the procedures prescribed in the Articles of Association:

1. If the Company is at a mature stage of development and has no major capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution shall be no less than 80%;

2. If the Company is at a mature stage of development and has major capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution shall be no less than 40%; and

3. If the Company is at a growth stage and has major capital expenditure arrangements, when distributing profits, the proportion of cash dividends in the profit distribution shall be no less than 20%.

For this purpose, according to the interpretation of the China Securities Regulatory Commission, the proportion of cash dividends in the "profit distribution" shall be calculated by dividing the cash dividends for the current distribution by the sum of the cash dividends and share dividends for the current distribution.

The stage of development of the Company shall be determined by the Board of the Company based on specific circumstances. If the Company's stage of development is not easy to distinguish but it has major capital expenditure arrangements, the matter may be dealt with in accordance with the preceding provision.

(v) Conditions for Share Dividends

1. The Company is profitable during the annual reporting period and has positive accumulated undistributed profits.

2. The audit institution has issued a standard unqualified audit report on the Company's annual financial report.

3. Where the Board considers that the Company's share price does not match the scale of the Company's share capital, and that the Company has genuine and reasonable factors such as growth potential and dilution of net assets per share, and has made necessary analysis or explanation of the reasonableness of such factors in publicly disclosed documents, and where the distribution of share dividends is in the overall interests of all Shareholders of the Company, the

Board may, subject to satisfaction of the above conditions for cash dividends, propose a share dividend distribution plan to achieve synchronization between share capital expansion and growth in operating results.

(vi) Decision-making, Adjustment and Supervision Mechanism for Profit Distribution

1. The profit distribution plan shall be formulated by the Board in light of the provisions of the Articles of Association and the financial position of the Company. During the process of considering and formulating the profit distribution plan, the Board shall fully discuss with the independent non-executive Directors and formulate the profit distribution plan on the basis of taking into account continuous, stable and scientific returns to all Shareholders.

2. The profit distribution plan shall be approved by more than half of the Directors present at the Board meeting. The independent non-executive Directors shall convene a special meeting to express clear opinions on the profit distribution plan. The independent non-executive Directors may also solicit opinions from minority shareholders, put forward dividend proposals and directly submit them to the Board for consideration.

3. After the profit distribution plan is considered and approved by the Board, it shall be submitted to the general meeting for consideration. Before the general meeting considers the specific cash dividend plan, the Company shall proactively communicate and exchange views with Shareholders, especially minority shareholders, through various channels, including but not limited to telephone, fax and email, fully listen to the opinions and demands of minority shareholders, and respond in a timely manner to issues of concern to minority shareholders.

4. If, under special circumstances, the Company is unable to determine the profit distribution plan for the year in accordance with the established cash dividend policy or the minimum cash dividend ratio, it shall disclose the specific reasons and the clear opinions of the independent non-executive Directors in its annual report. The profit distribution plan of the Company for the year shall be approved by more than two-thirds of the voting rights held by Shareholders present at the general meeting.

5. The Company's profit distribution policy shall not be changed arbitrarily. If force majeure events such as war or natural disasters have a material impact on the Company's production and operations, or if there are material changes in the Company's own operating conditions, the Company may adjust its profit distribution policy. Any adjustment to the profit distribution policy shall be made with the protection of Shareholders' interests as the starting point. The

adjusted profit distribution policy and shareholder return plan shall not violate the relevant laws, regulations, normative documents or the relevant provisions of the Articles of Association. Any adjustment plan for the profit distribution policy and shareholder return plan shall be subject to opinions expressed at a special meeting convened by the independent non-executive Directors, and shall be submitted to the general meeting for consideration after being considered and approved by the Board, and shall be approved by more than two-thirds of the voting rights held by Shareholders present at the general meeting.

6. When considering an adjustment plan for profit distribution, the Company shall fully listen to the opinions of minority shareholders through various channels, including but not limited to providing online voting and inviting minority shareholders to attend the meeting. The Board, independent non-executive Directors and Shareholders who meet certain conditions may solicit voting rights from Shareholders of the Company at the general meeting.

7. If the independent non-executive Directors consider that the specific cash dividend plan may prejudice the interests of the Company or minority shareholders, they shall have the right to express independent opinions. If the Board does not adopt or does not fully adopt the opinions of the independent Directors, it shall disclose the opinions of the independent Directors and the specific reasons for not adopting them in the announcement of the Board resolutions.

8. The Audit Committee shall pay attention to the Board's implementation of the cash dividend policy and shareholder return plan, as well as whether the corresponding decision-making procedures and information disclosure obligations have been fulfilled. If the Audit Committee finds that the Board has failed to strictly implement the cash dividend policy and shareholder return plan, has failed to strictly perform the corresponding decision-making procedures, or has failed to make true, accurate and complete information disclosure, it shall urge the Board to make timely rectification.

9. If a Shareholder has illegally occupied the Company's funds, the Company shall deduct the cash dividends distributed to such Shareholder to repay the funds occupied by such Shareholder.

10. The Company shall strictly comply with the relevant requirements and disclose in detail the formulation, implementation and other matters relating to its cash dividend policy in its periodic reports.

IV. FORMULATION CYCLE OF THE DIVIDEND RETURN PLAN AND RELEVANT DECISION-MAKING MECHANISM

1. The Board of the Company shall review the dividend return plan at least once every three years in accordance with the profit distribution policy formulated by the general meeting. The Board shall determine the dividend return plan for the relevant period based on the opinions of Shareholders, especially public investors, and independent Directors, and shall ensure that the dividend return plan does not violate the relevant provisions of the profit distribution policy.

2. The shareholder return plan shall be formulated by the Board and submitted to the general meeting for consideration.

3. If there are material changes in the external operating environment or the Company's own operating conditions that require adjustment to the Company's established three-year return plan, the adjustment to the three-year return plan shall be formulated by the Board and submitted to the general meeting for consideration.

V. THE PLAN SHALL TAKE EFFECT FROM THE DATE ON WHICH IT IS CONSIDERED AND APPROVED BY THE GENERAL MEETING OF THE COMPANY.

SANY Heavy Industry Co., Ltd.
Management System Relating to Remuneration of Directors and Senior Management

CHAPTER I GENERAL PROVISIONS

Article 1 To further improve the governance structure of SANY Heavy Industry Co., Ltd. (hereinafter referred to as the "**Company**"), and to strengthen and standardize the management of remuneration of Directors and senior management of the Company, this system is formulated in accordance with the Company Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Articles of Association and other relevant laws and regulations, and taking into account the actual circumstances of the Company.

CHAPTER II SCOPE OF APPLICATION

Article 2 This system applies to Directors and senior management, specifically including the following persons:

(1) Independent Directors: directors who are not employees of the Company and are appointed by the Company in accordance with the Measures for the Administration of Independent Directors of Listed Companies, and who do not have any relationship with the Company or its substantial shareholders that may hinder their independent and objective judgment;

(2) Executive Directors: directors who have entered into employment contracts with the Company, are in charge of certain business functions of the Company and are responsible for managing relevant affairs, including the chairman of the Board and vice chairman of the Board;

(3) Non-executive Directors: non-independent Directors who are not responsible for specific affairs of the Company and do not hold any position in the Company other than as Directors;

(4) Employee representative Directors: Directors democratically elected through an employees' representatives meeting, employees' meeting or other forms; and

(5) Senior management: the president, executive president, senior vice presidents, vice presidents, chief financial officer, secretary to the Board and other senior management of the Company.

CHAPTER III PRINCIPLES

Article 3 The remuneration management of Directors and senior management of the Company shall follow the following principles:

(1) the principles of openness, fairness and transparency;

(2) the principle of combining responsibilities, powers and benefits, and matching remuneration with individual performance;

(3) the principle of adapting to market development and aligning with the Company's business objectives, actual operating conditions and operating results;

(4) the principle of coordinating with the sustainable development of the Company and aligning with the long-term interests of the Company; and

(5) the principle of giving equal emphasis to incentives and restraints.

CHAPTER IV MANAGEMENT BODY

Article 4 The general meeting of the Company shall determine the remuneration of Directors, and the Board of the Company shall determine the remuneration of senior management of the Company.

Article 5 The Remuneration and Appraisal Committee of the Board of the Company shall, as authorized by the Board, be responsible for formulating the remuneration standards and plans for Directors and senior management of the Company, including but not limited to remuneration structure, payment standards, payment methods, appraisal methods and adjustment plans; reviewing the performance of duties by Directors and senior management of the Company and conducting annual appraisals of them; and supervising the implementation of the Company's remuneration system.

If the Company turns from profit to loss or its losses increase as compared with the previous performance cycle, and the average performance-based remuneration of the Directors and senior management of the Company does not decrease accordingly, the Company shall voluntarily disclose the specific reasons in the relevant report, and provide a specific explanation at the review stage on the matching between changes in remuneration and performance linkage.

Article 6 The human resources department, finance department and other relevant departments of the Company shall cooperate with the Remuneration and Appraisal Committee of the Board in conducting annual appraisals of Directors and senior management and implementing the remuneration plans. When the Board or the Remuneration and Appraisal Committee evaluates an individual Director or discusses his or her remuneration, such Director shall abstain.

CHAPTER V REMUNERATION STRUCTURE AND PAYMENT

Article 7 The remuneration of Directors and senior management of the Company shall consist of the following:

(1) Independent Directors: independent Directors of the Company shall receive fixed independent Director allowances. The allowance standards shall be implemented in accordance with resolutions of the general meeting, and no other remuneration shall be paid.

(2) Executive Directors: the remuneration of executive Directors of the Company shall consist of basic remuneration and performance-based remuneration. The remuneration of executive Directors of the Company shall be appraised by the Remuneration and Appraisal Committee, and they shall no longer receive Director allowances. For executive Directors who concurrently serve as senior management, the performance appraisal standards shall be determined on the principle of applying the higher standard.

(3) Non-executive Directors: in principle, non-executive Directors shall not receive remuneration from the Company, but may receive fixed Director allowances. The allowance standards shall be implemented in accordance with resolutions of the general meeting. If a non-executive Director is appointed by a shareholder entity and already receives remuneration from such shareholder entity, such non-executive Director may, upon resolution of the general meeting, no longer receive Director allowances.

(4) Employee representative Directors: employee representative Directors of the Company are employees of the Company, and the remuneration they receive shall be position-based remuneration. The management of the Company shall conduct position-based appraisals of them.

(5) Senior management: senior management of the Company shall be subject to an annual salary system, and their remuneration structure shall consist of basic annual salary and performance-based annual salary, including "profit sharing." The basic annual salary shall be determined with reference to industry remuneration levels, job responsibilities and performance of duties. The performance-based annual salary

shall be based on the annual performance contract entered into by the relevant person, linked to the Company's annual operating results, and appraised and determined by the Remuneration and Appraisal Committee of the Board of the Company at year-end.

Based on its operating conditions and market changes, the Company may implement medium- and long-term incentive measures for executive Directors, employee representative Directors and senior management. The specific forms of medium- and long-term incentives include but are not limited to equity-based or cash-based incentive instruments such as share options, restricted shares, employee share ownership plans and share appreciation rights. Specific plans shall be separately formulated in accordance with the relevant national laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and other relevant requirements, and shall be implemented after being considered by the Remuneration and Appraisal Committee of the Board of the Company and submitted for approval in accordance with the relevant approval authority and procedures.

Article 8 The allowances for independent Directors of the Company shall be paid on a monthly basis.

Article 9 The basic annual salary of executive Directors, employee representative Directors and senior management of the Company shall be paid evenly on a monthly basis. The determination and payment of performance-based annual salary shall be based primarily on performance evaluation, and shall be paid after appraisal by the Remuneration and Appraisal Committee of the Board of the Company based on their annual operation and management performance.

The Company shall establish a deferred payment mechanism for performance-based remuneration by taking into account industry characteristics and business models. A certain proportion of performance-based remuneration shall be paid after disclosure of the Company's annual report and completion of performance evaluation. The annual performance evaluation shall be conducted based on the Company's audited financial data. In principle, the proportion of performance-based annual salary shall not be less than 50% of the total amount of basic annual salary and performance-based annual salary.

Article 10 If, in any appraisal year during the term of office of a Director or senior management member of the Company, any of the following circumstances occurs, the Company shall have the right to decide to reduce the performance-based remuneration for that year, withhold the performance-based remuneration for that year, or claw back part or all of the performance-based remuneration already paid:

(1) the person is publicly censured by a stock exchange or declared to be an unsuitable candidate, or is subject to market entry restrictions imposed by the CSRC;

(2) the person is subject to administrative penalties by the securities regulatory authority of the place where the Company's shares are listed due to material violations of laws and regulations;

(3) the person violates the duty of loyalty or diligence, causing the Company to suffer significant economic or reputational losses, or causing the Company to commit material violations of laws and regulations or incur material risks;

(4) other serious misconduct identified by the Company or regulatory authorities that has caused serious adverse impact on the Company;

(5) the person leaves office or resigns without authorization due to personal reasons; or

(6) other circumstances prescribed by laws and regulations or determined by the Board of the Company as serious violations of the relevant requirements of the Company.

Where the Company restates its financial reports retrospectively due to misstatements such as financial fraud, it shall promptly reassess the performance-based remuneration and medium- and long-term incentive income of the relevant Directors and senior management, and claw back the excess amounts paid accordingly.

Where Directors or senior management of the Company violate their duties and cause losses to the Company, or are at fault for violations of laws and regulations such as financial fraud, misappropriation of funds or illegal guarantees, the Company shall, depending on the seriousness of the circumstances, reduce or cease payment of unpaid performance-based remuneration and medium- and long-term incentive income, and claw back in full or in part the performance-based remuneration and medium- and long-term incentive income already paid during the period in which the relevant conduct occurred.

Article 11 The remuneration and allowances of Directors and senior management of the Company shall be pre-tax amounts. The Company shall deduct individual income tax, social insurance premiums, if applicable, and other expenses in accordance with the relevant national and Company requirements, and pay the remaining amounts to the individuals.

Article 12 The Company shall, on a market-oriented basis and taking into account its own operating conditions, strategic objectives and human resources strategy, formulate a mechanism for determining the total payroll. The Company shall balance its sustainable development with the protection of employees' rights and interests, adhere to the allocation of remuneration toward key positions, front-line production positions and urgently needed high-level and highly skilled talent, and effectively improve the remuneration levels of ordinary employees.

Article 13 If Directors or senior management of the Company leave office due to re-election, change of election, resignation during their term of office or other reasons, their remuneration shall be calculated and paid based on their actual term of office and actual performance.

Article 14 The salaries and benefits of Directors and senior management of the Company during personal leave, sick leave, work-related injury leave and on-the-job study shall be implemented in accordance with the relevant systems of the Company.

CHAPTER VI REMUNERATION ADJUSTMENT

Article 15 The remuneration system for Directors and senior management shall serve the development strategy of the Company and be adjusted accordingly as the Company develops and changes. When there are significant changes in the operating environment or external conditions, the remuneration standards may be changed. Any adjustment to the remuneration standards of Directors shall be submitted to the general meeting for consideration after approval by the Board, while any adjustment to the remuneration standards of senior management shall be submitted to the Board for approval.

CHAPTER VII SUPPLEMENTARY PROVISIONS

Article 16 Travel expenses incurred by Directors for attending Board meetings and general meetings of the Company, and reasonable expenses required for exercising their powers in accordance with the Articles of Association, shall be reimbursed by the Company on an actual basis.

Article 17 Matters not covered by this system shall be implemented in accordance with the relevant national laws and regulations, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and other relevant requirements. If this system is inconsistent with the relevant provisions of national laws, regulations or normative documents, or the securities regulatory rules of the place where the Company's shares are listed, the relevant provisions of national laws, regulations or normative documents, or the securities regulatory rules of the place where the Company's shares are listed, shall prevail.

Article 18 This system shall be interpreted by the Board of the Company.

Article 19 This system shall take effect upon consideration and approval by the general meeting of the Company.

SANY Heavy Industry Co., Ltd.
三一重工股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6031)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**AGM**") of SANY Heavy Industry Co., Ltd. (the "**Company**") will be held at 10:00 a.m. on Tuesday, June 2, 2026 at No. 1 Conference Room, Administrative Center, SANY Industrial Park, Changsha County, Changsha City, Hunan Province, the PRC, to deal with the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the proposal regarding the 2025 Work Report of the Board.

2. To consider and approve the proposal regarding the 2025 Annual Report and Its Summary.

3. To consider and approve the proposal regarding the 2025 Audited Financial Statements.

4. To consider and approve the proposal regarding the 2025 Profit Distribution Plan.

5. To consider and approve the proposal regarding the Assessment of Directors' Remuneration for 2025.

6. To consider and approve the proposal regarding the proposed application for credit facilities from banks.

7. To consider and approve the proposal regarding the proposed re-appointment of auditors for 2026.

8. To consider and approve the proposal regarding the proposed conducting of financial derivatives business.

9. To consider and approve the proposal regarding the proposed use of idle own funds to purchase wealth management products.

10. To consider and approve the proposal regarding the 2025 Work Reports of Independent Directors.

11. To consider and approve the proposal regarding the Shareholder Return Plan for the Next Three Years (2026–2028).

12. To consider and approve the proposal regarding the proposed establishment of and application for issuance of asset-backed securities (ABS) by the controlled subsidiary SANY Financial Leasing Co., Ltd. and the related-party transaction.

13. To consider and approve the proposal regarding the proposed amendments to the Management System Relating to Remuneration of Directors and Senior Management.

By order of the Board
SANY Heavy Industry Co., Ltd.
XIANG Wenbo
Executive Director and
Chairman of the Board

Hong Kong, the PRC
May 11, 2026

Notes:

1. Eligibility for attending the AGM and date of registration of members for H Shares

   The register of members of H Shares of the Company will be closed from May 28, 2026 to June 2, 2026 (both days inclusive), during which time no share transfers of H Shares will be effected. Purchasers of H Shares who have submitted their share transfer documents to the Company's H Share Registrar and registered as Shareholders on the register of members of H Shares of the Company before 4:30 p.m. on May 27, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the Annual General Meeting.

   In order to attend the AGM, holders of H Shares should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 4:30 p.m. on May 27, 2026.

2. Proxy

   Each Shareholder entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote on his/her/their behalf. The proxy need not be a Shareholder of the Company.

   (i) The form of proxy appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If the form of proxy is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

   (ii) To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time appointed for the AGM (i.e. before 10:00 a.m. on Monday, June 1, 2026).

3. Registration procedures for attending the AGM

   A Shareholder or his/her proxy should present proof of identity when attending the AGM. If a Shareholder is a legal person, its legal representative or other person authorized by the Board of Directors or other governing body of such Shareholder may attend the AGM by providing a copy of the resolution of the Board of Directors or other governing body of such Shareholder appointing such person to attend the meeting.

4. Voting by poll

   According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. For the avoidance of doubt and for the purposes of the Hong Kong Listing Rules, holders of treasury Shares are required to abstain from voting on the matters to be approved by Shareholders at the shareholders' meetings of the Company.

5. Miscellaneous

   (i) The AGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.

   (ii) The registered office of the Company:

   5/F, Building 6
   No. 8, Beiqing Road
   Changping District,
   Beijing
   PRC

   Contact department: Securities Investment Office of the Company
   Telephone: 0731–84031555
   Email: xiaoh62@sany.com.cn
   Contact person: Xiao Hao

As at the date of this notice, the Board comprises: (i) Mr. XIANG Wenbo and Mr. YU Hongfu as executive directors; (ii) Mr. LIANG Wengen, Mr. LIANG Zaizhong and Mr. LIU Daojun as non-executive directors and (iii) Mr. WU Zhongxin, Ms. XI Qing and Mr. LAM Yuk Kun Lawrence as independent non-executive directors.