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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2026

FINANCIAL HIGHLIGHTS

- Operating income of the Group for the six months ended June 30, 2026 amounted to approximately RMB53,506 million, representing an increase of 19.49% (same period last year: RMB44,780 million).
- The Group's net profit attributable to owners of the parent for the six months ended June 30, 2026 amounted to RMB5,690 million, representing an increase of 9.13% (same period last year: RMB5,214 million).
- As at June 30, 2026, the Group's total assets were RMB181,153 million, representing an increase of 4.53% compared with the beginning of the year (beginning of the year: RMB173,299 million).
- As at June 30, 2026, the Group's net assets attributable to owners of the parent were RMB92,084 million, representing an increase of 4.25% compared with the beginning of the year (beginning of the year: RMB88,331 million).

The board of directors (the "**Board**") of SANY Heavy Industry Co., Ltd. (the "**Company**") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended June 30, 2026 (the "**Reporting Period**"), together with the comparative figures (restated) for the same period of 2025.

FINANCIAL RESULTS

Financial information extracted from the unaudited consolidated financial statements for the six months ended June 30, 2026 prepared in accordance with China Accounting Standards for Business Enterprises ("**CASBE**").

CONSOLIDATED BALANCE SHEET

As at June 30, 2026

	Notes	**June 30, 2026** *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
CURRENT ASSETS			
Monetary funds		**27,864,809**	38,451,241
Placements with banks		**178,450**	187,691
Financial assets held-for-trading		**21,715,427**	15,736,293
Derivative financial assets		**529,584**	61,070
Bills receivable		**456,389**	483,366
Accounts receivable	*10*	**29,872,512**	25,540,365
Accounts receivable financing		**452,295**	461,187
Prepayments		**1,257,559**	1,111,585
Other receivables		**2,505,010**	2,804,863
Inventories		**24,340,125**	22,526,664
Contract assets		**69,327**	75,550
Non-current assets due within one year		**10,722,183**	10,507,124
Other current assets		**12,487,333**	6,350,752
Total current assets		**132,451,003**	124,297,751
NON-CURRENT ASSETS			
Loans and advances granted		**553,389**	627,139
Long-term receivables		**12,978,269**	12,732,389
Long-term equity investments		**2,702,866**	2,489,099
Investments in other equity instruments		**694,071**	694,271
Other non-current financial assets		**372,314**	271,164
Investment properties		**243,974**	204,080
Fixed assets		**20,289,894**	21,115,411
Construction in progress		**1,000,392**	1,022,009
Right-of-use assets		**1,011,584**	998,562
Intangible assets		**3,977,276**	4,235,173
Development expenses		**350,546**	308,440
Goodwill		**38,452**	40,771
Long-term deferred expenses		**147,221**	172,114
Deferred tax assets		**4,232,091**	3,982,262
Other non-current assets		**109,440**	108,503
Total non-current assets		**48,701,779**	49,001,387
Total assets		**181,152,782**	173,299,138

	Notes	June 30, 2026 RMB'000 (Unaudited)	December 31, 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Short-term borrowings		**6,730,775**	9,128,447
Placements from banks		**4,594,702**	3,647,206
Derivative financial liabilities		**267,401**	225,280
Bills payable		**11,511,477**	8,816,460
Accounts payable	*11*	**33,016,734**	27,247,771
Contract liabilities		**2,934,904**	2,958,450
Employee compensation payable		**3,192,170**	3,461,554
Taxes and surcharges payable		**1,948,881**	1,665,460
Other payables		**10,079,323**	9,084,863
Non-current liabilities due within one year		**1,805,574**	3,323,028
Other current liabilities		**2,601,828**	2,297,867
Total current liabilities		**78,683,769**	71,856,386
NON-CURRENT LIABILITIES			
Long-term borrowings		**5,181,086**	7,853,367
Lease liabilities		**749,157**	771,241
Long-term employee compensation payable		**57,407**	59,398
Estimated liabilities		**128,956**	145,233
Deferred income		**2,317,351**	2,396,339
Deferred tax liabilities		**832,527**	778,341
Other non-current liabilities		**6,920**	7,436
Total non-current liabilities		**9,273,404**	12,011,355
Total liabilities		**87,957,173**	83,867,741

	June 30, 2026 *RMB'000* (Unaudited)	December 31, 2025 *RMB'000* (Audited)
SHAREHOLDERS' EQUITY		
Share capital	**9,195,004**	9,195,004
Capital reserves	**18,602,832**	18,467,028
Less: Treasury shares	**796,109**	796,109
Other comprehensive income	**(2,244,772)**	(1,742,092)
Special reserve	**–**	–
Surplus reserve	**4,776,725**	4,776,725
General risk reserve	**59,244**	59,244
Undistributed profits	**62,491,303**	58,371,444
Total shareholders' equity attributable to the parent company	**92,084,227**	88,331,244
Minority interests	**1,111,382**	1,100,153
Total shareholders' equity	**93,195,609**	89,431,397
Total liabilities and shareholders' equity	**181,152,782**	173,299,138

CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2026

	Notes	**Six months ended June 30, 2026** ***RMB'000*** **(Unaudited)**	Six months ended June 30, 2025 *RMB'000* (Unaudited) (Restated)
Operating revenue	*5*	**53,506,463**	44,780,205
Less: Operating costs	*5*	**38,557,023**	32,404,266
Taxes and surcharges		**323,568**	277,463
Selling expenses		**3,496,669**	2,927,943
Administrative expenses		**1,299,206**	1,257,322
Research and development expenses		**2,340,294**	2,162,242
Finance costs	*6*	**1,650,353**	(856,957)
Including: Interest expense		**208,767**	288,294
Interest income		**668,961**	507,527
Add: Other income		**511,388**	344,745
Investment income		**580,174**	246,237
Including: Gains on investment in associates and joint ventures		**111,661**	(25,867)
Losses from derecognition of financial assets measured at amortized cost		**(8,254)**	–
Gain on fair value change		**484,893**	(676,803)
Credit impairment losses		**(713,935)**	(382,674)
Asset impairment losses		**(38,773)**	(59,016)
Gain on disposal of assets		**(2,488)**	14,312
Operating profit		**6,660,609**	6,094,727
Add: Non-operating income		**55,280**	47,905
Less: Non-operating expenditure		**52,259**	65,721
Total profit		**6,663,630**	6,076,911
Less: Income tax expense	*7*	**939,587**	791,729
Net profit		**5,724,043**	5,285,182
Including: Net profit of the absorbed party before business combination under common control		**–**	–
Classified by operational continuity			
Net profit from continuing operations		**5,724,043**	5,285,182
Classified by ownership			
Net profit attributable to shareholders of the parent company		**5,690,229**	5,214,110
Minority shareholders' profit and loss		**33,814**	71,072

		Six months ended June 30, 2026	Six months ended June 30, 2025
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited) (Restated)
Net amount of other comprehensive income after tax		**(444,382)**	468,994
Net amount of other comprehensive income after tax attributable to shareholders of the parent company		**(425,687)**	460,627
Other comprehensive income that cannot be reclassified to profit or loss		**79,833**	54,426
Changes in the re-measurement of defined benefit plans		**(1,766)**	1,832
Other comprehensive income that may not be reclassified to profit or loss under equity method		**81,599**	52,594
Other comprehensive income that may be reclassified to profit or loss subsequently		**(505,520)**	406,201
Other comprehensive income that may be reclassified to profit or loss under equity method		**3,067**	(12,964)
Amount of financial assets reclassified into other comprehensive income		**(1,140)**	4,358
Translation difference on financial statement of foreign currency		**(507,447)**	414,807
Net amount of other comprehensive income after tax attributable to minority shareholders		**(18,695)**	8,367
Total comprehensive income		**5,279,661**	5,754,176
Including:			
Total comprehensive income attributable to shareholders of the parent company		**5,264,542**	5,674,737
Total comprehensive income attributable to minority shareholders		**15,119**	79,439
Earnings per share			
Basic earnings per share (RMB/share)	*8*	**0.6217**	0.6172
Diluted earnings per share (RMB/share)	*8*	**0.6217**	0.6172

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2026

1. GENERAL INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Beijing, China.

During the Reporting Period, the Company's subsidiaries were involved in the following principal activities: the production, sale and maintenance of concrete machinery, excavating machinery, hoisting machinery, road machinery and piling machinery, and financial services.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises – Basic Standards issued by the Ministry of Finance, as well as the specific accounting standards, interpretations, and other relevant regulations subsequently issued and revised (collectively, the "Accounting Standards for Business Enterprises"), and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

Since the listing of its H Shares, the Group has adopted International Financial Reporting Standards (IFRS) to prepare its financial statements. To improve information disclosure efficiency and reduce preparation costs, the Group has decided to uniformly adopt the China Accounting Standards for Business Enterprises for the preparation of its financial reports and disclosure of related financial information, starting with its 2026 interim report. This matter was approved at the 10th meeting of the 9th session of the Board of Directors in 2026. For details, please refer to the "Announcement of Sany Heavy Industry Co., Ltd. Regarding the Uniform Adoption of the China Accounting Standards for Business Enterprises for the Preparation of Financial Reports" (《三一重工股份有限公司關於統一採用中國企業會計準則編製財務報告的公告》) published by the Group on June 25, 2026, on the website of the Shanghai Stock Exchange and designated newspapers.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

During the period from January 1, 2026 to June 30, 2026, the Group implemented the related requirements and guidelines under the Accounting Standards for Business Enterprises issued by the Ministry of Finance in recent years, which mainly include:

On December 5, 2025, the Ministry of Finance issued Interpretation No. 19 of the Accounting Standards for Business Enterprises (Cai Kuai [2025] No. 32) (《企業會計準則解釋第19號》(財會[2025]32號)), which stipulates "I. Accounting Treatment for Compensatory Assets in Business Combinations Not Under Common Control", "II. Accounting Treatment for the Disposal of Capital Reserves Related to Subsidiaries Originally Acquired Through Business Combinations Under Common Control", "III. Derecognition of Financial Liabilities Settled via Electronic Payment Systems", "IV. Assessment of Contractual Cash Flow Characteristics of Financial Assets and Related Disclosures", and "V. Disclosures Regarding Equity Instruments Designated as Measured at Fair Value through Other Comprehensive Income". This Interpretation took effect on January 1, 2026.

On June 4, 2026, the Ministry of Finance issued Interpretation No. 20 of the Accounting Standards for Business Enterprises (Cai Kuai [2026] No. 7) (《企業會計準則解釋第20號》(財會[2026]7號)), which standardizes provisions such as "I. Assessment of Contractual Cash Flow Characteristics of Financial Asset" and "II. Accounting Treatment and Related Disclosures Regarding the Lack of Exchangeability of Currency". This Interpretation took effect on the date of its promulgation. For transactions specified in this Interpretation that occur between January 1, 2026 and the effective date of this Interpretation, enterprises shall make adjustments in accordance with this Interpretation.

The adoption of the above requirements did not have a significant impact on the financial position, operating results and cash flows of the Group.

4. **SEGMENT INFORMATION**

Based on the Company's internal organizational structure, management requirements and internal reporting system, the company's business operations are divided into six operating segments. The management of the Company regularly evaluates the operating results of these segments for the purpose of making decisions about resource allocation and performance assessment. Based on these operating segments, the Company has identified six reportable segments:

(1) Concrete machinery segment: Research, development, production and sale of concrete series products such as concrete pump trucks, concrete delivery pumps, concrete batching plants, concrete mixer trucks, concrete truck-mounted pumps and so on;

(2) Excavating machinery segment: Research, development, production and sale of excavating machinery products such as large excavators, medium excavators, small excavators and so on;

(3) Hoisting machinery segment: Research, development, production and sale of hoisting machinery products such as truck cranes, all-terrain cranes, crawler cranes, tower cranes and so on;

(4) Piling machinery segment: Research, development, production and sale of piling machinery products such as rotary drilling rigs, electro-hydraulic piling rigs, continuous wall grabs and so on;

(5) Road machinery segment: Research, development, production and sale of pavement machinery products such as rollers, motor graders, pavers, milling machines, asphalt batching plants and so on;

(6) Financial services segment: Mortgage loans, finance lease, and interbank lending.

The segment assets and liabilities are not disclosed as they are not regularly reported to the Group's chief operating decision-makers and are managed centrally by the Group.

For the six months ended June 30, 2026 (unaudited)

	Concrete machinery *RMB'000*	**Excavating machinery** *RMB'000*	**Hoisting machinery** *RMB'000*	**Piling machinery** *RMB'000*	**Road machinery** *RMB'000*	**Financial services** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Segment revenue	9,022,201	21,305,805	8,446,045	2,187,109	2,277,797	200,945	9,003,390	52,443,292
Segment costs	6,908,623	13,999,252	6,063,180	1,389,288	1,618,052	60,793	7,670,487	37,709,675
Segment gross profit	**2,113,578**	**7,306,553**	**2,382,865**	**797,821**	**659,745**	**140,152**	**1,332,903**	**14,733,617**
Profit adjustments								
Other gross profit								215,823
Taxes and surcharges								323,568
Selling expenses								3,496,669
Administrative expenses								1,299,206
Research and development costs								2,340,294
Finance costs								1,650,353
Other gains								511,388
Investment income								580,174
Gain on fair value change								484,893
Credit impairment losses								(713,935)
Asset impairment losses								(38,773)
Gains on disposal of assets								(2,488)
Total operating profit								6,660,609

For the six months ended June 30, 2025 (unaudited)

	Concrete machinery *RMB'000*	Excavating machinery *RMB'000*	Hoisting machinery *RMB'000*	Piling machinery *RMB'000*	Road machinery *RMB'000*	Financial services *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue	7,440,916	17,496,960	7,804,300	1,340,919	2,158,602	246,561	7,408,776	43,897,034
Segment costs	5,738,522	11,768,459	5,536,421	947,167	1,556,024	89,079	6,069,846	31,705,518
Segment gross profit	**1,702,394**	**5,728,501**	**2,267,879**	**393,752**	**602,578**	**157,482**	**1,338,930**	**12,191,516**
Profit adjustments								
Other gross profit								184,423
Taxes and surcharges								277,463
Selling expenses								2,927,943
Administrative expenses								1,257,322
Research and development costs								2,162,242
Finance costs								856,957
Other gains								344,745
Investment income								246,237
Gain on fair value change								(676,803)
Credit impairment losses								(382,674)
Asset impairment losses								(59,016)
Gains on disposal of assets								14,312
Total operating profit								6,094,727

5. OPERATING REVENUE AND OPERATING COSTS

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Revenue	**Cost**	Revenue	Cost
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
	(Unaudited)	**(Unaudited)**	(Unaudited)	(Unaudited)
Principal business	**52,242,347**	**37,648,882**	43,650,473	31,616,439
Other business	**1,063,171**	**847,348**	883,171	698,748
Financial services	**200,945**	**60,793**	246,561	89,079
Total	**53,506,463**	**38,557,023**	44,780,205	32,404,266

(1) Breakdown of operating revenue and operating costs

	Six months ended June 30, 2026	
	Operating revenue	**Operating costs**
	RMB'000	***RMB'000***
	(Unaudited)	**(Unaudited)**
By product type		
Concrete machinery	9,022,201	6,908,623
Excavating machinery	21,305,805	13,999,252
Hoisting machinery	8,446,045	6,063,180
Piling machinery	2,187,109	1,389,288
Road machinery	2,277,797	1,618,052
Others	10,066,561	8,517,835
Financial services	200,945	60,793
Total	53,506,463	38,557,023

	Six months ended June 30, 2026	
	Operating revenue	**Operating costs**
	RMB'000	***RMB'000***
	(Unaudited)	**(Unaudited)**
By geographic region		
Domestic	21,314,842	16,811,166
Overseas	32,191,621	21,745,857
Total	53,506,463	38,557,023
Timing of product transfer		
At a point in time	52,875,116	38,280,885
Over time	631,347	276,138
Total	53,506,463	38,557,023

(2) Performance Obligations

Revenue recognized is derived from:

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Carrying amount of contract liabilities at the beginning of the year	**2,958,450**	2,520,831

Information about the Group's performance obligations is as follows:

	Timeframe for fulfilling performance obligations	**Key payment terms**	**Nature of the goods promised to be transferred**	**Whether primary responsible party**	**Types of warranty provided and related obligations**
Sale of products	When customer obtains control of relevant goods	Contract payments are typically due upon acceptance of the goods and receipt of the invoice	Goods	Yes	Assurance-type warranty, the related obligation is to provide the customer with the assurance that the good sold complies with agreed-upon specifications
Rendering of services	During the service period or according to the progress of the service	Contract payments are usually collected according to the progress of services or upon completion of services	Services	Yes	Assurance-type warranty, the related obligation is to provide the customer with the assurance that the services rendered complies with agreed-upon specifications

6. FINANCE COSTS

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest expenses	**208,972**	289,049
Less: Interest income	**668,961**	507,527
Less: Capitalised amount of interest	**205**	755
Foreign exchange gains/(losses)	**2,103,782**	(668,501)
Fee and others	**6,765**	30,777
Total	**1,650,353**	(856,957)

7. INCOME TAX EXPENSE

	Six months ended June 30, 2026	Six months ended June 30, 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax expense	**1,190,032**	947,598
Deferred income tax expense	**(250,445)**	(155,869)
Total	**939,587**	791,729

8. RETURN ON NET ASSETS AND EARNINGS PER SHARE

	Weighted average return on net assets (%)	**Earnings per share**	
		Basic earnings per share	**Diluted earnings per share**
Net profit attributable to ordinary equity holders of the Company	6.16	0.6217	0.6217
Net profit attributable to ordinary equity holders of the Company after deducting non-recurring gains and losses	5.07	0.5116	0.5116

9. DIVIDEND

Pursuant to a resolution passed by the Board on March 30, 2026 and approved at the 2026 annual general meeting of the Company on June 2, 2026, a final dividend for the year ended December 31, 2025 of RMB0.18 per share (equivalent to HK$0.2067 per share) was proposed. As of the date of this announcement, the dividend payment has been completed.

The Board does not recommend any payment of an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: nil).

10. ACCOUNTS RECEIVABLE

(1) Ageing analysis of trade receivables (based on the invoice date)

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Within 1 year	**28,420,056**	24,161,772
1 to 2 years	**2,203,933**	1,968,448
2 to 3 years	**1,172,504**	1,258,913
3 to 4 years	**778,610**	592,710
4 to 5 years	**553,865**	558,393
Over 5 years	**1,960,062**	1,817,250
	35,089,030	30,357,486
Less: Provision for doubtful accounts receivable	**5,216,518**	4,817,121
Total	**29,872,512**	25,540,365

(2) Disclosure by classification of bad debt provision method

	2026				2025			
	Carrying amount		**Provision for bad debts**		Carrying amount		Provision for bad debts	
	Amount	**Proportion** *(%)*	**Amount**	**Provision rate** *(%)*	Amount	Proportion *(%)*	Amount	Provision rate *(%)*
Provision for bad debts on an individual basis	**6,927,614**	**19.74**	**2,844,324**	**41.06**	5,491,851	18.09	2,704,828	49.25
Provision for bad debts by portfolio of credit risk characteristics	**28,161,416**	**80.26**	**2,372,194**	**8.42**	24,865,635	81.91	2,112,293	8.49
Total	**35,089,030**	**100**	**5,216,518**		30,357,486	100	4,817,121	

11. ACCOUNTS PAYABLE

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Accounts payable for materials	**32,927,470**	27,185,000
Others	**89,264**	62,771
Total	**33,016,734**	27,247,771

An ageing analysis of trade payables as at June 30, 2026 based on contract maturity dates is as follows:

	June 30, 2026 *RMB'000* **(Unaudited)**	December 31, 2025 *RMB'000* (Audited)
Within 1 year	**32,472,258**	35,683,600
Over 1 year	**544,476**	380,631
Total	**33,016,734**	36,064,231

12. COMPARATIVE AMOUNTS

Certain comparative amounts have been re-presented as if the business combination under common control during the previous year had been taken place at the beginning of the comparative period.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis were prepared based on our financial information prepared in accordance with CASBE.

Revenue

Our revenue increased by 19.49% from RMB44,780 million for the six months ended June 30, 2025 to RMB53,506 million for the six months ended June 30, 2026, driven by the high prosperity of the global mining and infrastructure sectors and the steady growth in global market share of the Company. Specifically, revenue from excavating machinery amounted to RMB21,306 million, representing a year-on-year increase of 21.77%; revenue from concrete machinery was RMB9,022 million, representing a year-on-year increase of 21.25%; revenue from hoisting machinery stood at RMB8,446 million, representing a year-on-year increase of 8.22%; revenue from piling machinery was RMB2,187 million, representing a year-on-year increase of 63.11%; and revenue from road machinery amounted to RMB2,278 million, representing a year-on-year increase of 5.52%.

Cost of Sales

Our cost of sales increased by 18.99% from RMB32,404 million for the six months ended June 30, 2025 to RMB38,557 million for the six months ended June 30, 2026, mainly due to a corresponding increase in costs as a result of the growth in revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 20.79% from RMB12,376 million for the six months ended June 30, 2025 to RMB14,949 million for the six months ended June 30, 2026. Our gross profit margin increased from 27.64% for the six months ended June 30, 2025 to 27.94% for the six months ended June 30, 2026, mainly due to an increase in the gross profit margin of excavating machinery and concrete machinery. Additionally, the year-on-year growth in international gross profit margin contributed to the increase in overall gross profit margin.

Selling Expenses

Our selling expenses increased by 19.42% from RMB2,928 million for the six months ended June 30, 2025 to RMB3,497 million for the six months ended June 30, 2026, primarily due to the year-on-year increase in employee compensation and benefits.

Administrative Expenses

Our administrative expenses increased by 3.33% from RMB1,257 million for the six months ended June 30, 2025 to RMB1,299 million for the six months ended June 30, 2026, primarily due to the year-on-year increase in employee compensation and benefits.

Research and Development Costs

Our research and development ("**R&D**") costs increased by 8.23% from RMB2,162 million for the six months ended June 30, 2025 to RMB2,340 million for the six months ended June 30, 2026, primarily due to the year-on-year increase in employee compensation and benefits and direct investments.

Finance Costs

Our finance costs increased from RMB(857) million for the six months ended June 30, 2025 to RMB1,650 million for the six months ended June 30, 2026, primarily due to the increase in foreign exchange losses during the current period.

Other Income

Our other income increased from RMB345 million for the six months ended June 30, 2025 to RMB511 million for the six months ended June 30, 2026, primarily due to the increase in revenue-related government grants received during the current period.

Investment Income

Our investment income increased from RMB246 million for the six months ended June 30, 2025 to RMB580 million for the six months ended June 30, 2026, primarily due to the growth in investment income from financial assets held-for-trading during the holding period and income from long-term equity investments accounted for under equity method.

Gain on Fair Value Change

Our gain on fair value change increased from RMB(677) million for the six months ended June 30, 2025 to RMB485 million for the six months ended June 30, 2026, primarily due to changes in the fair value arising from foreign exchange contracts.

Credit Impairment Losses

Our credit impairment losses increased from RMB(383) million for the six months ended June 30, 2025 to RMB(714) million for the six months ended June 30, 2026, primarily due to an increase in loss allowance for doubtful accounts receivable and other receivables.

Income Tax Expense

Our income tax expense increased from RMB792 million for the six months ended June 30, 2025 to RMB940 million for the six months ended June 30, 2026, primarily due to an increase in the total profit.

Profit for the Six Months

As a result of the foregoing, our profit for the six months increased by 8.30% from RMB5,285 million for the six months ended June 30, 2025 to RMB5,724 million for the six months ended June 30, 2026.

Financial Position

The table below sets forth the absolute amounts from the Company's unaudited consolidated statement of financial position as at June 30, 2026 and December 31, 2025:

	As at June 30, 2026 *RMB million*	As at December 31, 2025 *RMB million*
Total non-current assets	**48,702**	49,001
Total current assets	**132,451**	124,298
Total assets	**181,153**	173,299
Total non-current liabilities	**9,273**	12,011
Total current liabilities	**78,684**	71,856
Total liabilities	**87,957**	83,868
Equity attributable to owners of the parent	**92,084**	88,331
Net assets	**93,196**	89,431

The total non-current assets of the Company decreased from RMB49,001 million as at December 31, 2025 to RMB48,702 million as at June 30, 2026, primarily due to the normal depreciation and amortization of long-term assets. The total current assets of the Company increased from RMB124,298 million as at December 31, 2025 to RMB132,451 million as at June 30, 2026, primarily due to an increase in inventory and accounts receivable, as well as a decrease in monetary funds.

The total non-current liabilities of the Company decreased from RMB12,011 million as at December 31, 2025 to RMB9,273 million as at June 30, 2026, primarily due to a decrease in long-term borrowings.

The total current liabilities of the Company increased from RMB71,856 million as at December 31, 2025 to RMB78,684 million as at June 30, 2026, primarily due to an increase in dividends payable and amounts payable for material purchases.

The net assets of the Company increased from RMB89,431 million as at December 31, 2025 to RMB93,196 million as at June 30, 2026, primarily due to an increase in undistributed profits.

Liquidity and Capital Resources

The Company maintains sufficient cash and cash equivalents to ensure capital flexibility. The Company's cash and cash equivalents mainly comprise cash at banks, cash in hand, and short-term bank deposits with initial terms within three months. The table below sets forth the absolute amounts of cash and cash equivalents of the Company as at June 30, 2026 and December 31, 2025:

	As at June 30, 2026	As at December 31, 2025
	RMB million	*RMB million*
Cash and bank balances	**27,865**	38,451
Placements with banks	**178**	188
Subtotal	**28,043**	38,639
Less:		
Restricted deposits	**(714)**	(1,695)
Interest-bearing deposits	**(19,568)**	(22,039)
Cash and cash equivalents	**7,761**	14,905

The Company's cash and cash equivalents decreased from RMB14,905 million as at December 31, 2025 to RMB7,761 million as at June 30, 2026. This decrease was primarily due to an increase in cash outflows from investing activities during the current period.

The Company obtains financing based on market interest rates and its capital operation plans. The Company's bank loans and bonds are sourced from commercial banks and financial institutions in Chinese Mainland and other countries or regions. The table below sets forth the absolute amounts of bank loans and debentures as at June 30, 2026 and December 31, 2025:

	As at June 30, 2026 *RMB million*	As at December 31, 2025 *RMB million*
Short-term		
Pledged borrowing	**1,928**	4,622
Guaranteed borrowing	**2,199**	1,297
Credit borrowing	**2,603**	3,210
Other borrowing	**1,708**	1,411
Subtotal	**8,438**	10,540
Long-term		
Pledged borrowing	**843**	600
Guaranteed borrowing	**2,216**	3,382
Credit borrowing	**3,623**	6,920
Including: Due within one year	**(1,500)**	(3,049)
Subtotal	**5,182**	7,853
Total	**13,620**	18,393

Charge on Assets

As at June 30, 2026, the Group recorded pledged bank deposits of approximately RMB714 million (December 31, 2025: approximately RMB1,695 million) as securities for the issuance of bank acceptance bills, mortgaged borrowings and statutory deposit reserves placed with central bank. As at June 30, 2026, the Group recorded financial assets held-for-trading of approximately RMB1,733 million (December 31, 2025: RMB1,716 million), which were pledged for repurchase of national debts. As at June 30, 2026, the Group recorded bills receivables of RMB184 million (December 31, 2025: RMB262 million), which were pledged to obtain loans. As at June 30, 2026, the Group recorded long-term receivables of RMB705 million (December 31, 2025: RMB944 million), which were pledged for trade receivables factoring.

Capital Expenditure and Commitments

As at June 30, 2026, the contracted capital commitments of the Group which were not provided for in the financial statements were approximately RMB1,148 million (as at December 31, 2025: approximately RMB918 million).

Contingent Liabilities and Guarantees

(1) Certain end customers of the Company have utilised purchased construction machinery as collateral to entrust the Company's partnered distributors (hereinafter "**Distributors**") or Hunan Zhongfa Intelligent Equipment Co., Ltd. (hereinafter "**Hunan Zhongfa**") in obtaining mortgage loans from financial institutions. The mortgage contracts stipulate that the loan amount for individual buyers equivalent to 70% to 80% of the purchase price of the construction machinery, with loan terms typically ranging from 2 to 4 years. Pursuant to agreements between the Company and the mortgage lending financial institutions, in the event of buyers' default on loan repayments, both Hunan Zhongfa (or Distributors) and the Company are liable for guaranteeing the remaining mortgage loans from the financial institutions. As of June 30, 2026, the balance of such guarantee obligations assumed by the Company amounted to RMB634 million.

(2) To promote the sales of the Company's construction machinery equipment and meet customer demands, the Company has established finance lease sales cooperation with China Kangfu International Leasing Co., Ltd. (hereinafter "**Kangfu International**") and Hunan Zhonghong Financial Leasing Co., Ltd. (hereinafter "**Hunan Zhonghong**"). The Company has entered into bank-enterprise cooperation agreements for finance leases with Kangfu International, Hunan Zhonghong, and relevant financial institutions, pursuant to which Kangfu International and Hunan Zhonghong provide finance lease services to the Company's end customers, selling their receivables from finance leases to financial institutions. Should the lessees fail to make rental payments according to agreed terms during the agreed repayment period, the Company is obligated to guarantee the related leased assets under the cooperation agreements to the financial institutions. As of June 30, 2026, the balance of such guarantee obligations undertaken by the Company amounted to RMB86 million.

Certain customers of the Company purchase the Company's machinery products through third-party financing leases. The customers enter into product sales agreements with the Company's partnered distributors (hereinafter "**Distributors**") or the Company, and Hunan Zhonghong or the Distributors handle the financial leasing procedures with third-party financial leasing companies on behalf of the customers. Pursuant to such arrangements, should the lessees fail to make rental payments according to agreed terms during the agreed repayment period, Hunan Zhonghong (or the Distributors) and the Company are obligated to assume guarantee responsibilities to the third-party financing lease companies. As of June 30, 2026, the balance of such guarantee obligations undertaken by the Company amounted to RMB9,834 million.

(3) As of June 30, 2026, the aggregate balance of overdue mortgage payments and overdue financing lease payments advanced by the Company on behalf of customers amounted to RMB3,549 million. The Company has transferred such advances to trade receivables and made provision for bad debts.

(4) The Company issues asset-backed securities and assumes liquidity shortfall payment obligations to cover the shortfall between the distributable funds of each period under the special purpose plan of the asset-backed securities and the fixed returns and principal payable to senior asset-backed securities of each period. As of June 30, 2026, the balance of such obligation amounted to RMB8,696 million. The Company assessed the likelihood of assuming liquidity shortfall payment obligations as low.

Significant Investments and Material Acquisitions or Disposals by the Group

There were no significant investments held, and no material acquisitions or disposals of subsidiaries, associates and joint ventures for the six months ended June 30, 2026, nor was there any plan authorized by the Board for material investments or capital assets at June 30, 2026.

Foreign Exchange Risk

The Company operates globally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries.

The Company employs hedging strategies for currency settlement, including the use of various derivative instruments (primarily including forwards, options and futures contracts), entering into forward foreign exchange hedging contracts, and managing the scale of foreign currency assets and liabilities to minimize foreign exchange risk and mitigate the impact of exchange rate fluctuations on operating results.

Employees and Remuneration Policy

For the six months ended June 30, 2026, cash paid to and on behalf of employees amounted to RMB6,362 million, compared to RMB5,674 million for the six months ended June 30, 2025.

The Company has established a fair, transparent and merit-based performance evaluation system and implements a highly competitive compensation and benefits policy. Employees' annual performance bonuses are awarded based on their performance and the Company's overall results. These bonuses directly reflect employees' performance and contributions, embodying the performance-oriented nature of our compensation incentives. The Company offers salary increases and promotion opportunities to high-performing employees every year. The Company also provides various special awards to employees and teams who demonstrate outstanding performance during the year.

BUSINESS REVIEW AND OUTLOOK

In the first half of 2026, the construction machinery industry as a whole exhibited a development trend of "bottom-out and recovery of domestic demand, improving volume and quality of external demand". For the domestic market, driven by urban renewal and new energy infrastructure projects, coupled with the implementation of large-scale national policies on equipment replacement and the simultaneous equipment replacement cycle, industry demand has been steadily recovering. In particular, electrified products, as an important representative of new quality productive forces, saw accelerated market penetration and became a core driver of domestic demand. For the overseas market, despite the impact of uncertainties such as geopolitical conflicts and exchange rate fluctuations, the overall export volume and overseas penetration rate of the industry steadily increased, demonstrating strong momentum, supported by the continued high prosperity of the global mining industry and infrastructure construction in emerging markets.

At present, full electrification has become an irreversible long-term trend in the construction machinery industry. With the deep integration of digitalization and green technology, the industry's competitive pattern is gradually shifting from a simple product and price game to providing customers with integrated solutions based on the optimal cost throughout the entire life cycle, driving the industry into a new stage of high-quality development.

During the Reporting Period, the Company maintained a stable market share for its main products, continued to improve its cash flow and profitability, and maintained a healthy level of inventory and outstanding receivables. During the Reporting Period, total revenue reached RMB53,506 million, representing a year-on-year increase of 19.49%; net profit attributable to Shareholders of the Company amounted to RMB5,690 million, representing a year-on-year increase of 9.13%; and net cash flow generated from operating activities amounted to RMB9,768 million, representing a year-on-year decrease of 3.62%. In the second quarter, total revenue reached RMB29,359 million, representing a year-on-year increase of 24.39%; and net profit attributable to Shareholders of the Company amounted to RMB3,209 million, representing a year-on-year increase of 16.93%. As of June 30, 2026, the Company's total assets amounted to RMB181,153 million, and net assets attributable to Shareholders of the Company amounted to RMB92,084 million.

(I) High-quality Development Yielded Remarkable Results

During the Reporting Period, the Company comprehensively optimized its global resource allocation, increased investment in overseas channels and service networks, and accelerated the development of scenario-based whole sets of products, thereby driving the continuous increase in global market share. At the same time, the Company further promoted the construction of a lean operation system, driving the steady improvement of overall operational efficiency and providing solid support for high-quality business growth.

1. Global Revenue Growth Accelerated

Benefiting from the booming global mining and infrastructure sectors and the steady increase in the Company's market share around the globe, the Company recorded revenue of RMB53,306 million during the Reporting Period, representing a year-on-year increase of 19.70%.

2. Operating Profit Continued to Increase

During the Reporting Period, the Company proactively responded to external challenges such as exchange rate fluctuations, focused on its core business, and recorded a net profit attributable to shareholders of the parent company of RMB5,690 million, representing a year-on-year increase of 9.13%, demonstrating a continued improvement in operating performance.

3. Operational Efficiency Continued to Improve (Inventory Turnover, Accounts Receivable Turnover, etc.)

During the Reporting Period, the Company placed great emphasis on operational quality and risk management, adhering to its value-oriented sales policy. The overdue rates of outstanding receivables for the Company's major products remained at a low level, with overall satisfactory scale and quality of outstanding receivables.

(II) Core Competitiveness Remained Solid

Excavating machinery: Sales revenue amounted to RMB21,306 million, representing a year-on-year increase of 21.77%. The Company remained as the No. 1 player in the domestic market and steadily increased its global market share.

Concrete machinery: Sales revenue amounted to RMB9,022 million, representing a year-on-year increase of 21.25%, maintaining the Company's position as the No.1 brand worldwide.

Hoisting machinery: Sales revenue amounted to RMB8,446 million, representing a year-on-year increase of 8.22%, with small and medium-sized crawler cranes maintaining the largest market share in China.

Piling machinery: Sales revenue amounted to RMB2,187 million, representing a year-on-year increase of 63.11%, with rotary drilling rigs maintaining the largest market share in China.

Road machinery: Sales revenue amounted to RMB2,278 million, representing a year-on-year increase of 5.52%, with a steady increase in the domestic market share of rollers.

(III) Globalization Has Been Accelerating

The Company remained unwavering in its commitment to globalization as its top priority, continuously deepening its presence in overseas markets and accelerating the comprehensive upgrade from "product export" to "industry going global". In the first half of 2026, the Company's principal business achieved overseas sales revenue of RMB32,040 million, representing a year-on-year increase of 21.82%, with overseas revenue accounting for 61.33% of revenue from the principal business.

1. Global Resource Allocation Continued to Optimize

Global Organization: The Company is committed to advancing global organizational transformation. By implementing a "platform empowerment + elite operations" organizational model, and establishing overseas regional offices and domestic regional offices as global strategic planning and empowerment platforms, the Company aims to promote the localization of management and operations to adapt to the global environment.

In addition, to align with the new stage of high-quality and in-depth development of its overseas business, the Company has established a global key account headquarters and comprehensively upgraded its strategic marketing and service system for core global clients. It has also established a coordinated operation mechanism of "headquarters, regional offices, and frontline operations" to reach leading global mining companies, multinational infrastructure contractors, and leasing companies, significantly improving its integrated solutions and delivery capabilities.

Global R&D: The Company has established a "1+5+N" global R&D framework to develop products based on localized scenarios and customer needs, committed to providing customers with efficient, convenient, environmentally friendly, stable and reliable products. In the first half of 2026, the Company launched more than 30 new products in overseas markets.

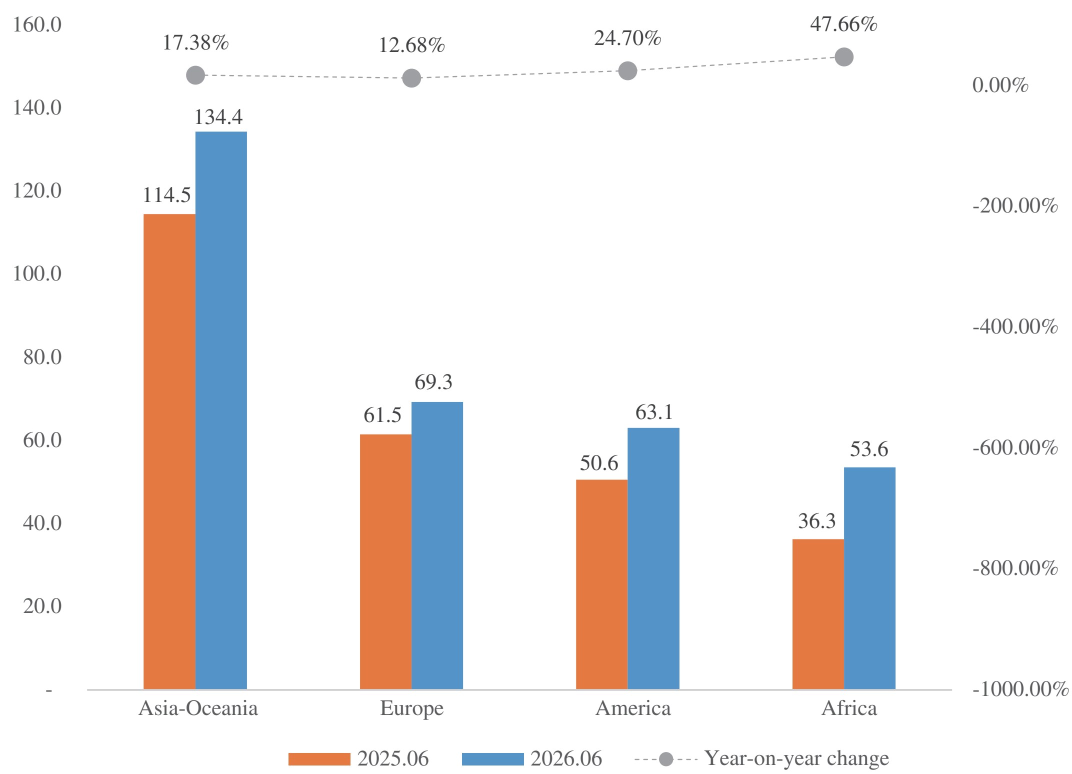
Global Manufacturing: The Company accelerated the globalization of manufacturing and actively promoted the application and upgrading of intelligent manufacturing standards. In the first half of 2026, the Company's manufacturing base in Brazil successfully completed the production of its first excavator prototype, further strengthening the Company's production and supply resilience and market competitiveness in Latin America.

Globalized Sales Channels and Services: The Company has established an overseas market channel system covering more than 500 overseas subsidiaries, joint ventures and agents, and over 70% of its overseas employees are recruited locally. It has built a global warehousing network including 6 domestic central warehouses, 2 overseas supply center warehouses and nearly 1,000 overseas parts warehouses, which has significantly improved its global marketing and service capabilities.

2. **Accelerated Expansion in Major Overseas Markets**

The Company's overseas product sales have covered more than 150 countries and regions. The details of revenue by region are as follows: the Asia-Oceania region was RMB13.44 billion, representing an increase of 17.38%; the European region was RMB6.93 billion, representing an increase of 12.68%; the American region was RMB6.31 billion, representing an increase of 24.70%; and the African region was RMB5.36 billion, representing an increase of 47.66%.

Principal Business Revenue by Overseas Region in the First Half of 2026 (RMB100 million)



3. **Steady Improvement in Overseas Market Profitability**

Driven by a combination of factors, including price adjustments for certain products, ongoing optimization of product mix and tangible effects of cost-reduction and efficiency-enhancement measures, core overseas businesses of the Company recorded further improvement in gross profit margin in the first half of 2026, reaching 32.50%, representing an increase of 1.32 percentage points compared with the corresponding period of last year.

4. **Milestones of Globally-oriented Products**

(1) The SCC10000T, a thousand-ton crawler crane, was successfully delivered to Denmark, marking its entry into the core supply chain of Europe's offshore wind power sector;

(2) The HBT9060CH-5S(T4), a 60MPa ultra-high pressure trailer pump featuring the highest pressure class of its kind globally, was successfully delivered to the Middle East and has been deployed in the construction of the Jeddah Tower, the world's tallest building at 1,008 meters, achieving full-coverage capability in concrete pumping for super-high-rise buildings over 500 meters worldwide.

(IV) Leader for the Industry's Low-Carbon Transition

The Company continued to explore the path toward low-carbon transformation in the construction machinery industry, leveraging its deep technological expertise in equipment manufacturing and its first-mover advantage in the market to drive sustainable transformation across the sector as an active leader.

1. Development of New Energy Products

With focus on three technology pathways of pure electric drive, hybrid power and hydrogen fuel cells, the Company comprehensively advanced the low-carbon transition across its portfolio of engineering vehicles, loading machinery, excavating machinery, hoisting machinery and concrete machinery, and continuously iterated its new energy offerings. In the first half of 2026, the Company further broadened its new energy product coverage, launching a total of 15 new energy products to market.

SY600EP Large Electric Excavator:

As a 55-ton heavy-duty pure electric excavator, the SY600EP is equipped as standard with a 3.1 m^3 bucket and a rated power of 310 kW, purpose-built for heavy-duty applications such as mining and rock excavation. The product features AOTC intelligent control, positive-flow hydraulics, and a 1kV integrated electric drive system, delivering a 10% improvement in operating efficiency over the previous generation. Leveraging proprietary integrated drive and drum system, the machine achieves a 10% improvement in overall heat dissipation capability and a 30% enhancement in reliability, and offers noticeable operational cost-saving advantages. Furthermore, the product incorporates a comprehensive active and passive high-voltage safety protection system encompassing leakage detection, lightning protection and grounding protection, ensuring operational safety in an all-round manner.

SAC2500EPHEV Hybrid All-terrain Crane:

The SAC2500EPHEV, a 250-ton hybrid all-terrain crane, represents the world's largest-tonnage P2 hybrid all-terrain crane. Featuring six operating modes, it supports both pure-electric driving and pure-electric operation, fully meeting the construction and relocation requirements of zero-emission job sites. The product has overcome a number of key technical challenges, including hybrid transmission durability, and has achieved independent development and calibration of HCU vehicle control software, with a comprehensive fuel-saving rate of 20% and core technical indicators ranking among the industry's best. During the Reporting Period, the product made a success in extending its penetration to overseas premium markets, including Europe and Australia, underscoring the Company's core competitiveness in new energy hoisting machinery on the global stage.

Intelligent Hybrid 39-Meter Pump Truck:

This innovative intelligent hybrid concrete pump truck deeply integrates core technologies including hybrid matching control, innovative powertrain, high-speed hydraulics and integrated vehicle-level thermal management, and is equipped with a domain control system that unifies the upper and lower structures. In terms of performance, the product achieves a 54% reduction in energy costs, a 66% increase in driving range, and a 53% increase in pumping output, effectively addressing the market's pressing demand for low energy consumption and extended endurance.

2. **Research and Development of New Energy Core Components and Technologies**

To further enhance the core competitiveness of its new energy products, the Company pursued independent development and strategic partnerships in the new energy sector, and achieved significant breakthroughs in the development and matching control of hybrid systems for concrete pump truck, innovative powertrain and other core technologies, with a focus on the directions of higher voltage, higher efficiency and greater integration. In the first half of 2026, the Company was granted 60 patents related to low-carbon technologies.

(V) Active Promotion of Digital and Intelligent Transformation

The Company promoted the transformation through a series of strategic initiatives, including the Four-pronged Improvement of processes (standardization, digitalization, automation and intelligence), independent development of major eight industrial software systems, enhanced data collection and application, and advancement of product upgrades toward low-carbon and intelligent solutions. With these initiatives, the Company will achieve refined management in manufacturing, precise cost control, and comprehensively advance the development of smart manufacturing, intelligent products, and the construction of an intelligent operation system.

1. **Intelligent Manufacturing**

Lighthouse Factory: As of the end of the Reporting Period, 37 Lighthouse Factories had been completed and put into production by the Company. The Company was the only heavy industry enterprise recognized by the World Economic Forum as a "Lighthouse Factory". Two of SANY Heavy Industry's factories, namely "Beijing Piling Machinery Plant" and "Changsha No.18 Plant", obtained the "Lighthouse Factory" certifications, offering a reference for digital and intelligent development directions for global manufacturing enterprises. The Company successfully designed and built its first overseas "Lighthouse Factory" in Indonesia, achieving full-network connectivity and manpower-lean production.

Development of operation platforms: Hardware Technology Breakthroughs: Through 13 self-developed high-precision technology clusters (intelligent AI-based seam tracking for welding robots, offline automatic programming and AI-driven efficiency enhancement, adaptive machining, and high-quality coating), the Company pioneered a new "AI Synergy 4.0" paradigm. Software Technology Breakthroughs: The Company promoted online and transparent management of key operations in five major areas including planning collaboration, production execution, material management, quality assurance and equipment repairs and maintenance. It integrated manufacturing systems such as MES, APS, WMS and EQP, and realized dashboard-based production scheduling management, established standards for automated error-proofing and fool-proofing in processes, materials and quality inspection, and achieved station-level automatic access and exit management.

2. Intelligent Products

The transformation of construction machinery products into data-driven intelligent terminals represents a key objective of the Company's digital and intelligent strategy. The Company actively advanced the commercialization of R&D achievements, committed to developing industry-leading intelligent products. Selected application scenarios are illustrated below:

SANY Emine Digital Mining System:

The system provides an integrated digital solution for whole-set open-pit mining equipment, fully covering the core production chain of excavation, loading, transportation and dumping. Through intelligent algorithms, the system generates scientific stripping and dumping plans, achieving a 1% reduction in fuel consumption per trip. Equipped with an intelligent mine-specific dispatching module for mixed fleets, it effectively reduces vehicle idle time and improves production efficiency by 5%. In addition, leveraging intelligent technologies such as fully automated operation metering and facial recognition, the system enables paperless closed-loop fuel management, contributing to a 2% reduction in operating costs. As of the end of the Reporting Period, the system has been deployed in more than 20 open-pit mines across China, delivering intelligent cost reduction and efficiency improvement in the aspects of personnel, equipment and operational processes.

Unmanned Paver-Roller Fleet:

Focused on unmanned applications in tunnel construction scenarios, the fleet incorporates proprietary core technologies of integrated perception and local communication, effectively addressing complex operational challenges such as poor signal positioning within tunnels and lengthy construction preparation cycles. The product has successfully completed material-carrying construction validation in a project in Anhui Province, achieving a significant technological breakthrough in unmanned operation and intelligent coordination within tunnel environments.

All-Terrain Crane E-Series Portfolio:

As an intelligent product series developed specifically for the high-end segment of European market, the series deeply integrates over 10 intelligent assistance and automation technologies, including automatic counterweight mounting, load-dependent boom extension, and variable outrigger spans, improving the operating experience comprehensively from three key dimensions: construction efficiency, intelligent safety monitoring and intelligent human-machine interaction, fully aligning with the stringent requirements for intelligent and safe construction in overseas markets.

3. **Intelligent Operation**

The Company continued to drive comprehensive, full-element data collection and to unlock the value of data, thereby adjusting operational strategies and achieving improvement in overall operational efficiency and cost control.

The Company's industrial Internet platform IOT extensively connected various equipment and systems, integrated, utilized and analyzed massive data, and realized digital twin technology through modelling, driving enterprise quality improvement, cost reduction and efficiency enhancement. The Company realized real-time online access to 19,000 units of equipment, 33,000 units of instruments and 61,000 units of cameras. Through data analysis and algorithm models, the system optimized and reduced costs and energy consumption. In the first half of 2026, the Company promoted initiatives such as primary-auxiliary equipment coordination, application of high-efficiency equipment and process optimization, and achieved cumulative energy cost savings of approximately RMB35 million.

(VI) Remarkable R&D and Innovation Achievements

In the first half of 2026, the Company invested RMB2.34 billion in R&D, maintaining a high level of research and development expenditure aligned with the strategy of "globalization, digital and intelligent transformation, and low-carbon development".

1. **Patent Inventions:** In the first half of 2026, the Company filed 389 patent applications (excluding software copyrights), of which 211 were invention patents, accounting for 54% of the total.

2. **R&D Talents:** Attracting and retaining talents through sound incentive mechanisms and multi-channel cooperation, the Company ensured that R&D led innovation. As of the end of the first half of 2026, the Company had 6,090 R&D personnel, of whom 53% held a master's degree or above.

3. **Testing and Trial Production:** The Company operated 4 field test sites and 5 trial production centers, dedicated to building testing capabilities for electrification and intelligentization, thus establishing a comprehensive forward R&D and testing system covering "components – systems – complete vehicles" with over 1,550 testing capabilities and more than 400 corporate standards, which achieved 90% coverage of test scenarios and significantly shortened test cycles.

4. **R&D Digitalization:** The Company actively promoted the transformation of the IPD R&D management system, driving a profound transformation in the R&D model from traditional "technology-driven" to "customer demand and commercial value-driven". By forming cross-functional product development teams, the Company effectively broke down departmental barriers between R&D, manufacturing, supply chain and marketing, realizing forward-looking control of target costs and quality. Meanwhile, the Company vigorously strengthened the construction of public basic modules, and improved the universality and reusability of core technology platforms. This significantly shortened the time-to-market of the Company's new energy and high-end digital and intelligent products, markedly improving the returns on R&D resources and one-off success rate of product delivery, equipping the Company with stronger agile response and cost control capabilities when facing complex and high-frequency customized demand in global markets.

5. **Product R&D:** In the first half of 2026, the Company launched a number of innovative products. Representative new products primarily include:

HZS120C10F Containerized Mixing Plant:

Featuring highly modular containerized integration as the core original design, the product incorporates modular components including an integrated fluid and air supply container and a folding inclined conveyor belt, reducing the total number of loose parts by nearly 4,000 and shortening the installation cycle by 50%. The product is compatible to standard container shipping dimensions, with a compact overall layout and a foundation-free solution, enabling rapid commissioning and flexible relocation, significantly lowering the customer's total lifecycle costs.

SAC30000T All-terrain Crane:

Tailored to the scenarios for main hoisting applications in the global wind power market, the product achieves an optimal balance between a 3-meter vehicle width and lifting performance. While fully complying with highway transport regulations, the product boasts a lifting capacity that outperforms industry peers in the same class by 10%. It is the industry's first 3,000-ton wheeled crane capable of integral hoisting of 10 MW wind turbines, with a maximum lifting height exceeding 170 meters.

SCC10000T Crawler Crane:

As a new-generation 1,000-ton crawler crane tailored for the European market, the product features a detachable boom configuration, with boom lifting capacity increased by over 30%. The lower structure is equipped with a 9.5-meter wide-track chassis, thus improving overall stability by over 5%. Dismantling and relocation efficiency is enhanced by 10% compared with mainstream competitors, while the crane also incorporates intelligent features including a smart cockpit and 360° surround-view system. As the Company's largest-tonnage crawler crane targeting the European market, the product has received strong market recognition since its launch.

OUTLOOK OF THE GROUP'S FUTURE DEVELOPMENT

(I) Industry Landscape and Trends

1. Construction Machinery Industry Landscape

In recent years, China's construction machinery industry has continued to develop, with an overall trend of increasing market share concentration. In terms of products, domestic brands represented by Sany Heavy Industry dominate the concrete machinery market, with solid and growing market shares; the excavating machinery market shows a trend of concentration towards leading enterprises and domestic brands, and leading enterprises with advantages in brand, scale, technology, service and channels will gain greater competitive advantages. Sany Heavy Industry has ranked as the top sales in the domestic market for 15 consecutive years; the hoisting machinery market is dominated by three major domestic brands. In overseas markets, the global competitiveness of Chinese enterprises has continued to improve, with their shares in the global construction machinery market gradually rising.

2. Industry Development Trends

Digitalization and decarbonization have become major trends in China's construction machinery industry.

Currently, the Fourth Industrial Revolution and the Third Energy Revolution are having a combined effect, and the world is in a period of significant technological opportunity. The Chinese government has put forward the goals of "peaking carbon emissions by 2030 and achieving carbon neutrality by 2060". Digitalization and decarbonization have become irresistible trends of the industry, and China's construction machinery has entered a long-term technological upward cycle.

The construction machinery market is cyclical, but in recent years, factors such as machinery replacing labor, improved global competitiveness and upgraded emission standards of the construction machinery industry have become important drivers of industry growth, expanding the application scenarios of construction machinery.

3. Industry Development Prospects

The construction machinery industry has broad and long-term market prospects. China has huge demand in infrastructure investment sectors such as rail transit, highways, airports, port waterways, farmland water conservancy, urban renewal and environmental protection, bringing long-term development opportunities for the construction machinery industry. Globalization, digitalization and decarbonization have become long-term drivers of industry development, bringing unprecedented strategic opportunities to the construction machinery industry.

(II) Development Strategies of the Company

With the combined effect of the Fourth Industrial Revolution and the Third Energy Revolution, the world is in a period of significant technological opportunity. The Company shall seize the opportunity and firmly implement the strategies of globalization, digitalization and decarbonization.

1. Globalization Strategy

The Company will unswervingly advance the globalization strategy. Under the guiding principle of "dedicated efforts for market expansion with strict risk control", it will implement the overall strategy of "Group Leadership, Localized Operation, Service First", continuously promote global organizational reform, strengthens overseas marketing channel construction, improve overseas service and parts systems, accelerate overseas product R&D, and establish sustainable global operational capabilities.

2. Digitalization Strategy

Based on a global data middle-platform, the Company will utilize data and intelligent decision-making to build a value flywheel for business processes, intelligent platforms and data quality. Guided by the business philosophy of "long-termism", it will continuously invest in enhancing innovation capabilities and achievements in the three fields of "intelligent products, intelligent manufacturing and intelligent operation", consolidate data assets in the construction machinery industry and application scenarios, and build itself into a future-oriented agent enterprise through data-driven decision-making, platform-based management and intelligent applications.

3. Decarbonization Strategy

The Company is committed to creating low-carbon products with high-quality, low-energy consumption and offering superior user experience. Actively laying out key components and parts and technologies in pure electrical, hybrid and hydrogen fields, it will accelerate the iterative upgrade of new energy main products. The Company will also continue to explore more efficient and environmentally friendly new energy product solutions, thus creating greater value for customers and promoting the green transformation of the industry.

(III) Business Plans

In 2026, the Company will adhere to the principle of high-quality development, accelerate the transformation of globalization, digitalization and decarbonization, continuously promote overseas organizational and R&D management reform, focus on product and technological innovation, comprehensively improve process capabilities and product quality, and further enhance profitability and overall competitiveness.

1. **Adhering to High-quality Development**

The Company has always adhered to the business principle of "high-quality development". By further optimizing its business structure and strengthening risk control, the Company aims to continuously enhance its profitability. The Company will concentrate its core resources on key clients and major application scenarios, accelerate the commercialization of high-end integrated equipment, and drive profit growth with higher-value-added products. On the operational side, the Company will continue to strengthen its management of accounts receivable and inventory. By strictly controlling customer credit reviews and avoiding high-risk orders, the Company ensures its high-quality, sustainable growth trajectory in a complex and ever-changing market environment.

2. **Promoting Global Transformation**

Under the guiding principle of "dedicated efforts for market expansion with strict risk control", the Company will increase overseas resource allocation, and fully explore overseas markets.

The Company will firmly implement the overall strategy of "Group Leadership, Localized Operation, Service First", strengthen the construction of overseas self-owned channels, adhere to local team operations, and accelerate the construction of overseas service networks.

The Company will continue to promote overseas organizational reform and upgrade its strategic marketing and service system for core customers around the world. We will enhance the synergistic efficiency of global R&D, manufacturing and supply chain resources to effectively strengthen the Company's overall competitiveness in high-end overseas markets.

3. **Advancing Our Digital Transformation**

The digital transformation implementation plan covers three areas, namely "intelligent products, intelligent manufacturing and intelligent operation". In terms of intelligent products, the Company will further improve unmanned and intelligent system solutions for business scenarios, empower product design and development with AI technology, and create ultimate solutions and products for customers relying on fields of electric, hydraulic, numerical control, transmission and other technological accumulation. In terms of intelligent manufacturing, the Company will promote the construction of Lighthouse Factories and manufacturing platform reform, realize material visibility, machine decision-making and full-process online production scheduling, and significantly improve quality, efficiency, cost management and inventory turnover.

4. Promoting Decarbonization Transformation

Centering on its "decarbonization" strategy, the Company will continuously strengthen R&D capabilities and product core competitiveness, providing inexhaustible momentum for high-quality development of enterprises, and assisting industrial transformation and upgrading. The Company is committed to comprehensively promoting a green and sustainable development model, focusing on the green and low-carbon transformation of energy, establishing a full-process green production chain that focuses on carbon reduction from the beginning of the process to the end, and contributing to China's goals of "carbon peak emissions and carbon neutrality" and the global clean energy transformation.

5. Strengthening R&D and Innovation

The Company will build an innovation model of "technology pre-research" and "platform reserve". Based on customer pain points, product development needs and technological development trends, it will formulate technology planning through "technology pre-research" and research innovative technologies supporting next-generation products. It will build a technology reserve platform, incorporate fully validated technical solutions into the technology platform, and establish replication capabilities for hit products. Meanwhile, it will further strengthen test capacity building and test method research to ensure full validation of technologies.

6. Strengthening Product Quality Management

The Company will firmly implement the concept of comprehensive quality management. Leveraging its newly upgraded digital quality management platform, the Company will systematically reconstruct its quality evaluation system across the entire value chain. On the R&D side, we are deeply integrating preventive tools such as advance quality planning to consolidate the foundation for comprehensive testing and validation across all scenarios; on the supply chain side, we are strengthening specialized evaluation and empowerment to build a high-quality supplier ecosystem characterized by collaboration, mutual benefit, and dynamic optimization; on the manufacturing side, we are fully integrating the end-to-end data loop spanning "design-processing-manufacturing" to comprehensively enhance process control over core operations. We are continuously working to reduce failure rates throughout the entire product lifecycle, providing quality assurance to support the Company's steady growth.

7. Strengthening Human Resources Construction

The Company has always regarded outstanding talent as a core asset driving its high-quality development, and will continue to refine its performance-based evaluation and long-term incentive mechanisms. By aligning competitive compensation with high professional standards, the Company aims to fully unleash organizational potential and foster mutual growth between the Company and its employees. At the same time, the Company will systematically optimize its talent structure and performance evaluation mechanisms in line with the Company's strategic direction of "globalization, digitalization and decarbonization". The Company will intensify its efforts to recruit industry leaders in a targeted manner and steadily advance the overseas practical training of high-potential talent. Relying on a continuously improving tiered training system, the Company will accelerate the cultivation and replication of core business talent within the organization, continuously increasing the proportion of multidisciplinary professionals with expertise in "three transformations", to provide a solid talent foundation for the Company to navigate industry cycles.

(IV) Potential Risks

1. Policy Risks

The construction machinery industry is closely related to infrastructure construction and investment in the construction industry. Changes in macroeconomic policies and fixed-asset investment growth will affect downstream customer's demand of the Company, thereby impacting its product sales.

2. Market Risks

The construction machinery industry is highly sensitive to the macroeconomic environment and fixed asset investment cycle. In the event that global economic growth slows down in the future, or domestic investment demand in downstream sectors such as infrastructure and real estate falls short of expectations, the overall industry outlook will be under pressure. Meanwhile, intensifying competition in the domestic market, coupled with a complex geopolitical landscape and changes in the international trade environment, may expose the Company to the risk of declining product gross margins and hindered overseas market expansion.

3. Exchange Rate Risks

The Company conducts a certain amount of business in currencies such as U.S. dollars, Euro and Japanese Yen. Fluctuations in the exchange rates of relevant currencies will have a certain impact on the Company's financial position.

4. Risks of Fluctuations in Raw Material Prices

The costs of the Company's raw materials and components and parts may be affected by various factors, such as market supply and demand, changes in suppliers, availability of alternative materials, changes in suppliers' production conditions and natural disasters.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Board is committed to maintaining high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Board has adopted all code provisions in Part 2 of the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as the code of the Company. The Board is of the view that, during the Reporting Period, the Company has complied with all code provisions as set out in the CG Code.

Compliance with Model Code

The Company has adopted the rules governing the securities transactions by directors under the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry to all directors of the Company ("**Directors**"), and all its Directors have confirmed that they complied with the Model Code during the Reporting Period. The Company has not identified any non-compliance with the Model Code by any of its Directors.

Purchase, Sale or Redemption of the Company's Listed Securities

Repurchase of H Shares of the Company

During the Reporting Period, the Company had not repurchased any of its H Shares on the Stock Exchange.

Repurchase of A Shares of the Company

During the Reporting Period, the Company had not repurchased any of its A Shares on the Shanghai Stock Exchange.

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the Reporting Period.

INTERIM DIVIDEND

The Board does not recommend any payment of an interim dividend for the Reporting Period.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee of the Company is primarily responsible for reviewing and supervising the financial reporting process and internal controls system of our Group, reviewing and approving connected transactions and providing advice and comments to the Board.

The Audit Committee comprises three members, namely Mr. Wu Zhongxin, Mr. Lam Yuk Kun Lawrence and Ms. Xi Qing as the members of the Audit Committee, with Mr. Wu Zhongxin as the chairperson of the Audit Committee and Mr. Wu Zhongxin is the Director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The Audit Committee has reviewed the unaudited consolidated interim results of the Company for the six months ended June 30, 2026 and the accounting principles and practices adopted by the Company and discussed matters relating to internal control and financial reporting.

SIGNIFICANT EVENTS

Adoption of CASBE for the Preparation of Financial Reports on a Uniform Basis

The Company is listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange and adopts CASBE and International Financial Reporting Standards ("**IFRS**") for the preparation of financial reports and disclosure of relevant financial information, respectively.

Pursuant to Rule 4.11(c) and Rule 19A.31(4) of the Listing Rules, an issuer which is incorporated in Mainland China as a joint stock limited company and listed on the Hong Kong Stock Exchange (the "**PRC issuer**") may adopt CASBE for the preparation of financial statements, and if the PRC issuer's primary listing is on the Hong Kong Stock Exchange, its annual accounts may be audited by a practising accounting firm in the People's Republic of China ("**PRC**") that meets the relevant conditions, provided that the PRC issuer has prepared its annual financial statements in accordance with CASBE. Under the mutual recognition agreement, a practising accounting firm in the PRC recognized by the Ministry of Finance of the PRC and the China Securities Regulatory Commission ("**CSRC**") has been recognized as a suitable auditor or reporting accountant for Mainland incorporated companies listed in Hong Kong, and is a recognized PIE auditor (within the meaning of the Listing Rules) as mentioned in Section 20ZT of the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong).

In view of the fact that the financial reports prepared in accordance with CASBE and the IFRS have largely converged, the Board considered and approved on June 24, 2026 the Company's proposed adoption of CASBE for the preparation of financial reports and disclosure of related financial information on a uniform basis commencing from the interim report for the period ended June 30, 2026.

For details, please refer to the Company's announcement dated June 24, 2026.

SUBSEQUENT EVENTS

Termination of Appointment of the H Share Financial Report Auditor

Ernst & Young was the Company's overseas audit institution for the year 2026 (the "**H Share Financial Report Auditor**") that provides audit services in respect of the Company's financial reports prepared in accordance with IFRS for a term commencing from the date of consideration and approval at the Company's 2025 annual general meeting held on June 2, 2026 to the conclusion of the 2026 annual general meeting. In view of the Company's adoption of CASBE for the preparation of financial reports on a uniform basis and the fact that Ernst & Young Hua Ming LLP, the Company's domestic financial report auditor, has been recognized by the Ministry of Finance of the PRC and the CSRC as eligible for providing audit service to issuers incorporated in the PRC and listed in Hong Kong using the auditing standards of the PRC, the Company proposed to terminate the appointment of Ernst & Young as the H Share Financial Report Auditor of the Company and to appoint Ernst & Young Hua Ming LLP, the domestic auditor, as the H Share Financial Report Auditor of the Company.

Following preliminary discussions with Ernst & Young Hua Ming LLP and Ernst & Young, taking into account the proposed termination of appointment of Ernst & Young, the Company's current business conditions, scope of consolidated financial statements, the estimated remaining audit workload for 2026 and prevailing market fee levels, the total audit fees for financial statements and internal control services for 2026 are estimated to be adjusted to approximately RMB4.2 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.

Ernst & Young has confirmed that there is no matter relating to the termination of the appointment of the H Share Financial Report Auditor that should be brought to the attention of the holders of the Company's securities. There is no disagreement between the Company and Ernst & Young regarding the termination of the appointment of the H Share Financial Report Auditor.

All members of the Audit Committee of the Company (the "**Audit Committee**") and all Directors agree that, given the substantial convergence between CASBE and IFRS, and the support from the relevant policy documents for PRC enterprises to adopt CASBE for the preparation of H-share financial reports, the uniform adoption of these standards is conducive to enhancing the efficiency of information disclosure and reducing preparation costs, and will not have any material adverse impact on the authenticity and accuracy of the financial reports and investors' decision-making.

Following the Board's consideration and approval on June 24, 2026, the Company's extraordinary general meeting held on July 14, 2026 has considered and approved Ernst & Young Hua Ming LLP, the domestic auditor, to be the sole audit firm of the Company to audit the financial reports of the Company in accordance with CASBE, and concurrently undertake the responsibilities as the audit institution for both the Company's A Share and H Share financial reports.

For details, please refer to the Company's announcement dated June 24, 2026 and July 14, 2026.

2026 A Share Employee Stock Ownership Plan

On July 14, 2026, the Company convened its first extraordinary general meeting of 2026, during which the proposal on the Company's 2026 A Share Employee Stock Ownership Plan (draft) and its summary as well as relevant proposals were reviewed and approved. 22,736,500 A Shares in the special securities account for repurchase of the Company were transferred to the 2026 A Share Employee Stock Ownership Plan account of the Company on August 24, 2026. The lock-up period of the 2026 A Share Employee Stock Ownership Plan is one year, and the duration is 72 months. As of the date of this announcement, the 2026 A Share Employee Stock Ownership Plan was subject to lock-up and there were a total of 22,736,500 A Shares of the Company in the account.

Save as disclosed in this announcement, there were no other material subsequent events since the end of the Reporting Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.sany.com.cn) and the Stock Exchange (http://www.hkexnews.hk). The 2026 interim report of the Company will be available on the websites of the Company and Stock Exchange in due course.

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

Hong Kong, the PRC
August 28, 2026

As at the date of this announcement, 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.

Certain amounts and percentage figures included in this announcement have been subject to rounding adjustments. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

This announcement contains certain forward-looking statements. These forward-looking statements are based on information currently available to the Group or the current belief, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and shareholders and investors of the Company should not place undue reliance on such statements.