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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)

**CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO SANYI COMPREHENSIVE PARTS AGENCY SERVICE
FRAMEWORK AGREEMENT
AND
ENTERING INTO REVISED SANYI AFTER-SALES SERVICE
FRAMEWORK AGREEMENT**

**ENTERING INTO SANYI COMPREHENSIVE PARTS AGENCY SERVICE
FRAMEWORK AGREEMENT AND REVISED SANYI AFTER-SALES SERVICE
FRAMEWORK AGREEMENT**

On October 16, 2026, the Company (for itself and on behalf of the Group) and SANY International (for itself and on behalf of SANY International Group) agreed to (i) enter into the SANYI Comprehensive Parts Agency Service Framework Agreement; and (ii) revise the annual caps of the Original SANYI After-Sales Service Framework Agreement by entering into the Revised SANYI After-Sales Service Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liang Wengen is the founder and a non-executive Director and one of the Controlling Shareholders of the Company. Accordingly, SANY International, which is owned by Mr. Liang Wengen as to approximately 78.42% as of the date of this announcement, is a connected person of the Company. The transactions contemplated under each of the SANYI Comprehensive Parts Agency Service Framework Agreement and the Revised SANYI After-Sales Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps under each of the SANYI Comprehensive Parts Agency Service Framework Agreement and the Revised SANYI After-Sales Service Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the annual reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

ENTERING INTO SANYI COMPREHENSIVE PARTS AGENCY SERVICE FRAMEWORK AGREEMENT

Introduction

On October 16, 2026, the Company (for itself and on behalf of the Group) and SANY International (for itself and on behalf of SANY International Group) entered into the SANYI Comprehensive Parts Agency Service Framework Agreement.

Principal Terms of the Agreement

Principal terms of the SANYI Comprehensive Parts Agency Service Framework Agreement are set out below:

Date	:	October 16, 2026
Parties	:	(a) Company (for and on behalf of the Group) (b) SANY International (for and on behalf of SANY International Group)
Term	:	From October 16, 2026 to December 31, 2027
Subject Matter	:	The Group and SANY International Group agreed to cooperate with each other in comprehensive parts agency services in accordance with the SANYI Comprehensive Parts Agency Service Framework Agreement.

Pursuant to the SANYI Comprehensive Parts Agency Service Framework Agreement, the Group shall, as authorised by SANY International, provide comprehensive parts agency services to SANY International Group's end-equipment customers, including but not limited to parts consignment sales, inbound receipt, warehousing, inventory allocation, parts delivery, returns and exchanges, parts quality claims coordination and payment collection (collectively, "**Comprehensive Parts Agency Services**"). The Comprehensive Parts Agency Services contemplated under the SANYI Comprehensive Parts Agency Service Framework Agreement shall collectively constitute an integrated package of agency services, each component of which is inseparable from the others, and shall be provided to SANY International Group as an overall service solution.

Within the scope of the SANYI Comprehensive Parts Agency Service Framework Agreement, the Group may make reasonable use of SANY International Group's parts technical specifications, bills of materials, fault knowledge base, trademarks and product marks, provided that such trademarks and marks shall not be used for parts counterfeiting, unauthorised manufacturing, sub-licensing or third-party OEM labelling.

Fee Arrangements : In return for the Comprehensive Parts Agency Services, SANY International Group shall pay the Group in the manner of revenue sharing, the ratio of which depends on the specific parts and form of cooperation agreed between the relevant parties.

- (1) The Comprehensive Parts Agency Service fee will be determined taking into account, among other things, (i) the scope, content and complexity of the services; (ii) the related costs, including personnel, warehousing, logistics and distribution, information management, operations and risk control; (iii) prevailing market rates or quotes from independent third party service providers for comparable services (such as parts agency warehousing and logistics, inventory management, order sales and fulfilment, warranty coordination and payment collection); and (iv) historical cooperation and service efficiency.
- (2) As the services are provided as an integrated package rather than separately, the fee will be calculated as the actual parts sales income amount multiplied by a composite commission rate, which is set by reference to the cost inputs and market rate levels for the functions involved (including agency sales and operational management) and to quotes, prevailing market rates and service costs of comparable independent third party service providers, with the average rate ranging from 5% to 11%.
- (3) Specific revenue sharing ratio of the service fee and settlement bases will be set out in the special service schemes and service orders to be mutually agreed by the parties from time to time. Commercial terms not specified in the SANYI Comprehensive Parts Agency Service Framework Agreement will be governed by the applicable special service schemes, which will be entered into under the SANYI Comprehensive Parts Agency Service Framework Agreement.

Payment and Settlement Terms : Settlement will be carried out monthly based on the comprehensive agency service fee calculated monthly by the order details and applicable pricing policies. The scope of the cooperation and payment and settlement terms of the implementation agreements shall be agreed separately between the relevant parties, which will be in line with the SANYI Comprehensive Parts Agency Service Framework Agreement.

Pricing Policies

The prices for the services we offer to SANY International Group shall be determined between SANY International Group and the Group after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those transactions between the Group and Independent Third Parties under the same conditions.

Historical Amount

There was no historical amount under the comprehensive parts agency service transactions between the Group and SANY International Group which is of a nature similar to the transactions contemplated under the SANYI Comprehensive Parts Agency Service Framework Agreement.

Annual Caps and Basis of Determination

The annual caps for the service fees payable by SANY International Group to the Group under the SANYI Comprehensive Parts Agency Service Framework Agreement for the two years ending December 31, 2027 are set out as follows:

	For the year ending December 31,	
	2026	2027
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Aggregate amounts of service fees payable by SANY International Group to the Group	37	171

The annual caps were determined by the Board taking into account the following factors:

- (i) the estimated service fees receivable by the Group, based on the applicable sharing ratio of approximately 5% to 11%, and the anticipated scale of aftermarket sales by SANY International Group for the fourth quarter of the year 2026 of approximately RMB465 million. Such estimate was provided by SANY International Group to the Group and was supported by the actual aftermarket sales of SANY International Group of approximately RMB1,315 million for the eight months ended August 31, 2026;
- (ii) the estimated growth for the year ending December 31, 2027, taking into account that the cooperation contemplated under the SANYI Comprehensive Parts Agency Service Framework Agreement is expected to commence in October 2026 and, on the full year basis, the estimated annual growth of approximately 10% to 15% for the year ending December 31, 2027 which is in line with the expected growth in aftermarket parts sales of SANY International Group, with the product mix expected to remain broadly stable. Such growth is expected to be driven by the installed base entering a concentrated replacement cycle together with intelligent upgrades of mines and ports and the electrification of open-pit mining; and
- (iii) a reasonable buffer to cater for possible fluctuations in actual parts sales volume, product mix and related service demand.

ENTERING INTO REVISED SANYI AFTER-SALES SERVICE FRAMEWORK AGREEMENT

Introduction

Reference is made to the Prospectus of the Company, in relation to the entering into fully-exempt continuing connected transactions between the Company and its connected person, among which the Company shall provide SANY International with certain services (the “**Original SANYI After-Sales Service Framework Agreement**”). As the highest applicable percentage ratio for the Original SANYI After-Sales Service Framework Agreement was less than 0.1% on an annual basis, such transactions constitute de minimis continuing connected transaction of the Company pursuant to Rule 14A.76(1) of the Listing Rules, and were therefore fully exempt from the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. On October 16, 2026, the Company (for itself and on behalf of the Group) and SANY International (for itself and on behalf of SANY International Group) agreed to revise the annual caps of the SANYI After-Sales Service Framework Agreement by entering into the Revised SANYI After-Sales Service Framework Agreement.

As the Revised SANYI After-Sales Service Framework Agreement covered the service scope of the Original SANYI After-Sales Service Framework Agreement, the Original SANYI After-Sales Service Framework Agreement will be terminated upon the Revised SANYI After-Sales Service Framework Agreement taking effect.

Revised Annual Caps and Basis of Determination

The revised annual caps for the service fees payable by SANY International Group to the Group under the Revised SANYI After-Sales Service Framework Agreement for the two years ending December 31, 2027 are set out as follows:

	For the year ending December 31,			
	2026		2027	
	<i>(RMB in million)</i>		<i>(RMB in million)</i>	
	Original	Revised	Original	Revised
Aggregate amounts of after-sales service fees payable by SANY International Group to the Group	39	89	41	210

The above revised annual caps for the two years ending December 31, 2027 were determined by the Board taking into account the following factors:

- (i) the historical transaction amounts under the Original SANYI After-Sales Service Framework Agreement, being approximately RMB43 million for the year ended December 31, 2025 and RMB12 million for the eight months ended August 31, 2026, which relate to the global after-sales services provided by the Group to SANY International Group (the “**Historical After-Sales Services**”). The Group and SANY International Group have agreed to strengthen cooperation in SANY International Group’s PRC after-sales services (the “**Additional After-Sales Services**”) together with the Historical After-Sales Services under the Revised SANYI After-Sales Service Framework Agreement, which is expected to substantially increase transaction amounts under the Revised SANYI After-Sales Service Framework Agreement. The historical figures therefore do not reflect the expected transaction trend going forward;
- (ii) the historical expenditure of SANY International Group on the Additional After-Sales Services, as confirmed by SANY International, being approximately RMB123 million, RMB119 million and RMB72 million for the two years ended December 31, 2024 and 2025 and the eight months ended August 31, 2026, respectively. Based on the current negotiations between the Group and SANY International Group, and taking into account the quality and efficiency of the services to be provided by the Group, SANY International Group intends to procure the majority of such Additional After-Sales Services from the Group, commencing in the remaining months of 2026. Separately, according to the payment arrangement, which is in line with the industry norm, service fee payments under the Historical After-Sales Services are seasonal in nature and are generally concentrated towards the end of the year. For the eight months ended August 31, 2026, the transaction amount under the Historical After-Sales Services amounted to approximately RMB12 million, as compared with approximately RMB11 million for the corresponding period in 2025, and the transaction amount for the remainder of the year ending December 31, 2026 is estimated by SANY International Group to be approximately RMB40 million, as compared with approximately RMB32 million for the corresponding period in 2025. On this basis, the revised annual caps were determined with reference to:
 - (a) for the year ending December 31, 2026, (i) approximately RMB52 million for the Historical After-Sales Services, which is broadly in line with the historical transaction amount of the Historical After-Sales Services for the year ended December 31, 2025 while accounting for an annual growth rate of approximately 10% to 20% due to business developments; and (ii) estimated transaction amount for the last quarter of the Additional After-Sales Services, being approximately RMB35 million, which was estimated with reference to the expenditure of SANY International Group on the Additional After-Sales Services for the year ended December 31, 2025, representing the expected procurement from the Group during the remaining quarter of 2026 for the Additional After-Sales Services, together with a reasonable buffer; and
 - (b) for the year ending December 31, 2027, the estimated annual growth rate of approximately 10% to 20% which is in line with its estimated business growth of SANY International Group. Such growth is expected to be driven by accumulating demand for repairs, spare-parts replacement and technical upgrades procured from the Group, together with continued expansion of SANY International Group’s new equipment sales;

- (iii) a reasonable buffer for potential upside in service demand (including from new product launches by SANY International Group, deeper cooperation in PRC regions and development of new end-equipment customers) and short-term fluctuations in service mix and unit costs.

Principal Terms of the Agreement

Principal terms of the Revised SANYI After-Sales Service Framework Agreement are set out below:

Date	:	October 16, 2026
Parties	:	(a) Company (for and on behalf of the Group) (b) SANY International (for and on behalf of SANY International Group)
Term	:	From October 16, 2026 to December 31, 2027
Subject Matter	:	The Group and SANY International Group agreed to cooperate with each other in after-sales services in accordance with the Revised SANYI After-Sales Service Framework Agreement. SANY International Group procures certain after-sales services from the Group, such as equipment inspection, maintenance, repair and overhaul, as well as technical upgrades and other items agreed under the Revised SANYI After-Sales Service Framework Agreement.
Fee Arrangements	:	(1) Specific commission rates and settlement bases will be set out in the special service schemes and service orders to be mutually agreed by the parties from time to time, which will govern any commercial terms not specified in the Revised SANYI After-Sales Service Framework Agreement. (2) The after-sales service fees will be determined by reference to the nature and content of the relevant services as follows: (i) equipment inspection and maintenance service fees will be determined by reference to product category, equipment model, service items and service frequency, with product service fees adjusted by the regional coefficient of the place of service (ranging from approximately 1.0 to 3.0 depending on regional service cost differences); (ii) repair and overhaul, as well as technical upgrade service fees will be determined based on the actual labour hours, mileage, order subsidies, parts and material costs and consumables costs incurred; and (iii) other services will be priced on the basis of the costs actually incurred, taking into account the content and format and with reference to the Group's historical charges for similar services and the prevailing market prices for comparable services, as determined by the parties through arm's length negotiations.

Payment and Settlement : Settlement will be carried out monthly based on the service fee
Terms calculated monthly by the service settlement statements to be submitted by the Group and applicable pricing policies. The scope of the cooperation and payment and settlement terms of the implementation agreements shall be agreed separately between the relevant parties, which will be in line with the Revised SANYI After-Sales Service Framework Agreement.

Pricing Policies

The prices for the services we offer to SANY International Group shall be determined between SANY International Group and the Group after arm's length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those transactions between the Group and Independent Third Parties under the same conditions.

Historical Amount

The historical amounts of the service fees paid by SANY International Group to the Group under the Original SANYI After-Sales Service Framework Agreement for the year ended December 31, 2025 and the eight months ended August 31, 2026 are set out as follows:

	For the year ended December 31, 2025 (RMB in million)	For the eight months ended August 31, 2026 (RMB in million)
Aggregate amounts of after-sales service fees paid by SANY International Group to the Group	43	12

Annual Caps and Basis of Determination

The annual caps for the service fees payable by SANY International Group to the Group under the Revised SANYI After-Sales Service Framework Agreement for the two years ending December 31, 2027 are set out as follows:

	For the year ending December 31,	
	2026	2027
	<i>(RMB in million)</i>	<i>(RMB in million)</i>
Aggregate amounts of after-sales service fees payable by SANY International Group to the Group	89	210

The basis of determination for the revised annual caps is set out above under the heading “Revised Annual Caps and Basis of Determination”.

Reasons for and Benefits of the Transactions

The Company is a joint stock company with limited liability established in the PRC. The registered office of the Company is located in Beijing, China. The Company and its subsidiaries are involved in the production, sale and maintenance of concrete machinery, excavating machinery, hoisting machinery, road machinery and piling machinery, and financial services. SANY International and its subsidiaries are principally engaged in the manufacture and sale of mining vehicles, coal machinery, port machinery, oilfield equipment and energy storage products and related parts, while possessing nationwide warehousing and logistics, parts distribution, spare parts allocation and end-customer parts supply capabilities, together with a mature parts management system. SANY International holds, through its product entities, all intellectual property, product information, customer resources, parts supply, after-sales service business and parts sales proceeds management authorisations relating to its authorised products and their supporting parts.

SANYI Comprehensive Parts Agency Service Framework Agreement

By consolidating parts resources and unifying dispatch across the PRC, the Group expects to unlock scale efficiencies, including streamlining and merging overlapping regional warehousing networks to improve inventory turnover and reduce storage costs, while deeper coordination across regional channels is expected to support growth in parts sales. The cooperation is also expected to reinforce the Group’s platform for serving PRC customers, enabling integrated cross-region, cross-product solutions for major accounts and enhancing market share and customer loyalty. It further supports the build-out of a professional talent base with combined market, service and management capabilities through cross-regional and cross-product collaboration.

Revised SANYI After-Sales Service Framework Agreement

By broadening the coverage of the integrated service network and deepening after-sales collaboration, the Group expect service commission income generated from end-customers will increase, while sharing service outlets and adopting digital, intelligent dispatch is expected to improve operating efficiency and reduce service costs, in turn improving service response times and customer satisfaction across the PRC. Together with the parts cooperation, this deepens the Company's role as a long-term customer-facing platform in the PRC, with more efficient deployment of regional service and key account resources. It also strengthens talent development by exposing personnel to cross-regional, cross-product service and management scenarios, supporting the Company's long-term, high-quality growth.

OPINION OF THE BOARD

The Directors (including the independent non-executive Directors) are of the view that the continuing connected transactions contemplated under (i) the SANYI Comprehensive Parts Agency Service Framework Agreement (including the annual caps for the two years ending December 31, 2027), and (ii) the Revised SANYI After-Sales Service Framework Agreement (including the revised annual caps for the two years ending December 31, 2027) have been and will be carried out in the ordinary and usual course of business of the Group and on normal commercial terms or better, and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Mr. Xiang Wenbo, Mr. Yu Hongfu, Mr. Liang Wengen and Mr. Liang Zaizhong, being interested Directors, have abstained from voting on the relevant Board resolutions approving entering into the SANYI Comprehensive Parts Agency Service Framework Agreement (including the annual caps for the two years ending December 31, 2027), and the Revised SANYI After-Sales Service Framework Agreement (including the revised annual caps for the two years ending December 31, 2027). Save as disclosed above, none of the other Directors has material interest in the transactions contemplated thereunder or shall abstain from voting on the relevant Board resolution for considering and approving the same.

INTERNAL CONTROL

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), the Group has implemented the following internal control measures in relation to the continuing connected transactions:

- (a) The Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules;

- (b) The Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the annual cap; and
- (c) When considering any renewals of or revisions to the agreements after the Listing, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liang Wengen is the founder and a non-executive Director and one of the Controlling Shareholders of the Company. Accordingly, SANY International, which is owned by Mr. Liang Wengen as to approximately 78.42% as of the date of this announcement, is a connected person of the Company. The transactions contemplated under each of the SANYI Comprehensive Parts Agency Service Framework Agreement and the Revised SANYI After-Sales Service Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual caps under each of the SANYI Comprehensive Parts Agency Service Framework Agreement and the Revised SANYI After-Sales Service Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated thereunder are therefore subject to the annual reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION RELATING TO PARTIES

Founded in 1994, the Company has established itself as an innovation-driven global leader in the construction machinery industry. The Company is dedicated to the R&D, manufacturing, sales and servicing of an extensive portfolio of construction machinery, including excavating machinery, concrete machinery, hoisting machinery, piling machinery and road machinery.

SANY International is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Stock Exchange (stock code: 631). The core business of SANY International Group comprises mining equipment, logistics equipment, oil and gas equipment, and emerging industries covering solar modules, hydrogen production equipment, power battery modules and energy storage systems.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings.

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Company”	SANY Heavy Industry Co., Ltd. (三一重工股份有限公司), a joint stock company established in the PRC with limited liability, the A shares of which have been listed on the Shanghai Stock Exchange (stock code: 600031), the H shares of which have been listed on the Stock Exchange (stock code: 6031);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries and consolidated affiliated entities, from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	has the meaning ascribed to it under the Listing Rules;
“Listing”	listing of the Shares on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan;

“Prospectus”	the prospectus issued by the Company dated October 20, 2025 in relation to its global offering and listing of its H shares on the Stock Exchange;
“Revised SANYI After-Sales Service Framework Agreement”	the framework agreement entered into between the Group and SANY International Group on October 16, 2026 in respect of the Group’s provision of certain after-sales services to SANY International Group;
“RMB”	Renminbi, the lawful currency of the PRC;
“SANYI Comprehensive Parts Agency Service Framework Agreement”	the framework agreement entered into between the Group and SANY International Group on October 16, 2026 in respect of the Group’s provision of comprehensive parts agency services to SANY International Group;
“SANY International”	Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Stock Exchange (stock code: 631);
“SANY International Group”	SANY International and its subsidiaries;
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所);
“Share(s)”	the H share(s) and the A share(s) of the Company;
“Shareholder(s)”	holder(s) of the share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

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

Hong Kong, the PRC
October 19, 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.