



XCMG Construction Machinery Co., Ltd.

2024 Annual Report

April 2025

2024 Annual Report

Section I: Important Notes, Table of Contents and Definitions

The Board of Directors, Board of Supervisors, and the directors, supervisors, and senior management of the Company warrant the truthfulness, accuracy, and completeness of the contents of this Annual Report, and confirm that there are no false records, misleading statements, or material omissions. They shall bear individual and joint legal liability accordingly.

Mr Yang Dongsheng, the person in charge of the Company, Mr Yu Hongyu, the person in charge of accounting work, and Mr Feng Mingfeng, the person responsible for the accounting department (accounting supervisor), declare that Mr Feng Mingfeng, the person in charge of accounting (accounting supervisor), declare that they guarantee the truthfulness, accuracy and completeness of the financial reports in this annual report.

All directors attended the board meeting at which this report was reviewed.

This report contains forward-looking statements regarding future plans, which do not constitute substantive commitments by the Company to investors. Investors and relevant parties are advised to maintain sufficient awareness of risks, understand the distinction between plans, forecasts and commitments, and note investment risks.

Investors are advised to refer to Section III, Chapter XI "Outlook for the Company's Future Development" of this report for detailed risk disclosures.

The profit distribution proposal approved by the Board of Directors at this meeting is as follows:

The total number of shares entitled to profit distribution as of the record date shall serve as the basis. A cash dividend of RMB 1.80 (tax inclusive) per 10 shares shall be distributed to all shareholders

(tax inclusive) per 10 shares held, with no bonus shares issued (tax inclusive) and no capitalisation of reserves.

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Index of Supporting Documents

I. Text of the 2024 Annual Report bearing the signature of the Chairman;

II. Text of the 2024 Annual Financial Report bearing the signatures and seals of the company's responsible officer, the person in charge of accounting work, and the head of the accounting department;

3. Original audit report bearing the seal of the accounting firm and the signature and seal of the certified public accountant;

IV. Original copies of all company documents and draft announcements publicly disclosed during the reporting period in newspapers and websites designated by the China Securities Regulatory Commission.

Definitions

Definition Item	Refers to	Definition Content
China Securities Regulatory Commission, CSRC	Refers to	China Securities Regulatory Commission
SZSE, Exchange	Refers to	Shenzhen Stock Exchange
XCMG Group	Refers to	Xuzhou Construction Machinery Group Co., Ltd.
XCMG Machinery, the Company or the Company	refers to	XCMG Construction Machinery Co., Ltd.
General Meeting of Shareholders	Refers to	XCMG Group Construction Machinery Co., Ltd. General Meeting of Shareholders
Board of Directors	Refers to	The Board of Directors of XCMG Group Construction Machinery Co., Ltd.
Board of Supervisors	Refers to	XCMG Construction Machinery Co., Ltd. Board of Supervisors
Reporting Period	Refers to	1 January 2024 to 31 December 2024
XCMG Heavy Industry	Refers to	Xuzhou Heavy Machinery Co., Ltd.
XCMG Excavator	Refers to	Xuzhou XCMG Excavator Co., Ltd.
XCMG Mining Machinery	Refers to	Xuzhou XCMG Mining Machinery Co., Ltd.
XCMG Tower Cranes	Refers to	Xuzhou Construction Machinery Engineering Co., Ltd.
XCMG Transmission	Refers to	Xuzhou XCMG Transmission Technology Co., Ltd.
XCMG Schwing	Refers to	Xuzhou XCMG Schwing Machinery Co., Ltd.
XCMG Hancloud	Refers to	XCMG HanClouds Technology Co., Ltd.
XCMG Environment	Refers to	Xuzhou XCMG Environmental Technology Co., Ltd.
XCMG Brazil Manufacturing, Brazil Company	Refers to	XCMG Group Brazil Manufacturing Co., Ltd.
XCMG Firefighting	Refers to	XCMG Fire Safety Equipment Co., Ltd.
XCMG Infrastructure	Refers to	Xuzhou XCMG Foundation Construction Machinery Co., Ltd.
XCMG Truck-Mounted	Refers to	Xuzhou XCMG Truck-Mounted Crane Co., Ltd.
XCMG Hydraulic Components	Refers to	Xuzhou XCMG Hydraulic Components Co., Ltd.
XCMG Precision	Refers to	Xuzhou XCMG Precision Industrial Technology Co., Ltd.
Yuan, ten thousand yuan, hundred million yuan	Refers to	Renminbi yuan, Renminbi ten thousand yuan, Renminbi hundred million yuan

Section II Company Profile and Key Financial Indicators

I. Company Information

Stock Abbreviation	XCMG Machinery	Stock Code	000425
Stock Exchange	Shenzhen Stock Exchange		
Company Name in Chinese	XCMG Group Construction Machinery Co., Ltd.		
Company's Chinese Abbreviation	XCMG Machinery		
Company's English Name (if applicable)	XCMG Construction Machinery Co., Ltd.		
Company's English Abbreviation (if applicable)	XCMG		
Legal Representative of the Company	Yang Dongsheng		
Registered Address	No. 26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone, Jiangsu Province		
Postcode of Registered Address	221004		
Historical Changes to Company Registered Address	The registered address at the time of the company's establishment was "Industrial Zone 1, Xuzhou Economic Development Zone, Jiangsu Province". On 23 February 2016, the registered address was changed to "26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone, Jiangsu Province". The registered address was changed to "No. 26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone, Jiangsu Province".		
Business Address	No. 26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone, Jiangsu Province		
Postcode of Office Address	221004		
Company Website	https://www.xcmg.com		
Email Address	zqb@xcmg.com		

II. Contact Person and Contact Details

	Company Secretary
Name	Fei Guangsheng
Contact Address	26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone
Telephone	0516-87565621
Fax	0516-87565610
Email	zqb@xcmg.com

III. Information Disclosure and Location of Records

Stock Exchange Website for Annual Report Disclosure	China Securities Journal, Shanghai Securities News
Media outlets and websites where the Company discloses its annual report	Juchao Information Network http://www.cninfo.com.cn
Location where the Company's Annual Report is deposited	XCMG Machinery Securities Department

IV. Registration Changes

Unified Social Credit Code	913203001347934993
Changes in the Company's Principal Business Since Listing (if any)	Not applicable
Changes in Controlling Shareholders (if any)	From 1993 to 2002, the controlling shareholder was Xuzhou Construction Machinery Group Co., Ltd. 2003–2022: Controlling shareholder was XCMG Group Construction Machinery Co., Ltd.

	2022–present: Controlling shareholder is Xuzhou Construction Machinery Group Co., Ltd.
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V. Other Relevant Information

Accounting firm engaged by the company

Name of the accounting firm	Zhongxinghua Certified Public Accountants (Special General Partnership)
Office Address of the Accounting Firm	20th Floor, South Tower, Building 1, No. 20 Lize Road, Fengtai District, Beijing
Signing Accountant's Name	Ren Huagui, Wang Jun, Yang Rui

Sponsoring Institution Engaged by the Company to Perform Ongoing Supervision Duties During the Reporting Period

☐ Applicable ☒ Not applicable

Financial Adviser Engaged by the Company to Perform Continuous Supervision Duties During the Reporting Period

☐ Applicable ☒ Not applicable

VI. Key Accounting Data and Financial Indicators

Whether the company needs to retrospectively adjust or restate prior-period accounting data

☐ Yes ☒ No

	2024	2023	Year-on-year Change	2022
Operating Revenue (RMB)	91,659,763,823.82	92,848,220,501.93	-1.28%	93,817,122,393.59
Net Profit Attributable to Shareholders of the Listed Company (RMB)	5,976,118,332.51	5,326,470,288.96	12.20%	4,312,439,963.96
Net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses (RMB)	5,762,209,959.10	4,496,833,996.82	28.14%	3,473,395,229.93
Net cash flow from operating activities (RMB)	5,719,887,031.72	3,570,913,424.62	60.18%	1,582,903,842.70
Basic earnings per share (RMB per share)	0.51	0.45	13.33%	0.36
Diluted earnings per share (yuan per share)	0.51	0.45	13.33%	0.36
Weighted average return on equity	10.30%	9.86%	Increase of 0.44 percentage points	8.14%
	End of 2024	End of 2023	Year-on-year change	End of 2022
Total Assets (RMB)	160,969,811,609.42	161,994,607,612.63	-0.63%	175,158,989,374.86
Net Assets Attributable to Shareholders of the Listed Company (RMB)	59,308,738,075.25	56,144,670,380.10	5.64%	53,259,375,967.02

The lower of the net profit before and after deducting non-recurring gains and losses for the Company's last three fiscal years was negative, and the most recent annual audit report indicates uncertainty regarding the Company's ability to continue as a going concern

☐ Yes ☒ No

The lower of net profit before and after deducting non-recurring gains and losses is negative

☐ Yes ☒ No

VII. Differences in Accounting Data under Domestic and International Accounting Standards

1. Differences in net profit and net assets between financial reports disclosed under both International Financial Reporting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

The Company had no differences in net profit and net assets between financial reports disclosed under International Accounting Standards and those disclosed

under Chinese Accounting Standards during the reporting period.

2. Differences in net profit and net assets between financial reports disclosed under overseas accounting standards and those disclosed under Chinese accounting standards

☐ Applicable ☒ Not applicable

The Company has not experienced any discrepancies in net profit or net assets between financial reports disclosed under overseas accounting standards and those disclosed under Chinese accounting standards during the reporting period.

VIII. Quarterly Key Financial Indicators

Unit: Yuan

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating Revenue	24,174,419,759.02	25,457,851,208.41	19,093,623,653.26	22,933,869,203.13
Profit attributable to shareholders of the listed company	1,600,471,771.14	2,105,234,389.45	1,603,326,535.53	667,085,636.39
Net profit attributable to shareholders of the listed company, excluding non-recurring gains and losses	1,466,481,745.43	1,828,164,387.04	1,594,230,442.75	873,333,383.88
Net cash flow from operating activities	231,251,589.22	1,474,607,710.74	337,786,524.34	3,676,241,207.42

Whether the aforementioned financial indicators or their aggregated figures differ materially from the relevant financial indicators disclosed in the Company's quarterly reports or half-yearly reports

☐ Yes ☒ No

IX. Non-recurring profit and loss items and amounts

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	2024 Amount	2023 Amount	2022 Amount	Notes
Gains/losses on disposal of non-current assets (including reversal of previously recognised impairment losses)	-22,039,308.12	2,190,142.90	-25,133,400.73	Gains or losses arising from the disposal of fixed assets and related assets
Government grants recognised in profit or loss for the period (Excluding government grants closely related to the company's normal business operations, compliant with national policy provisions, received in accordance with established criteria, and having a continuing impact on the company's profit or loss)	365,509,361.93	661,992,507.19	376,938,335.25	Government project support funds and incentive payments, etc.
Gains or losses arising from changes in the fair value of financial assets and liabilities held by non-financial enterprises, and gains or losses arising from the disposal of gains or losses arising from the disposal of financial assets and financial liabilities	-210,508,881.52	180,693,066.61	-151,499,260.25	
Reversal of impairment allowance for individually assessed receivables	75,858,036.44	133,621,388.95		

	in Full			
Gain arising from the acquisition cost of investments in subsidiaries, associates and joint ventures being less than the fair value of the investee's identifiable net assets at the time of acquisition	1,750,123.98			
Gains arising from business combinations under common control			786,259,922.18	
Net profit or loss of subsidiaries from the beginning of the period to the date of consolidation				
Other non-operating income and expenses not included in the above items	49,049,929.03	-15,748,308.97	-123,941,951.76	
Other profit and loss items meeting the definition of non-recurring gains and losses	1,054,306.13	55,713,835.42	37,028,339.18	
Less: Income tax effect	24,274,537.79	158,692,198.10	12,055,547.06	
Impact on minority interests (after tax)	22,490,656.67	30,134,141.86	48,551,702.78	
Total	213,908,373.41	829,636,292.14	839,044,734.03	-

Details of other profit and loss items meeting the definition of non-recurring gains and losses:

☐ Applicable ☒ Not applicable

The Company has no other profit or loss items meeting the definition of non-recurring gains or losses.

Explanation of circumstances where non-recurring profit or loss items listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public – Non-recurring Profit or Loss" are defined as recurring profit or loss items

☐ Applicable ☒ Not applicable

The Company has no instances where items listed as non-recurring gains or losses in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public – Non-recurring Gains or Losses" have been reclassified as recurring gains or losses.

Section III Management Discussion and Analysis

I. Industry Conditions During the Reporting Period

The Company is required to comply with the disclosure requirements for the construction machinery sector as stipulated in the Shenzhen Stock Exchange Listing Rules Guideline No. 3 – Industry Information Disclosure.

The Company operates within the construction machinery sector, which holds a pivotal position within the manufacturing industry. This sector represents an area where China possesses internationally competitive advantages. According to statistics from the China Construction Machinery Association, construction machinery encompasses twenty-one major categories including earthmoving and transport machinery, excavating machinery, lifting machinery, industrial vehicles, and road construction and maintenance machinery. Among the company's products, 16 main categories including truck-mounted cranes, truck-mounted hoists, and road rollers rank first domestically; The company maintains global leadership in lifting machinery, mobile cranes, and horizontal directional drilling equipment. Its piling machinery and concrete machinery consistently rank among the world's top tier. Road machinery, truck-mounted cranes, tower cranes, and aerial work platforms hold the global third position. Open-pit mining excavation and transport equipment ranks fourth worldwide, while excavators stand sixth globally and second domestically. Loaders have surged to become China's top producer, with new energy loaders leading the global market.

Construction machinery finds extensive application across infrastructure development, property construction, major engineering projects, emergency response, transportation, and natural resource extraction. Overall industry demand correlates closely with fixed-asset investment levels, exhibiting cyclical patterns influenced by macroeconomic fluctuations. However, the international market reveals regional variations in economic vitality, resulting in weaker cyclicity for construction machinery globally. Consequently, internationalisation remains the company's unwavering primary strategy.

Construction machinery represents a sunrise industry for two principal reasons: firstly, China's domestic construction machinery sector possesses a robust foundation, having forged its vitality through fierce competition in a fully competitive environment; secondly, the industry boasts vast development potential, with substantial scale in both international and high-end markets.

The construction machinery sector currently exhibits a high degree of maturity with intense regional competition. In recent years, industry concentration has steadily increased, leading enterprises have expanded their market share, and their competitive strength and risk resilience have grown, demonstrating a trend where the strong grow stronger. The industry primarily presents the following five characteristics:

Firstly, high-end development is imperative. The current period presents a crucial strategic opportunity for the industry's transformation and upgrading. Leading enterprises are committed to developing mid-to-high-end products with high technological content, high added value, and high reliability, while cultivating premium brand images to advance towards the mid-to-high end of the value chain.

Secondly, intelligentisation is driving transformation. With the continuous advancement of technologies such as artificial intelligence and industrial internet, interconnected equipment, unmanned products, and smart manufacturing are creating new development opportunities for the sector. Leading enterprises are accelerating the R&D of unmanned, digital, and intelligent products, leveraging these innovations to enhance production efficiency, reduce costs, and transform operational models.

Thirdly, green initiatives are steering development. Guided by the national "dual carbon" strategy and against a backdrop of increasingly stringent environmental policies, construction machinery enterprises are accelerating the replacement of outdated products. They are progressively phasing out high-energy-consumption, low-efficiency equipment while vigorously developing diverse new energy products, including pure electric and hybrid variants.

Fourthly, service-oriented approaches hold significant promise. The competitive landscape has shifted from traditional sales rivalry to comprehensive competition across the entire lifecycle and value chain. Within the industry's substantial existing market, customer demands for business models and product solutions are evolving, with service-oriented requirements steadily increasing.

Fifthly, the prospects for globalisation are extensive. The global construction machinery industry retains substantial development potential. Leading enterprises are intensifying overseas investment, actively expanding international markets, continuously innovating globalisation models, and further refining their worldwide industrial footprint.

II. Principal Business Activities Undertaken by the Company During the Reporting Period

The Company must comply with the disclosure requirements for the construction machinery sector as stipulated in the Shenzhen Stock Exchange Listing Rules No. 3 – Industry Information Disclosure.

The Company principally engages in the research and development, manufacturing, sales, and servicing of earthmoving machinery, lifting machinery, piling machinery, concrete machinery, road machinery, aerial work platforms, mining machinery, sanitation machinery, agricultural machinery, emergency rescue equipment, and other construction machinery and spare parts.

(i) Business Model

During the reporting period, the Company's principal business, products, and operating model remained largely unchanged. The Company is a leading provider of comprehensive engineering equipment solutions within the industry. Its primary operating model involves: formulating annual production and sales plans for conventional products based on budgetary targets, with monthly procurement and production/sales schedules adjusted according to market conditions; and arranging procurement and production for certain heavy-tonnage products strictly according to sales order quantities. The Company has established a Global Procurement Centre, implementing a "three horizontal, three vertical" procurement framework to advance the transition from transactional to value-based procurement. This fosters a platform-based operational mechanism for global sourcing and supply, continuously optimising supply chain management while enhancing procurement quality and efficiency. For product sales, the Company employs both direct sales and distribution channels based on the market characteristics of each product.

(2) Sales Models

The Company's primary sales models include full payment, mortgage loans, financial leasing, and instalment payments. The mortgage loan model operates as follows: customers first pay 20%-40% of the contract value as a down payment to the Company's account. The remaining amount is arranged through bank mortgage financing. Upon completion of bank loan approval, the funds are transferred in full to the Company's account. Customers then make monthly repayments to the bank according to the terms of the Repayment Plan until the loan is settled. Mortgage terms typically span 12, 18, 24, or 36 months. Financial leasing operations are conducted through two models: direct leasing via third parties and customer-selected third-party financial leasing arrangements. During the reporting period, sales generated through external mortgage and financial leasing models amounted to approximately RMB 3.015 billion and RMB 19.010 billion respectively, accounting for 3.29% and 20.74% of the Company's 2024 annual operating revenue. The Company's 17th Meeting of the Ninth Board of Directors and the 2023

Annual General Meeting approved the "Proposal on Providing Guarantee Limits for Mortgage Business, Financial Leasing Business and Supply Chain Finance Business", agreeing to provide repurchase guarantees not exceeding RMB 11.5 billion for mortgage sales business and equity purchase guarantees not exceeding RMB 63 billion for financial leasing

and equity purchase guarantees for financial leasing operations not exceeding RMB 63 billion cumulatively, and repurchase guarantees for supply chain finance operations not exceeding

RMB 12 billion for supply chain finance operations. For further details, please refer to the relevant announcements published by the Company on the China Securities Information Network.

The Company recognises revenue based on the relevant terms of contracts entered into with customers, using commercial substance and the transfer of control as the criteria for determining the timing of revenue recognition. Revenue is recognised when the Company fulfils its performance obligations under the contract, i.e., when the customer obtains control of the relevant goods (or services), satisfying the recognition criteria under Accounting Standard for Business Enterprises No. 14 – Revenue. Where contracts contain provisions such as repurchase clauses, advance margin payments (or monthly instalments/rent), or indemnity obligations that result in cash outflows or other risk exposures for the Company, these are recorded under "Accounts Receivable". Bad debt provisions are calculated in accordance with the Company's bad debt policy to recognise associated risk losses.

Should a customer trigger the aforementioned obligations—typically when default occurs—the company or its dealers shall first repurchase mortgage or finance lease instalments on a scheduled basis. The guarantee obligation to repurchase products shall only be fulfilled when the duration of overdue instalments is sufficiently long and the contractual repurchase terms are satisfied. Accounting treatment: The Company records advances made on behalf of customers for overdue mortgage or financial lease payments under accounts receivable, and provides for bad debts in accordance with its bad debt policy. At the reporting period-end, the balance of accounts receivable for which the Company provided individually for bad debts due to customer defaults was RMB 862 million. As at 31 December 2024, the Company assumed

The outstanding balance of customer loans for which the Company bears mortgage guarantee obligations was R M B 8.8488 billion. The Company's liability for finance payable on behalf of lessees arising from its finance leasing operations was Balance of repurchase obligations under lease financing commitments: RMB 56.743 billion. While minor delays exist in mortgage and financial leasing operations, overall risks remain manageable. The company has strengthened risk control and enhanced sales quality through comprehensive implementation of post-loan management measures, including integrated personnel-loan management, contract penetration management, and reinforced asset collateralisation.

III. Analysis of Core Competitive Strengths

The company must comply with the disclosure requirements for the construction machinery sector as stipulated in Guideline No. 3 of the Shenzhen Stock Exchange's Self-Regulatory Rules for Listed Companies – Industry Information Disclosure.

XCMG Machinery is a highly competitive and influential enterprise within the construction machinery sector. As a developer and standard-setter for industry norms, it boasts the most diverse and comprehensive range of product lines and series among global construction machinery manufacturers. It is also the Chinese construction machinery manufacturer with the greatest brand influence, possessing distinct competitive advantages manifested in the following aspects:

(i) Balanced Industrial Structure with Increasingly Prominent Sectoral Advantages

The company focuses on its "5+ 1" industrial layout strategy, committed to strengthening its core

engineering machinery sector, refining its components business, cultivating strategic new industries, and upgrading modern services. Within construction machinery, it continues to explore domestic niche markets and existing market opportunities, consolidating leadership in advantageous segments while pursuing qualitative enhancement. Strategic new industries like mining machinery are developing tiered growth patterns, steadily improving competitive strength and accelerating reasonable quantitative expansion. The core components sector addresses weaknesses and strengthens capabilities, pursuing dual-track development through internal and external synergies.

to establish a comprehensive core components portfolio covering hydraulics, transmission, electronic control, crawler undercarriages, precision casting, and slewing bearings, thereby supporting differentiated development of host machines. This has forged the most balanced and highly growth-potential sector layout: "traditional host machines driving breakthroughs+ strategic new industries emerging as strong contenders+ core components providing robust support". This underpins the company's enhanced counter-cyclical risk resilience. Concurrently, we are accelerating the transformation and upgrading of modern services, focusing on creating value for customers and seizing the vast aftermarket potential behind existing equipment, thereby promoting the integrated development of "manufacturing+ services".

(2) Industry-Leading Technological Innovation Capabilities

1. Upholding its mission of "Engineering Science Leading the Way, Equipment Building a Better Future," XCMG's industry-leading technological innovation capability stands as a core competitive strength. The company operates 42 R&D platforms at provincial level or above, including a National Enterprise Technology Centre, a high-end

National Key Laboratory for Intelligent Manufacturing of Construction Machinery, a National Industrial Design Centre, two provincial manufacturing innovation centres,

9 provincial engineering technology research centres, and 17 provincial enterprise technology centres. By the end of 2024, the company had accumulated

11,981 valid authorised patents, including 4,252 invention patents and 329 international patents. It has cumulatively formulated and published 5 international standards and 333 national and industry standards.

and 333 national and industry standards.

2. As the industry leader in construction machinery, the company has undertaken over 100 national and provincial-level scientific research projects in recent years, leveraging its robust independent innovation capabilities and deep product technology expertise. It has been honoured with five National Science and Technology Progress Awards.

3. Through independent innovation, the enterprise has developed a series of globally leading major equipment, continuously spearheading China's high-end manufacturing. Key first-of-their-kind major equipment developed in recent years include: The world's largest-tonnage XCA4000 all-terrain crane, The world's tallest DG101 aerial platform fire engine, The world's largest XGT55000-1000S super-large self-propelled tower crane, The world's first XCT100G5-1HEV four-axle hundred-tonne-class hybrid the world's largest XGT55000-1000S super-large self-propelled tower crane, the world's first XCT100G5-1HEV four-axle hundred-tonne-class hybrid crane, the world's largest-tonnage XC9108-EV pure electric loader, the world's largest XR2600F rotary drilling rig, the world's largest tonnage XZE16000 electric drive horizontal directional drilling rig, the world's largest XDE440 rear-drive rigid mining dump truck, China's largest tonnage XC9350 electric transmission wheel loader, China's premier excavator XE7000 hydraulic excavator, the world's first XE650GK-HEV mining hybrid hydraulic excavator, the world's first GR350EP pure electric mining motor grader, the world's largest RP2205HD paver, and the world's tallest metre-class XGA48K diesel-powered articulating boom aerial work platform. Notably, the XCA4000 all-terrain crane—the world's largest tonnage model developed for wind power market trends and operational demands—has once again broken industry records. Innovative features include wind-capturing and bridge-lifting capabilities, alongside enhanced high-performance flexible boom technology. This establishes the strongest wind power construction product portfolio, spanning 2600-tonne super-large wheeled cranes and 1000-tonne class crawler cranes.

(3) Comprehensive Global Footprint and Robust International Expansion Capabilities

1. Since embarking on its international journey in the early 1990s, the company has forged a distinctive path through over three decades of exploration and practice. In recent years, deepening its engagement in international markets, it has progressed from the initial "going out" phase of export trade to the "going in" phase of localised market penetration, accelerating towards the "going up" stage of **high-quality development**. This has formed a four-pronged global development model encompassing

a four-pronged global development model encompassing export trade, overseas greenfield manufacturing, cross-border mergers and acquisitions, and global R&D. This enables the provision of comprehensive product marketing services, full-value-chain solutions, and integrated offerings to customers worldwide.

2. Guided by the strategic principle of "Headquarters oversees the whole, regions lead the charge, product lines drive construction", the company has established a "1+14+N" global operational framework (). This system elevates global capabilities through regional operational entities and platformised functional management, fostering international competitiveness characterised by product leadership (), customer intimacy, and operational excellence. We continuously build agile and efficient global operational capabilities, solidify overseas operations, refine regional management, accelerate lean operational empowerment abroad, and advance integrated global operations alongside leapfrog development of overseas business. The company operates over 40 overseas subsidiaries, more than 300 international distributors, over 2,000 overseas service and spare parts centres, and employs more than 10,000 localised service engineers. Products are exported to over 190 countries and regions, covering more than 95% of nations along the Belt and Road routes. In 2024, the company established trading subsidiaries in Japan, Malaysia and other countries.

3. Establishing a "Governance+ Empowerment" platform to build a global human resources management and control system. Externally, we are developing a global talent recruitment network; internally, we are establishing talent transfer and exchange mechanisms to attract outstanding professionals worldwide, continuously strengthening core teams in overseas regions. Focusing on "precision empowerment and practical training," we have constructed a "training-combat integration" talent development system covering 14 global regions system, delivering over 10,000 international specialised training sessions to inject robust momentum into overseas business expansion. Strengthening governance mechanisms, we have established a distinctive "three-pillar" management model, standardising tiered management processes, implementing comprehensive position and grade evaluations, and phasing in performance-based remuneration incentives to propel the enterprise towards global manufacturing excellence.

(IV) Comprehensively advancing "intelligent transformation, digital transition, and networked connectivity"

to forge a new industrialisation

1. Top-level planning to comprehensively map the digital transformation landscape. 2024 marks a pivotal phase for the company's flagship "Intelligent Transformation, Digital Transition, Network Integration" initiative, transitioning from strategic blueprint to implementation roadmap and tangible outcomes. By steadfastly executing the strategic plan, we are jointly building a new digital collaboration ecosystem and charting a fresh blueprint for the digital economy. This drives the integration of digital technology with the real economy within the Huaihai Economic Zone, forging a "new productive force" for high-quality regional development.

2. Template Development: Solid Advancement in Implementing Intelligent Transformation, Digital Transition, and Network Integration. The company strengthened its digital system capabilities, accelerated the development of digital platforms, and demonstrated the impact of digital empowerment across the entire value chain. This year, the company focused on implementing its blueprint for intelligent transformation, digital transition, and networked connectivity. It established a financial shared service centre, built a global treasury management system, standardised global financial accounting, and launched global consolidated financial reporting and a global financial shared service platform. These initiatives support the centralisation, standardisation, and integration of financial accounting and management. Based on North American operations, a sales and service template was developed, while a manufacturing template was created for South American operations. These templates have been replicated and promoted across 14 overseas regions (), rapidly advancing integrated overseas operations.

3. Demonstration and Leadership: Driving Industrial Cluster Transformation and Upgrading. Based on the

flagship factory model, construction of two flagship factories has been advanced. The industry's first flagship production line—the heavy chassis assembly line—has been fully completed and put into operation, creating a "One Screen, Five Online" system and a digital twin factory. The wheeled crane intelligent factory project was awarded the title of "Excellence-Level Factory" in the first national batch. XCMG's tracked chassis, featuring engineering machinery

XCMG's excavator and foundation machinery divisions have achieved Level 3 industrial information security protection certification, bringing the total to **seven** certified enterprises. Three facilities have attained provincial-level 5G factory status, while three have secured Level 3 certification under the Capability Maturity Model for Intelligent Manufacturing (CMMM), with three achieving Level 4.

(V) Visionary and Experienced Management Team

The company's management possesses extensive industry experience, coupled with profound insights and forward-thinking perspectives on sector development. Having weathered multiple industry cycles, the management team embodies: - A spirit of critical thinking that discerns developmental patterns; - A revolutionary spirit that dares to turn the knife inward; - An innovative spirit that recognises, adapts to, and seeks change; - A mountaineering spirit that rallies forces to overcome challenges. This has forged exceptional insight and formidable conviction, enabling steadfast commitment, reform, and innovation. It has cultivated a profound understanding of both China's and the global construction machinery markets, as well as customer demands. During industry downturns, the company's management maintained unwavering strategic resolve, cultivating the foresight and execution capability to weather cyclical lows and seize recovery opportunities.

(6) Widely recognised brand and cultural prestige within the industry, coupled with irreplaceable political advantages

1. The "XCMG" brand stands as China's most renowned and valuable in the construction machinery sector, ranking among the world's most influential engineering equipment brands with over 80 years of rich heritage. In the authoritative **Yellow Table 2024** rankings released by KHL, a globally recognised construction machinery information group, XCMG consistently maintains a leading position among China's enterprises in the **Top 50 Global Construction Equipment Manufacturers** list. For six consecutive years, it has been the sole domestic industry representative to feature on the "World's **500 Most Influential Brands**" list.

Ranked 379th, up **three** places, with brand value steadily climbing to RMB 127.136 billion, it has retained its position as the most valuable brand in the domestic industry for eleven consecutive years.

2. The company has reaffirmed its two-step strategic trajectory: "from a strong domestic and globally recognised brand to a globally trusted brand, and from a globally trusted brand to a world-class brand." Guided by the "five modernisations" industrial transformation, it maintains a customer-centric approach while empowering global marketing through brand strength. It has been honoured in the **Fortune China 500**, **Forbes Global 30 Most Admired Companies**, consistently ranked first in its sector, honoured as one of China's **Most Admired Companies**, and received the "Overseas Innovation Award" for listed companies alongside four "Golden Bull Awards" including ESG. It was designated a Jiangsu Province Key Cultivated and Developed International Brand for 2023-2025, and stands as the industry's sole recipient of eight accolades across brand cross-border initiatives, digital branding, and overseas marketing – including the prestigious "Huxiao Gold Award". The global influence and reputation of the "XCMG" brand reached unprecedented heights, establishing itself as a resounding Xuzhou emblem, a Jiangsu-renowned brand, and an international marque.

3. In 2024, the company established an integrated media system for internal and external synergy. Firstly, it expanded its proprietary media matrix, forming a global social media ecosystem known as the "7+7" internal circulation ecosystem. Secondly, building upon self-produced content, it extended its global media outreach to encompass commercial, financial, and industry publications, creating an external circulation ecosystem. Advancing the restructuring of its communication framework from domestic to international, XCMG innovatively develops online external publicity, constructing a multi-channel, multi-dimensional communication model with distinctive XCMG characteristics.

4. "Glorious Tradition+ State-Owned Enterprise Strength+ Advanced Mechanisms" constitute XCMG's distinctive political advantages. Centred on the new era, new XCMG, and new strategy, during the critical phase of implementing the Chairman's "Project No. 1" transformation—intelligent reform, digital transition, and network

integration—we established the XCMG Grand Vision

cultural philosophy system. It clarifies the new-era corporate mission and vision of "Engineering Technology Leadership, Equipping a Better Future", elevating the "Critical Thinking, Revolutionary, Innovation, and Summit-Reaching" into the corporate ethos. Building upon the core values of "Shouldering Great Responsibilities, Pursuing the Right Path, and Achieving Greatness," it articulates ten global employee conduct principles—including creating value for customers, integrity and reliability, pragmatic responsibility, upholding principles while innovating, long-termism, and collaborative win-win—alongside 39 specific behavioural guidelines.

5. The company remains committed to fulfilling employees' aspirations for personal fulfilment. Through recognising outstanding teams, model workers, and exemplary individuals, it enhances staff professional pride and life satisfaction. Since 2017, it has awarded 21,483 service medals (one to five stars) to employees with 10 to 40 years' service

, totalling 21,483 medals, thereby fostering a profound sense of pride and belonging among the workforce.

IV. Analysis of Core Business Operations

1. Overview

2024 marks a pivotal year under the Board's leadership, accelerating the implementation of the Chairman's "Project No. 1" blueprint for intelligent transformation, **d i g i t a l t r a n s i t i o n**, and network integration. This year underpins performance growth and capability enhancement, representing a stable transition through a new cycle while accumulating momentum and potential for high-quality development. Throughout the year, the entire company actively responded to domestic and international market challenges to expand growth opportunities, concentrated efforts on tackling transformation and reform tasks to build capabilities, accelerated the cultivation of new momentum and advantages, and made solid progress in high-quality development. Operational quality became more stable, technological innovation capabilities grew stronger, internationalisation levels rose higher, digital transformation outcomes became more evident, brand influence expanded further, and the enthusiasm of all cadres and employees increased significantly. This progress is primarily reflected in six aspects:

First, performance enhancement and transformation-driven development. Over the past year, the company has comprehensively deepened the application of new tools and methodologies, produced the spring strategic planning outline, and completed the decoding of the "1+ 10" strategic themes. By integrating new methodological concepts and utilising the operational data visualisation system as a platform, we have strengthened the execution and monitoring of business plans. Comprehensive advancement of the "Five Modernisations" industrial transformation, with focused efforts on three special initiatives, three incremental growth areas, and four structural adjustments, has yielded a favourable situation characterised by "stability with progress, quality enhancement, positive momentum, and accumulated strength": operating revenue remained largely stable, while net profit, net profit margin, and gross profit margin all increased, with cash flow continuing to improve. Notably, domestic market share grew for 12 categories of host products, and the company maintained its leading position in the comprehensive market share for 16 categories of host products.

For the full year, the company recorded operating revenue of RMB 91.66 billion, a year-on-year decrease of 1.28%. Net profit attributable to shareholders reached RMB 5.976 billion, up 12.2% year-on-year, while non-GAAP net profit attributable to shareholders stood at RMB 5.762 billion, a 28.14% increase. Cash flow amounted to RMB 5.72 billion, surging 60.18% year-on-year.

Secondly, optimising the system and strengthening foundations through industrial clusters. Firstly, traditional industries focused on enhancing quality and efficiency, consolidating capabilities and stabilising the overall market. XCMG excavators achieved dual improvements in gross profit margin and net profit margin, with cash flow showing significant growth. Market share in both domestic sales and overseas end-user segments increased by . The Earthmoving Division comprehensively enhanced operational quality and contribution, achieving dual growth in net

profit and cash flow, with net profit margin rising significantly to . Domestic sales revenue saw substantial growth, with new energy loader sales doubling to maintain the global leadership position. XCMG Heavy Equipment

domestic market share increased against the trend, with export revenue and proportion achieving **new breakthroughs**. The **G2** generation gained market favour through value-based marketing. XCMG Crawler Cranes leveraged the division's large platform to advance wheel-track integration, effectively managing dual domestic and international sales cycles, with export revenue growing over **60% year-on-year**. XCMG Tower Cranes deepened cooperation on major engineering projects in bridge, thermal power, and nuclear power sectors, achieving new breakthroughs in revenue and market share for ultra-large towers exceeding **600 tonne-metres**. XCMG's truck-mounted equipment division maintained robust operational quality, with substantial growth in revenue, net profit, and cash flow. Driven by energy drilling and extraction equipment, the Basic Equipment Division saw revenue expansion, export revenue breakthroughs, and a significant margin improvement. The launch of oil fracturing equipment has continuously enhanced brand influence across coal mining, non-coal mining, and drilling sectors. XCMG Schwing and Germany's Schwing AG actively advanced global market synergy, technological collaboration, and production capacity integration. Road machinery achieved integrated development, consistently leveraging specialised and complete-set advantages to significantly enhance operational scale and quality, with comprehensive growth in revenue, net profit, gross margin, and cash flow.

Secondly, emerging industries have focused on development and expansion, building momentum for accelerated growth. XCMG Firefighting and Aerial Work Platforms, and Firefighting Equipment have further consolidated their leading positions in the domestic market, maintaining stable revenue. XCMG Mining Machinery continuously enhanced its full-lifecycle service capabilities, achieving revenue growth and improved gross profit margins. The XCMG Forklift Division demonstrated significant integration effects, achieving dual growth in scale and profitability. XCMG Environmental refined its integrated management across three production bases, achieving steady growth in both revenue and gross profit margin, with new energy product revenue surging over **30%**. XCMG Agricultural Machinery accelerated the expansion and industrialisation of its high-end product portfolio, including high-horsepower tractors and large combine harvesters, recording revenue growth exceeding **170%**.

Thirdly, the components sector accelerated efforts to strengthen and complement industrial chains, building momentum to support host equipment. XCMG Hydraulics Division saw growth in net profit, gross margin, and external market revenue. XCMG Transmission achieved higher gross margins, increased revenue from new transmission components and external markets, alongside rising internal supply rates for drive axles and gearboxes. XCMG Precision Cast Steel commenced production, driving revenue growth from major external clients. XCMG Dowjin continuously enhanced core technological capabilities in mobile robots, supporting high-quality implementation of the company's intelligent manufacturing projects. XCMG Electric underwent restructuring and revitalisation, achieving steady growth in revenue and net profit. XCMG Tracked Chassis secured an internal supply rate exceeding **90%**, with external markets contributing to both volume and profit growth. Dalian Rixian focused on strengthening its competitive edge in specialised motors for mining machinery. Jiangsu Ruikong concentrated on industrialising ultra-high voltage motor control systems and electric drive integrated systems, accelerating the commercialisation of scientific achievements.

Fourthly, platform companies are focusing on their core responsibilities and business, building capacity to empower adaptation and transformation. The Marketing Headquarters is striving to establish eight key capabilities to comprehensively enhance domestic marketing management efficiency. The Global Procurement Centre strengthened category and demand management, achieving a net procurement cost reduction rate of **6.6%**. The Global Logistics Centre comprehensively initiated the transformation of the logistics system, reducing domestic complete machine logistics costs by **6.3%**. The Global Circular Business Centre established an internal coordination and control mechanism for XCMG's circular business, advancing the integrated development of used equipment and operational leasing. X's equity investments were adjusted towards strategic industries, with **11** investment projects implemented. XCMG Financial Corporation successfully issued China's first foreign currency-denominated asset-backed note backed by pooled overseas accounts receivable. XCMG Hanyun, centred on **HANYUN OS** and artificial intelligence, focused on

three key domains—smart manufacturing, vehicle networking, and unmanned operations—to enhance technological value-added. XCMG International Development vigorously advanced overseas financial platform construction, establishing the "stock placement+ terminal" financial business model and achieving breakthroughs in unsecured credit facilities.

Thirdly, deepening global footprints with regional centres driving efficiency gains. Capacity-building efforts include upgrading the "1+14+N" international operations framework, completing organisational restructuring of the International Business Headquarters, and refining regional structures to support substantive operations. A tripartite operational mechanism for key accounts was established, alongside a Mining Machinery International Business Centre to coordinate overseas mining operations, and new policies strengthening dealer onboarding and exit mechanisms. Regarding overseas deployment, multiple overseas production capacity projects were established, accelerating the enhancement of localised self-manufacturing rates at overseas factories. Revenue from overseas enterprises showed steady year-on-year growth, while the comprehensive market share of overseas product sales continued to increase.

Fourth, technology leads the way, with innovative strategies securing first-mover advantage. We comprehensively deepen the "1+6+N" global innovation system, formulating a three-year action plan to advance nine major technology roadmaps and R&D projects. This establishes a new collaborative R&D paradigm driven by "planning guidance, industry leadership and market leadership". We continue to expand our global R&D centre network, with the official inauguration of our Australian R&D Centre dedicated to mining machinery innovation (). This complements our existing European, American, Brazilian and Indian R&D centres to establish a new overseas collaborative R&D framework. Our Hangzhou, Shanghai and Southwest R&D Institutes, positioned close to market frontlines, accelerate the development of models for transforming scientific research into practical applications. XCMG's National Key Laboratory received an "Excellent" rating in Jiangsu Province's performance evaluation of 25 national key laboratories ().

Over 1,600 new patents were authorised throughout the year, including more than 750 invention patents. The

company contributed to 34 newly released national standards and 13 industry standards.

and 13 industry standards. The company secured three National Key R&D Programmes, one National Natural Science Foundation project, one Ministry of Industry and Information Technology special project, one provincial science and technology major project, three provincial manufacturing-strong province funding initiatives, and 12 Mechanical Industry Science and Technology Awards.

Major Special Project, and three Manufacturing Power Province funding projects. The institute received twelve Mechanical Industry Science and Technology Awards and eight Jiangsu Provincial Science and Technology Awards.

Among these, the "Innovation and Application of Key Suspension Technologies for Highly Manoeuvrable Wheeled Engineering Vehicles" received the sole Special Prize in the Machinery Industry Science and Technology Awards for construction machinery.

Fifth, digital and intelligent empowerment accelerated project advancement through the "Three Major Campaigns". The organisational structure was further optimised around transformation implementation, new units including the Global Digital Centre for and the Global Circular Business Centre. Through restructuring, functional optimisation, and process streamlining, this accelerated the development of a "Governance+ -Empowerment" headquarters model and seven major project clusters. The "Three Major Campaigns" accelerated project advancement, with new digital systems launched across multiple overseas and domestic marketing regions. The industry's first "Three Domains, Six Dimensions" model for lean manufacturing flagship factories was established, with pilot enterprises progressing systematically.

The Group was honoured as a 2024 China Industrial Data Governance "Leading Enterprise" by the China Federation of Industrial Economics and Management, and recognised as a 2024 Jiangsu Provincial Benchmark Enterprise for Intelligent Transformation and Digital Transition. Its Tracked Undercarriage 5G+ Digital Twin Smart Factory was included in the Ministry of Industry and Information Technology's 2024 5G Factory Directory. XCMG Heavy Equipment was selected as an Excellence-Level Smart Factory by the Ministry of Industry and Information Technology and featured in the Industrial Internet Pilot Demonstration List. XCMG Transmission was included in the Industrial Internet Pilot Demonstration 5G Factory List.

Sixth, Party leadership and mechanism innovation unleash vitality. Established a distinctive XCMG-style new operational accountability system, strengthening short- and medium-term assessment, incentives, and constraints. Guided by the T30 strategy, transformed overseas M&A governance models, implementing tailored integration of the Crane and Road Divisions. Comprehensively establish XCMG's distinctive grassroots supervision system, precisely rectify the "four forms of misconduct", and advance the long-term effectiveness of work style development. Strengthen compliance, legal, and intellectual property risk management by establishing an integrated governance system. Implement the 24 measures of the "Eight Major Initiatives" for fundamental safety improvement to enhance intrinsic safety levels. Through transformation, solidify talent and cultural support by recruiting 1,

implemented 24 measures under the "Eight Major Initiatives" for fundamental safety governance to enhance intrinsic safety levels. Strengthened talent and cultural foundations through transformation, recruiting 1,244 seasoned professionals with expertise in "five specialisations" and deploying 1,055 personnel to strategic emerging industries and overseas frontline operations.

In 2024, XCMG secured its sixth consecutive year on the "World's 500 Most Influential Brands" list – the sole domestic industry representative – while ranking first in its sector on both the Fortune China 500 and Forbes Global 30 Most Admired Brands for Overseas Expansion, maintaining its industry-leading position in both rankings. XCMG Machinery was first recognised as one of Fortune China's Most Admired Companies, with the "XCMG" brand achieving unprecedented global influence and reputation.

2. Revenue and Costs

(1) Composition of Operating Revenue

Unit: Yuan

	2024		2023		Year-on-Year Change
	Amount	Percentage of Operating Revenue	Amount	Percentage of Operating Revenue	
Total Operating Revenue	91,659,763,823.82	100%	92,848,220,501.93	100%	-1.28%
By Industry					
Construction Machinery Sector	91,659,763,823.82	100.00%	92,848,220,501.93	100.00%	-1.28%
By Product					
Crane machinery	18,898,371,618.79	20.62%	21,186,809,413.76	22.82%	-10.80%
Earthmoving machinery	24,011,351,664.07	26.20%	22,560,391,288.72	24.30%	6.43%
Concrete machinery	9,407,798,381.46	10.26%	10,425,449,816.15	11.23%	-9.76%
Piling machinery	5,023,317,206.42	5.48%	3,459,317,506.57	3.73%	45.21%
Aerial work machinery	8,677,592,904.15	9.47%	8,883,145,509.94	9.57%	-2.31%
Mining Machinery	6,361,691,534.23	6.94%	5,860,727,528.06	6.31%	8.55%
Road machinery	4,063,147,976.73	4.43%	3,818,155,791.20	4.11%	6.42%
Other construction machinery, spare parts and other	15,216,492,537.97	16.60%	16,654,223,647.53	17.94%	-8.63%
By Region					
Domestic	49,972,490,284.88	54.52%	55,628,020,835.77	59.91%	-10.17%
Overseas	41,687,273,538.94	45.48%	37,220,199,666.16	40.09%	12.00%

(2) Sectors, products, regions, or sales models accounting for over 10% of the company's operating revenue or operating profit

☒ Applicable ☐ Not applicable

Unit: Yuan

	Operating revenue	Cost of sales	Gross Profit Margin	Year-on-year Change in Operating Revenue	Operating Costs Year-on-Year Change	Change in gross profit margin compared to the same period last year

in Full						
By Industry						
Construction Machinery Sector	91,659,763,823.82	70,990,780,894.90	22.55%	-1.28%	-3.46%	1.75%
By Product						
Crane machinery	18,898,371,618.79	14,675,216,187.89	22.35%	-10.80%	-11.50%	0.61%
Earthmoving machinery	24,011,351,664.07	17,720,092,791.29	26.20%	6.43%	3.96%	1.75%
Concrete machinery	9,407,798,381.46	7,997,683,737.01	14.99%	-9.76%	-6.79%	-2.71%
Other construction machinery and spare parts and other	15,216,492,537.97	12,315,102,014.47	19.07%	-8.63%	-12.65%	3.72%
By Region						
Domestic	49,972,490,284.88	39,885,519,336.02	20.19%	-10.17%	-10.68%	0.46%
Overseas	41,687,273,538.94	31,105,261,558.88	25.38%	12.00%	7.71%	2.97%
Split sales model						

Where the statistical scope for the Company's principal business data underwent adjustments during the reporting period, the principal business data for the most recent year, adjusted according to the scope at the reporting period end, is as follows:

☐ Applicable ☒ Not applicable

(3) Whether the company's physical sales revenue exceeds its service revenue

☒ Yes ☐ No

Industry Classification	Item	Unit	2024	2023	Year-on-Year Change
Construction Machinery Products	Sales Volume	Units	144,538	153,401	-5.78%
	Production volume	units	142,738	150,573	-5.20%
	Inventory	units	51,111	52,911	-3.40%

Reason for Year-on-Year Change Exceeding 30%

☐ Applicable ☒ Not applicable

(4) Status of execution of major sales contracts and major procurement contracts signed by the company as of the reporting period

☐ Applicable ☒ Not applicable

(5) Composition of Operating Costs

Unit: Yuan

Industry Classification	Item	2024		2023		Year-on-Year Change
		Amount	Percentage of Operating Costs	Amount	Percentage of Operating Costs	
Construction Machinery Industry	1. Raw materials	60,264,514,858.84	84.89%	62,562,251,902.09	85.08%	-3.67%
Construction machinery sector	2. Labour Costs (Including labour fees, outsourced processing fees)	2,863,010,700.95	4.03%	3,177,921,488.51	4.32%	-9.91%
Construction Machinery Sector	3. Fuel and Power (Energy Costs)	502,848,900.68	0.71%	482,168,935.99	0.66%	4.29%
Construction machinery industry	4. Depreciation expenses	2,082,318,869.31	2.93%	2,259,187,034.67	3.07%	-7.83%
Construction Machinery Sector	5. Other	5,278,087,565.12	7.43%	5,051,419,914.13	6.87%	4.49%

in Full						
Construction Machinery Industry	Total	70,990,780,894.90	100.00%	73,532,949,275.39	100.00%	-3.46%

Note

During the reporting period and comparable period, adjustments to warranty expenses were included in cost of sales.

(6) Did the scope of consolidation change during the reporting period?

☒ Yes ☐ No

During the reporting period, the company or its subsidiaries established the following entities through new formations: Chengdu XCMG Southwest Technology Co., Ltd., Xuzhou Xuhuan Urban Services Co., Ltd., Pingdingshan Xuchen Environmental Services Co., Ltd., XCMG International Investment Development (Tianjin) Co., Ltd., Xuzhou XCMG No. 3 Equity Investment Partnership (Limited Partnership), XCMG Chile Financial Leasing Co., Ltd., Jieshou Xuhuan Urban Services Co., Ltd., Dongming Xuhuan Environmental Services Co., Ltd., **XCMG EQUIPMENT (M) SDN BHD**, XCMG Japan Co., Ltd., XCMG Tanzania Co., Ltd., XCMG Finance Australia Co., Ltd., XCMG Europe Investment Development Co., Ltd., XCMG Europe Financial Leasing Co., Ltd., and XCMG Peru Co., Ltd. into the consolidated financial statements.

XCMG Mining Machinery Co., Ltd. and Dalian Riquan Electric Technology Co., Ltd. were deregistered. Xuzhou Jiayu Energy Trading Co., Ltd. was disposed of and is no longer included in the consolidated financial statements.

(7) Significant changes or adjustments to the Company's business, products or services during the reporting period

☐ Applicable ☒ Not applicable

(8) Major Sales Customers and Suppliers

Major Sales Customers

Total sales amount to top five customers (RMB)		9,791,434,689.05	
Proportion of Top Five Customers' Combined Sales Amount to Annual Total Sales		10.68%	
Proportion of Related Party Sales within Top Five Customers' Sales Amounts to Annual Total Sales Revenue		Sales Revenue (RMB)	5.54%
		3,498,595,701.64	3.82%
2	Client b	2,605,227,883.80	2.84%
3	Client C	1,579,150,661.67	1.72%
4	Client D	1,248,729,606.21	1.36%
5	Client e	859,730,835.73	0.94%
Total	—	9,791,434,689.05	10.68%

Principal Customers Other Explanatory Notes

☐ Applicable ☒ Not applicable

Company's Principal Suppliers

Total procurement value from top five suppliers (RMB)		6,469,257,160.85	
Proportion of Top Five Suppliers' Total Procurement Amount to Annual Procurement Total		9.92%	
Proportion of Related-Party Procurement within Top Five Suppliers' Total Procurement Amount to Annual Procurement Total		5.84%	

Details of the Company's Top 5 Suppliers

No.	Supplier Name	Procurement Value (RMB)	Proportion of Annual Total Procurement
1	Supplier a	3,804,739,704.92	5.84%
2	Supplier b	751,933,231.81	1.15%
3	Supplier c	713,528,418.42	1.09%
4	Supplier d	625,148,114.22	0.96%
5	Supplier e	573,907,691.49	0.88%
Total	—	6,469,257,160.85	9.92%

☐ Applicable: ☒ Not applicable

3. Costs

Unit: Yuan

	2024	2023	Year-on-year Change	Explanation of Significant Changes
Sales Expenses	5,309,453,470.17	5,233,817,313.62	1.45%	
Administrative Expenses	2,817,154,557.61	2,705,843,684.35	4.11%	
Finance expenses	1,934,545,872.81	726,008,158.72	166.46%	Primarily attributable to the impact of exchange rate

				in Full
				fluctuations on profit or loss during the reporting period. Gains and losses
Research and development expenses	3,738,106,335.58	3,999,625,444.40	-6.54%	

4. R&D Expenditure

☒ Applicable ☐ Not applicable

Primary R&D Project Name	Project Objective	Project Progress	Target Outcomes	Anticipated Impact on the Company's Future Development
XCA4000 Super All-Terrain Crane Development	In response to market trends and operational requirements within the wind power sector, we have developed the world's most powerful wheeled crane. This crane is capable of installing wind turbines up to 190 metres in height, with a maximum self-erection capacity of 400 tonnes. self-transport capability	Product launch	Developing the world's most powerful all-terrain crane, with industry-leading lifting and relocation capabilities.	Continuously launching a series of high-margin products to support the rapid development of China's wind power industry
XCT130G8-1 Truck-mounted Development	Addressing market demand for entry-level 130-tonne products, fully applying G2 core technologies to develop a five-axle long-reach crane that meets construction site requirements, offers high cost-effectiveness, and delivers rapid return on investment. Five-axle long-boom entry-level crane	Product launch	Completed product upgrade and replacement, with core performance and key metrics maintaining domestic leadership.	Developing high-value replacement products to widen competitive advantage
XCT100G5-IHEV Truck Crane R&D	Expanding the new energy product portfolio to capture emerging market segments, tackling key technologies and components such as regenerative braking and energy consumption braking coordination control, as well as adaptive hybrid control systems; developing one 100-tonne range-extended hybrid electric truck-mounted crane.	Product launch	Develop a four-axle green, intelligent range-extended hybrid crane eligible for green licence plates, achieving over 30% overall fuel savings. Featuring hybrid, plug-in, and pure electric operating modes with strong adaptability to working conditions, it surpasses domestic competitors and reaches reaching internationally advanced standards.	Securing the technological high ground in truck crane hybridisation to enhance new energy product penetration.
XGT55000-1000S Super Breakthrough Key Technologies and Product Development for Large Self-Propelled Nuclear Power Heavy Lifting Towers	Addressing three major challenges in lifting large nuclear power structural components, this project researches key technologies for an ultra-large heavy-duty construction crane series, developing an ultra-large self-propelled tower crane suitable for modular nuclear power construction.	Type testing	An innovative super-large self-propelled tower crane has been developed, achieving eight industry-leading major technological innovations in the tower crane sector. and six new structural applications. The product's comprehensive technical level positioned as internationally leading.	Maintaining the global record for the largest tower crane development, it solidifies its market position in the super-large tower crane segment.
Research and Application of Key Technologies for Large Parallel Hybrid Excavators	Overcoming key technologies such as engine and motor control systems for large mining excavators, enhancing forward-looking R&D capabilities for new energy excavator products, and spearheading the development of large mining excavators. industry development.	Product Launch	Develop two large parallel hybrid excavator products,	significantly enhancing the core competitiveness of excavator products in the new energy sector and increasing market share for large excavators.
Electric Drive Loader R&D	Guided by the overarching principles of platform-based, series-based, and modular development for electric drive products, we will develop a 26-tonne electric drive loader to meet the integrated equipment requirements of large-scale mining operations.	Product launch	The electrically driven loader, developed through platform-based, series-based, and modularised research and development, has broken through the technological barriers of core components for ultra-large tonnage loaders.	This innovation fills a domestic technological void, disrupts the international monopoly on large-scale mining loaders, and substantially elevates the industry's overall technical capabilities in China. overall technical level of China's large-scale loading machinery industry.

in Full				
Development of High-Grade Pavement Construction Equipment: Asphalt Pavers	Based on integrated control and lightweight technology research, the RP905HD large-scale asphalt telescopic paver has been developed, breaking into the high-end market for asphalt construction. premium market.	Product launch	Targeting new asphalt surfacing projects for high-grade highways, we developed specialised equipment to create premium products	to lead in paver performance and workmanship, capture the premium market, and enhance product competitiveness.
XR2600F Rotary Drilling Rig	Enhancing rotary drilling rigs' construction capabilities, safety controls, and modularity; developing rotary drilling rigs with the largest bore diameter and deepest drilling depth.	Product launch	Breakthrough in the R&D and manufacturing of ultra-large tonnage rotary drilling rigs, achieving internationally leading performance parameters. Maximum bore diameter increased to 8m and maximum drilling depth to 200 metres.	Pioneering industry advancement towards large-diameter holes, deep piles, and hard strata, further elevating XCMG's influence and market share in the ultra-heavy-duty rotary drilling rig segment.
XZE16000 Horizontal Directional Drilling Rig	World's largest electric-drive horizontal directional drilling rig Development of electric horizontal directional drilling rig products overcomes the challenge of pipeline reverse-drag braking	Prototype validation	Large-tonnage electric-drive horizontal directional drilling rig technology finalised, with energy consumption, efficiency and efficiency parameters reach internationally leading levels	Enhanced XCMG's brand influence and pioneered non-excavation excavation industry.
	The project has achieved internationally leading standards.		First-in-line	
Research and industrialisation of wheeled tractor series	Deepening research into tractor series to develop heavy-duty towing and ploughing products for diverse regional applications. and ploughing operations.	Product Launch	Develop a series of products to meet the needs of different regional markets and increase market share in agricultural machinery.	Accelerate the advancement of agricultural machinery R&D and manufacturing to vigorously support the development of the agricultural machinery industry. agricultural industrial development.
Research and development of new energy workover rig series products	Explore new domains, establish future product platforms, and develop petroleum drilling and production series products.	Product launch	Develop petroleum drilling and production equipment to establish new industrial performance support.	Addressing industrial demands, expanding product lines, and incubating new industries.
Forest firefighting robot development	Develop firebreak clearing personnel products, master steep slope operation mobile chassis technology, and establish a series product platform.	Product launch	Products achieve industry-leading domestic standards in working angle, operational efficiency, remote control range, intelligence, and reliability. domestic industry-leading standards.	Filling a market gap, enabling substitution of imported products.
High-end crane cylinder development	Developing high-end crane cylinders to comprehensively enhance product technology, with performance metrics exceeding industry standards.	Product Launch	Enhancing the quality of export products and those targeting premium markets in Europe, America, and Australia, while meeting customised client requirements.	Achieve comprehensive breakthroughs in core hydraulic cylinder component technology to support high-end market expansion requirements.
Breakthrough in core technology for high-pressure axial piston pumps and motors	Breakthrough in core technologies for high-end plunger pumps and motors, enhancing the company's R&D capabilities in core component manufacturing and mitigating supply chain risks.	Product launch	Resolve bottlenecks in engineering machinery piston pump motors, enabling complete hydraulic system integration for engineering machinery and achieving self-reliance in hydraulic components. self-sufficient and controllable	Supporting the capture of the majority of high-end markets, meeting customised upgrade requirements for host products, and enhancing product market competitiveness

Company R&D Personnel Status

	2024	2023	Change in Proportion
Number of R&D personnel (individuals)	7,619	6,795	12.13%
Proportion of R&D personnel	27.42%	24.20%	3.22%
Educational background of R&D personnel			
Bachelor's degree	3,949	3,487	13.25%

in Full			
Master's Degree	3,393	2,999	13.14%
Doctoral	87	92	-5.43%
College	135	125	8.00%
Other	55	92	-40.22%
Age Composition of R&D Personnel			
Under 30	2,709	2,844	-4.75%
30-40 years old	3,375	2,886	16.94%
40-50 years old	1,261	771	63.55%
50 years and above	274	294	-6.80%

Company R&D Expenditure

	2024	2023	Percentage Change
R&D Expenditure Amount (RMB)	5,597,907,614.71	5,038,688,679.11	11.10%
R&D Expenditure as a Percentage of Operating Revenue	6.11%	5.43%	0.68%
Amount capitalised for R&D expenditure (RMB)	1,859,801,279.13	1,039,063,234.71	78.99%
Proportion of capitalised R&D expenditure relative to total R&D expenditure	33.22%	20.62%	12.60%

Reasons for and impact of significant changes in the composition of the company's R&D personnel

☐ Applicable ☒ Not applicable

Reasons for the significant change in the proportion of total R&D expenditure relative to operating revenue compared to the previous year

☐ Applicable ☒ Not applicable

Reasons for significant fluctuations in the capitalisation rate of R&D expenditure and justification thereof

☒ Applicable ☐ Not applicable

Increased R&D expenditure on new energy, intelligent and green products during the reporting period.

5. Cash Flow

Unit: Yuan

Item	2024	2023	Year-on-Year Change
Subtotal of cash inflows from operating activities	105,208,574,918.75	121,882,322,309.97	-13.68%
Subtotal of cash outflows from operating activities	99,488,687,887.03	118,311,408,885.35	-15.91%
Net cash flow from operating activities	5,719,887,031.72	3,570,913,424.62	60.18%
Subtotal of cash inflows from investing activities	1,532,018,825.18	18,152,736,869.92	-91.56%
Subtotal of cash outflows from investing activities	3,449,709,157.81	16,741,348,308.84	-79.39%
Net cash flow from investing activities	-1,917,690,332.63	1,411,388,561.08	-235.87%
Subtotal of cash inflows from financing activities	44,844,983,931.57	39,477,038,762.65	13.60%
Subtotal of cash outflows from financing activities	51,503,845,787.31	47,255,445,633.92	8.99%
Net cash flow from financing activities	-6,658,861,855.74	-7,778,406,871.27	-14.39%
Net increase in cash and cash equivalents	-2,958,174,475.84	-2,973,511,487.37	-0.52%

Explanation of Key Factors Contributing to Significant Year-on-Year Changes in Relevant Data

☒ Applicable ☐ Not applicable

The increase in net cash flow from operating activities compared to the same period last year primarily stems from the Company's vigorous implementation of two capital reduction initiatives, yielding phased results. The decrease in net cash flow from investing activities compared to the same period last year mainly arises from a higher volume of maturing wealth management products redeemed during the 2023 reporting period.

Explanation of the significant discrepancy between net cash flow from operating activities and net profit for the reporting period

☐ Applicable ☒ Not applicable

V. Analysis of Non-Core Business Activities

☒ Applicable ☐ Not applicable

Unit: Yuan

	Amount	Proportion of Total Profit	Sustainable
Investment income	-56,612,637.49	-0.86%	No
Fair value changes	-2,061,401.08	-0.03%	No
Asset impairment	-581,674,997.06	-8.84%	Yes
Non-operating income	94,132,451.23	1.43%	No
Non-operating expenses	41,235,712.40	0.63%	No
Credit impairment losses	-202,979,168.49	-3.08%	Yes

VI. Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: Yuan

	End of 2024		Beginning of 2024		Percentage Change	Explanat ion of Significa nt Changes
	Amount	Proportion of Total Assets	Amount	Proportion of total assets		
Cash and cash equivalents	20,205,080,632.37	12.55%	23,371,004,907.94	14.43%	-1.88%	
Accounts receivable	39,776,168,014.49	24.71%	39,997,581,445.27	24.69%	0.02%	
Contract assets	81,268,486.48	0.05%	57,698,599.31	0.04%	0.01%	
Inventories	32,543,459,789.62	20.22%	32,378,420,106.53	19.99%	0.23%	
Investment property	4,231,728.27	0.00%	4,535,792.91	0.00%	0.00%	
Long-term equity investments	3,903,864,130.97	2.43%	4,509,957,503.79	2.78%	-0.35%	
Fixed Assets	24,431,435,392.14	15.18%	22,510,294,100.61	13.90%	1.28%	
Construction in progress	2,017,674,968.34	1.25%	2,923,092,323.17	1.80%	-0.55%	
Right-of-use assets	292,314,682.46	0.18%	198,885,745.98	0.12%	0.06%	
Short-term borrowings	13,685,563,657.97	8.50%	13,526,319,245.36	8.35%	0.15%	
Contractual liabilities	4,922,815,645.06	3.06%	4,707,968,211.50	2.91%	0.15%	
Long-term borrowings	12,634,533,215.41	7.85%	12,515,226,028.45	7.73%	0.12%	
Lease liabilities	271,957,927.73	0.17%	96,111,857.88	0.06%	0.11%	

High proportion of overseas assets

☐ Applicable ☒ Not applicable

2. Assets and liabilities measured at fair value

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	Opening Balance	Fair value changes for the period	Accumulated Fair Value Adjustments Recognised in Equity	Impairment provision for the current period	Purchase Amount for Current Period	Amount sold during the period	Other changes	Balance at end of period
Financial Assets								
1. Trading financial assets (excluding derivative financial assets)	39,222,840.98	18,175.12			9,000,000.00	8,608,760.56	12.21	39,632,267.75
2. Derivative financial assets		14,266,759.77						14,266,759.77
3. Receivables financing	1,407,799.250.97				47,252,614.731.67	46,069,850,327.23		2,590,563.655.41

in Full								
4. Other equity instruments investments	3,521,013,121.72		68,568,720.93		2,164,137.00	552,989.9497		3,062,025.508.41
5. Other non-current financial assets	180,962,867.40					76,972,867.40		103,990,000.00
Subtotal of financial assets	5,148,998,081.07	14,284,934.89	68,568,720.93		47,263,778,868.67	46,708,421,930.16	12.21	5,810,478,191.34
Total of the above	5,148,998,081.07	14,284,934.89	68,568,720.93		47,263,778,868.67	46,708,421,930.16	12.21	5,810,478,191.34
Derivative financial liabilities	64,722,417.37	16,346,335.97			5,768,691.00		140,415.17	86,977,859.51

Did the measurement attributes of the Company's principal assets undergo any material changes during the reporting period?

☐ Yes ☒ No

3. Restrictions on asset rights as at the end of the reporting period

Unit: Yuan

Item	Carrying Amount at End of Period	Reason for Restriction
Cash and cash equivalents	4,742,091,331.10	Deposits and funds in transit
Accounts receivable	283,446,482.69	Pledged loans
Notes receivable	1,199,497,393.48	Pledged loans or issuance of notes payable
Accounts receivable financing	105,790,764.80	Pledged loans or issuance of notes payable
Inventory	588,660,975.08	Mortgage loans
Fixed assets	330,640,635.45	Mortgage loans
Intangible assets	9,928,098.13	Mortgage loans
Total	7,260,055,680.73	—

VII. Investment Analysis

1. Overall Situation

☒ Applicable ☐ Not applicable

Investment Amount During Reporting Period (RMB)	Investment Amount for the Same Period Last Year (RMB)	Percentage Change
3,449,709,157.81	16,741,348,308.84	-79.39%

2. Significant equity investments acquired during the reporting period

☐ Applicable ☒ Not applicable

3. Significant non-equity investments in progress during the reporting period

☐ Applicable ☒ Not applicable

4. Financial asset investments

(1) Securities investment

☒ Applicable ☐ Not applicable

Securities Type	Stock Code	Security Abbreviation	Initial Investment Cost	Accounting Measurement Model	Opening carrying amount	Fair value change for the period	Accumulated Fair Value Changes Recognised in Equity	Purchase amount for the period	Current Period Sale Amount	Profit or loss for the reporting period	Carrying Amount at End of Period	Accounting heading	Funding source
Domestic and Foreign Shares	001277.SZ	Suda Co., Ltd.	96,159,450.00	Fair Value Measurement	96,159,450.00	0.00	131.726,550.00	0.00	0.00	0.00	227.886,000.00	Other equity instruments	Own funds
Fund	202308.OF	Southem Yield Treasure B		Fair Value Measurement		30.662.35		5,000,000.00		30,662.35	5,030,662.35	Trading financial assets	Own funds
Fund	003474.OF	Southem Daily Benefit B		Fair Value Measurement		23.787.70		4,000,000.00		23,787.70	4,023,787.70	Trading financial assets	Own funds
Total			96,159,450.00	-	96,159,450.00	54.450.05	131.726,550.00	9,000,000.00	0.00	54,450.05	236.940.4505	-	-

(2) Derivatives Investment Status

☒ Applicable ☐ Not applicable

1) Derivative investments for hedging purposes during the reporting period

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Derivative Investment Type	Initial Investment Amount	Opening Balance	Fair Value Change Gains/Losses for the Period	Cumulative Fair Value Changes Recognised in Equity	Amount Purchased During the Reporting Period	Amount sold during the reporting period	Balance at end of period	Proportion of Investment Amount at Period-End to Company's Net Assets at Period-End
Forward foreign exchange rate hedging	312,175.08	312,175.08	-207.96	0	385,255.56	453,348.06	244,082.58	4.04%
Total	312,175.08	312,175.08	-207.96	0	385,255.56	453,348.06	244,082.58	4.04%
Accounting policies and specific principles for hedge accounting during the reporting period, along with an explanation of whether any significant changes occurred compared to the previous reporting period	No material changes							
Explanation of actual gains or losses during the reporting period	Actual gain or loss on forward exchange contracts: -2,079,600 yuan							
Explanation of Hedging Effectiveness	Utilising the hedging function of foreign exchange derivatives to mitigate exchange rate and interest rate risks in international operations, thereby enhancing the company's financial stability.							

Source of Funds for	Company's own funds
Derivative Investments	
Risk Analysis and Control Measures for Derivative Positions During the Reporting Period (Including but Not Limited to Market Risk, Liquidity Risk, Credit Risk, Operational Risk, Legal Risk, etc.)	<p>The company's financial derivative transactions are conducted for hedging purposes, aimed at locking in costs and mitigating risks such as interest rate and exchange rate fluctuations. These financial derivatives are closely linked to underlying business operations and are matched with the underlying business in terms of type, scale, direction, and duration, aligning with the company's prudent and stable risk management principles. 1. Risk Analysis of Financial Derivatives Trading Operations. The Company's financial derivatives activities adhere to the principle of exchange rate neutrality management, focusing on hedging exchange rate and interest rate risks without engaging in speculative or arbitrage transactions. Nevertheless, certain risks remain inherent in derivatives operations: (1) Price Volatility Risk: Potential market losses arising from fluctuations in the prices of underlying interest rates, exchange rates, or other market prices affecting derivative instruments. (2) Internal control risk: Financial derivatives trading is highly specialised and complex, may give rise to risks if internal control mechanisms are inadequate. (3) Liquidity risk: The risk of being unable to complete transactions due to insufficient market liquidity.</p> <p>(4) Performance Risk: Conducting financial derivatives business carries the risk of default arising from the inability to fulfil contractual obligations upon maturity. (5) Legal Risk: Changes in relevant legislation or counterparty violations of legal frameworks may prevent normal contract execution, potentially causing losses to the company.</p> <p>2. Risk Control Measures. (1) The company's financial derivatives operations are not conducted for speculative arbitrage purposes, but rather for hedging and securing future income. Operational strategies are adjusted in a timely manner according to market conditions to enhance hedging effectiveness. (2) The company has established stringent capital operation management systems and a Foreign Exchange Risk Management System. These clearly define operational principles, approval authorities, responsible departments and personnel, internal procedures, information segregation measures, internal risk reporting systems, risk handling protocols, and disclosure requirements for financial derivatives operations, thereby mitigating internal control risks. The company maintains a dedicated exchange rate management department that closely monitors changes in the open market prices or fair values of financial derivatives. It promptly assesses shifts in risk exposure from such operations and regularly reports to the relevant regulatory departments. Any anomalies are immediately escalated to the Board of Directors, with risk alerts issued and contingency measures implemented. (3) Prior to engaging in financial derivatives transactions, comparative analysis is conducted across multiple counterparties and product types to select instruments best suited to the company's operational context, offering strong liquidity and manageable risk. (4) Counterparties for financial derivatives transactions are selected with due diligence; the company conducts such business exclusively with legally qualified financial institutions, such as major commercial banks, thereby mitigating potential legal risks.</p> <p>to mitigate potential legal risks. (5) The internal audit department shall conduct regular compliance audits of financial derivatives operations.</p>
Changes in market prices or fair values of invested derivatives during the reporting period. Analyses of derivative fair values shall disclose specific methodologies employed methods and relevant assumptions and parameters used.	Foreign exchange hedging primarily utilises forward foreign exchange contracts, with the Company employing contract prices agreed with respective banks as the basis for calculating fair value.
Litigation status (if applicable)	Not applicable
Date of Board Announcement on Derivative Investment Approval (if applicable)	29 August 2024

2) Derivative investments for speculative purposes during the reporting period

☐ Applicable ☒ Not applicable

The Company did not engage in any derivative investments for speculative purposes during the reporting period.

5. Use of Raised Funds

☒ Applicable ☐ Not applicable

(1) Overall Use of Raised Funds

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

in Full													
Year of Raising Funds	Fundraising Method	Date of Securities Listing	Total Funds Raised	Net Proceeds (1)	Total Raised Funds Utilised During Current Period	Total Cumulative Amount of Raised Funds Utilised (2)	Proportion of Raised Funds Utilised at the End of the Reporting Period (3) = (2) / (1)	Total amount of raised funds reallocated during the reporting period	Total cumulative raised funds reallocated	Cumulative proportion of raised funds reallocated	Total amount of raised funds yet to be utilised	Purpose and disposition of unutilised raised funds	Amount of raised funds idle for over two years
2018 Year	Share issuance to specific entities	2018 August 02	254.389.76	249.046.18	31.095.8	169.962.46	68.25%	0	166.547.28	66.87%	103.183.91	Proposed to continue funding uncompleted fundraising investment projects related expenditure	0
Total	—	—	254.389.76	249.046.18	31.095.8	169.962.46	68.25%	0	166.547.28	66.87%	103.183.91	—	0
Statement on Overall Use of Raised Funds													
<p>As at 31 December 2024, the Company had cumulatively utilised RMB 1,699,624,600 of raised funds, comprising RMB 1,388,666,600 utilised in prior years and with ¥310.958 million utilised during the 2024 financial year. Interest income generated from bank deposits of raised funds during 2024 amounted to ¥22.0163 million, with cumulative interest income generated RMB 241.0019 million. As at 31 December 2024, the Company had an unused balance of raised funds amounting to RMB 1,031.8391 million (including interest income), with the raised funds account balance standing at RMB 1,031.8391 million (including interest income). account balance stood at RMB 1,031,839,100 (including interest income)</p>													

(2) Status of Funded Projects

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Project Name	Securities Listing Date	Committed Investment Projects and Allocation of Excess Funds	Project Nature	Whether Project Adjustments Have Been Made (Including Partial Adjustments)	Total Committed Investment Amount from Raised Funds	Adjusted Total Investment Amount (1)	Amount Invested During the Reporting Period	Cumulative Investment Amount as of Period-End (2)	Investment progress as at the end of the period (3) = (2)/(1)	Project at scheduled date of availability Date	Benefits Realised During the Reporting Period	Cumulative benefits realised by the end of the reporting period	Whether projected benefits have been achieved	Significant changes in project feasibility
Committed investment projects														

in Full														
2018 Non-public offering of shares	2018 August 02	Intelligent Underground Space Construction Equipment Manufacturing Project	Production and Construction	Is	42,236	1,050.8		1,050.8	100.00%				Not applicable	No
2018 Non-public offering Shares	2018 Year 08 02 Project	Intelligent Compression Station Project	Production Construction Facilities	Is	43,006	3,866.96		3,866.96	100.00%				Not applicable	No
2018 Non-public offering of shares	2018 August 02 August 02	High-End Hydraulic Valve Intelligent Manufacturing and Industrialisation Investment Project	Production and Construction	Yes		40,621.18		36.063.41	88.78%	2020 October 01 2020	29.021.02 <small>Note</small>	113.266.07	No	No
2018 Non-public offering Shares	2018 Year 08 02 2018	Intelligent Manufacturing Project for Aerial Work Platforms	Production Facilities	Yes	95,870	29,317.34		29.317.34	100.00%	2020 July 01	644.635.27	2,391,041.99	Yes	No
2018 Non-public offering of shares	2018 August 02	Large-scale Piling Machinery Industrialisation Upgrade Technical Renovation Project	Production and Construction	Yes	17,250	11,248.8		11.248.8	100.00%	2019 December 01	161.800.83	1,952,639.8	No	No
2018 Non-public offering of shares	2018 August 02	XCMG Machinery's Industrial Internet Transformation Project	Production and Construction	No	37,015	37.015	15.680.04	36.974.66	99.89%	2025 Year 03 01 2025			Not applicable	No

in Full															
2018 Non- public offering of shares	2018 August 02	Construc- tion of the Intellige- nt Manufac- turing Base for Basic Construc- tion Machine- ry Project	Pr od uct ion and Co nst ruc tion	Yes		101.6 72.18	11.64 1.58	39.72 0.55	39.07 %	2026 December 01			Not applic- able	No	
2018 Non- public offering of shares	2018 August 02 Annual	Annual Producti- on of 10,000 Units of Specialis- ed Sanitatio- n Equipme- nt Project	Pr od uct ion and Co nst ruc tion	Yes		23,12 4.86	3,774 .19	11,71 9.94	50.68 %	2026 December 01			Not applic- able	No	
2018 Non- public offering of shares	2018 August 02	New Transmi- ssion Compon- ents Intellige- nt Manufac- turing Investm- ent Project Project	Pr od uct ion and Co nst ruc tion	is		20,00 0				2026 December 01			Not applic- able	No	
2018 Non- public offering Shares	2018 Year 08 02 2018	Intellige- nt Logistics Equipme- nt Manufac- turing Project	Pr od uct ion Fa- cili- ty Faciliti- es	Is		13,66 9.18							Not applic- able	No	
Subtotal of committed investment projects				-		249.0 46.18	267.9 17.12	31.09 5.81	169.9 62.46	-	-	835.4 57.12	4,456 ,947. 86	-	-
Allocation of oversubscribed funds															
None															
Total				-		249.0 46.18	267.9 17.12	31.09 5.81	169.9 62.46	-	-	835.4 57.12	4,456 ,947. 86	-	-

in Full	
Sub-item description: Failure to meet planned progress and projected returns, and reasons (including reasons for selecting "Not applicable" under "Whether projected benefits were achieved")	<p>1. Intelligent Underground Space Construction Equipment Manufacturing Project, Intelligent Compression Station Project</p> <p>The aforementioned projects were originally scheduled to reach operational readiness by October 2020. Due to ongoing changes in the external business and competitive market environment, coupled with lower-than-anticipated product market demand, the Company terminated these projects to manage operational risks and safeguard shareholder interests. Guided by prudent investment considerations, the remaining raised funds were redirected towards new projects with more favourable projected economic returns.</p> <p>2. High-End Hydraulic Valve Intelligent Manufacturing and Industrialisation Investment Project</p> <p>The project commenced generating returns in 2021, achieving expected benefits in both 2021 and 2022. However, during 2023-2024, cyclical adjustments within the construction machinery sector resulted in outcomes falling short of projected returns.</p> <p>3. Industrialisation Upgrade and Technical Renovation Project for Large Piling Machinery</p> <p>The project commenced generating returns in 2020, exceeding projected returns in each of the 2020-2022 fiscal years. In 2024, returns fell short of projections owing to cyclical fluctuations within the construction machinery sector.</p> <p>4. XCMG Machinery Industrial Internet Enhancement Project</p> <p>The project was originally scheduled to reach operational status in August 2021. In recent years, with the rapid advancement of technologies such as 5G and the Internet of Things, the technology and application of the internet within industrial sectors have also evolved continuously. The company has continually adjusted the technical implementation and application scenarios of this project in line with the core operations of its construction machinery business. Against this backdrop, guided by long-term information technology strategy and a commitment to shareholder responsibility, the company exercised greater prudence in the use of raised funds for its Industrial Internet Enhancement Project. Investments were made in relevant information technology infrastructure based on actual requirements, with the project completed in March 2025.</p> <p>5. Construction of Intelligent Manufacturing Base for Basic Construction Machinery, Annual Production of 10,000 Units of Specialised Sanitation Equipment, and Investment in Intelligent Manufacturing of New Transmission Components</p> <p>In recent years, the construction machinery sector has experienced cyclical fluctuations. To better navigate diverse market changes, ensure effective utilisation of raised funds, and safeguard the interests of all shareholders, the company has, after careful deliberation, reasonably extended the timeline for achieving the intended operational status of the aforementioned the interests of all shareholders, the Company, after careful deliberation, has reasonably extended the deadlines for the above projects to reach their intended operational status.</p>
Statement on Significant Changes in Project Feasibility	None
Amount, purpose and usage progress of oversubscribed funds	Not applicable
Changes in the Implementation Location of Raised Funds Investment Projects	Not applicable
Adjustments to the Implementation Method of Raised Funds Investment Projects	Not applicable
Advance Expenditure and Replacement of Raised Funds Investment Projects	Not applicable
Utilisation of Idle Raised Funds	Not applicable
Temporary Use of Idle Raised Funds to Supplement Working Capital	
Amount and reasons for surplus raised funds arising from project implementation	Not applicable
Purpose and disposition of unused raised funds	<p>As at 31 December 2024, the Company had unused raised funds in the amount of RMB 1,031,839,132.95 (including interest income), deposited</p> <p>in the raised funds account balance of RMB 1,031,839,132.95 (including interest income)</p>
Issues or other circumstances concerning the use and disclosure of raised funds	None

Note: The statistical basis is the amount of operating revenue realised from products after project commissioning. Among these, the Industrialisation Upgrade and Technical Renovation Project for Large Piling Machinery is a technical renovation and expansion project. As newly added equipment for the fundraising project is used concurrently with existing equipment during production, it is difficult to strictly distinguish output. The Company has allocated the realised product revenue proportionally based on the new production capacity and existing production capacity of various products under this project.

(3) Changes to Raised Funds Projects

☐ Applicable ☒ Not applicable

The Company had no changes to raised fund projects during the reporting period.

VIII. Significant Asset and Equity Disposals

1. Disposal of Significant Assets

☐ Applicable ☒ Not applicable

The Company did not dispose of any significant assets during the reporting period.

2. Sale of Significant Equity Interests

☐ Applicable: ☒ Not applicable

IX. Analysis of Principal Controlled and Participating Companies

☒ Applicable ☐ Not applicable

Major Subsidiaries and Participating Companies with an Impact of 10% or More on the Company's Net Profit

Unit: Yuan

Company Name	Type of Company	Principal Business	Registered Capital	Total Assets	Net Assets	Operating Revenue	Operating Profit	Net Profit
Xuzhou Heavy Machinery Co., Ltd. Co., Ltd.	Subsidiary	Machinery Manufacturing	1,200,000.00.00	17,245,842,299.89	9,944,774.543.20	9,271,411.211.70	764,811.582.98	688,621,331.12
Xuzhou Construction Machinery Group Import & Export Co., Ltd. Company	Subsidiary	Trade	1,354,000.00.00	42,232,947,136.00	2,953,224,680.62	35,692,506,612.34	1,124,838.205.01	1,200,609,412.96
Xuzhou XCMG Excavator Machinery Co., Ltd.	Subsidiary	Machinery Manufacturing	1,500,000.00.00	15,588,484,963.75	4,425,109.629.59	13,724,625,131.64	1,405,317.609.02	1,237,961.242.49

Acquisitions and Disposals of Subsidiaries During the Reporting Period

☒ Applicable ☐ Not applicable

in Full

Company Name	Method of acquisition and disposal of subsidiaries during the reporting period	Impact on Overall Production, Operations and Performance
Chengdu Xugong Southwest Technology Co., Ltd.	Newly established	Minor
Xuzhou Xuhuan Urban Services Co., Ltd.	Newly Established	Micro-sized
Pingdingshan Xuchen Environmental Services Co., Ltd.	Newly established	Micro-sized
Xugong International Investment Development (Tianjin) Co., Ltd.	Newly established	Micro
Xuzhou XCMG No. 3 Equity Investment Partnership (Limited Partnership)	Newly established	Micro
XCMG Chile Financial Leasing Co., Ltd.	Newly Established	Micro-sized
Jieshou City Xuhuan Urban Services Co., Ltd.	Newly Established	Micro-sized
Xuhuan Environmental Services Co., Ltd. of Dongming County	Newly Established	Micro
XCMG EQUIPMENT (M) SDN BHD	Newly Established	Micro
XCMG Japan Co., Ltd.	Newly established	Micro
XCMG Tanzania Limited	Newly Established	Minor
XCMG Finance Australia Co., Ltd.	Newly established	Micro
XCMG Europe Investment Development Co., Ltd.	Newly established	Micro
XCMG Europe Financial Leasing Co., Ltd.	Newly Established	Micro
XCMG Peru Company	Newly established	Micro
Inner Mongolia XCMG Mining Machinery Co., Ltd.	Deregistered	Micro
Dalian Riquan Electrical Technology Co., Ltd.	Deregistered	Micro
Xuzhou Jiayu Energy Trading Co., Ltd.	Disposal	Minor

X. Structured Entities Controlled by the Company

☐ Applicable ☒ Not applicable

XI. Outlook for the Company's Future Development

(1) Industry Competitive Landscape and Development Trends

By 2025, the global landscape remains complex and volatile, with heightened monetary and financial risks, geopolitical tensions, and intensified trade frictions. Concurrently, however, industrial policies are aiding the recovery of global manufacturing. Infrastructure development continues to thrive in Belt and Road countries, while global energy upgrades and increasingly stringent ESG requirements present fresh market opportunities for the sector.

Domestically, macroeconomic policies implemented extraordinary counter-cyclical adjustments to stabilise economic growth. The implementation of the "Two Priorities" strategy and "Two New" policies provided robust support for the construction machinery market. Unexpected debt reduction measures enhanced local government investment capacity, while ongoing urban village redevelopment, new urbanisation, and rural revitalisation strategies directly stimulated demand for construction machinery. Rising labour costs and rapid advancements in intelligent and digital technologies unlock significant potential for compact, smart machinery.

Within the global competitive landscape, Chinese construction machinery enterprises have demonstrated increasingly robust competitiveness. Their overseas market expansion has progressed steadily, with forward-looking overseas production capacity deployment effectively reducing manufacturing costs and diversifying operational risks.

Electrification and intelligentisation have become key development priorities for the construction machinery sector. The Government Work Report advocates accelerating the comprehensive green transformation of economic and social development, promoting energy-saving and carbon-reduction upgrades in key industries, and advancing the development and utilisation of new energy sources. This is expected to accelerate the electrification of construction machinery, further boosting revenue and profits for original equipment manufacturers.

In summary, the construction machinery sector faces both challenges and opportunities. As an industry leader, XCMG must align closely with policy directives, comprehensively launch the "three major campaigns" of intelligent

transformation, digital transition, and **networked** connectivity, forge distinctive new productive forces with XCMG characteristics, and persistently implement the operational **principles of** "high quality,

risk control, world-class standards, and stable growth," advance the "five transformations" upgrade, deepen its globalisation strategy, and confidently navigate shifts in the industry's competitive landscape to firmly grasp the initiative in market development.

(II) Corporate Development Strategy

As a global provider of engineering construction and sustainable development solutions, the company upholds the core values of "shouldering great responsibilities, pursuing noble paths, and achieving great accomplishments." Guided by the primary direction of industrial transformation towards "high-end, intelligent, green, service-oriented, and global" development, it focuses on the flagship initiative of intelligent transformation, digital transition, and network connectivity. With technological and management innovation alongside internationalisation as its two main strategies, the company fully implements the operational development principle of "high quality, risk control, world-class standards, and stable growth." We remain steadfast in driving high-quality, intrinsic development through new productive forces, accelerating our journey to become a world-class enterprise.

We persistently pursue excellence and innovation, accelerating the construction of a world-class industrial system. The company vigorously advances its two-step strategy, with core technologies, supply chain systems, and production resources forming the strategic core. We implement a concentric related diversification strategy, revitalising and upgrading traditional sectors such as earthmoving machinery and crane machinery and other traditional sectors, while promoting the spillover of technological advantages from core industries. Through technological innovation and product development, we continuously extend industrial boundaries, cultivate growth in secondary sectors such as mining machinery, strengthen key core components, and accelerate the construction of a modern industrial system with distinctive XCMG characteristics – the "5+ 1" model. This system features a more robust industrial framework, a more complete industrial chain, and a more solid industrial foundation.

Upholding conceptual renewal, we forge a high-quality operational model empowered by digital intelligence. Leveraging group-level R&D systems, integrated product development frameworks, and unified global collaborative digital platforms, we achieve cross-organisational R&D synergy and cultivate globally coordinated digital R&D capabilities. We advance the planning and construction of lean manufacturing flagship factories, deepen procurement transformation implementation and capacity building, enhance integrated sales-production-supply capabilities, and establish global digital supply chain management. Deepening marketing project clusters, constructing a global vehicle connectivity application platform and foundational architecture, focusing on building the "Eight Core Marketing Capabilities" to establish global digital marketing service capabilities; increasing the digitalisation rate of financial processes, advancing the development of financial shared services systems, global treasury systems, responsibility centres, and management reporting frameworks to enhance global digital financial control capabilities.

Uphold technological innovation to establish globally influential industrial R&D hubs. Deepen innovation system reforms by creating a national-level innovation platform cluster supporting self-reliant technological advancement. Strengthen industry-academia-research-application integration, refine product and technology planning systems, expand design navigation platform functionality, and enhance integrated R&D management capabilities. Accelerate breakthroughs and applications in critical technologies like new energy and intelligent systems, guided by the "Nine Major Technology Roadmaps" covering new energy, intelligent unmanned technologies, high-end core components, and smart manufacturing. Accelerate the output of new energy, international, and high-end products to rapidly capture new avenues for performance growth.

Adhere to an open approach to innovation, enhancing global marketing and service capabilities. Strengthen overseas market capacity building, optimise global industrial layout, establish a closed-loop overseas treasury system integrating business, finance and assets, enhance headquarters governance and empowerment capabilities, and leverage synergistic strengths to expand overseas markets; Overseas operations shall concentrate on three strategic campaigns: breakthrough markets, consolidate strongholds, and capture market share. Define products for breakthrough markets to expand high-end clientele and achieve high growth;

reinforce competitive advantages in established markets for stable growth; focus on key priorities in capture markets to expand market share. Accelerate aftermarket development through high-standard planning and integration of aftermarket operations, establishing systems, refining processes, and strengthening teams.

Establish a circular ecosystem where value-added services—including maintenance, servicing, spare parts, leasing, used equipment, and finance—interconnect efficiently and develop synergistically, enhancing aftermarket value contribution.

(3) Corporate Operational Plan

Coordinate both domestic and international markets, balancing development and security imperatives to continuously enhance operational metrics. Maintain industry-leading domestic performance across core indicators. Projected 2025 revenue growth exceeds 10% year-on-year, with sustained focus on "three major growth drivers" and prioritise breakthroughs in "three special initiatives". Net profit and cash flow growth will exceed revenue growth, while resolutely upholding the bottom line of production safety and environmental protection.

Key tasks for 2025 are articulated across six dimensions:

First, strategic deliberation to forge a new industrial ecosystem through "mutual integration and co-creation"

First, injecting fresh momentum into sustainable development through transformation and reform. On one hand, we will strengthen our core capabilities by integrating transformation and reform into the overall business development strategy, advancing key annual tasks with a goal-oriented approach. On the other hand, we will deepen the application of new strategic management tools, initiate the formulation of the 15th Five-Year Plan, enhance the foresight and systematic nature of reforms, accelerate the development of XCMG's distinctive new productive forces, and refine the innovation institutional framework.

Second, driving mutual integration and shaping across industrial sectors through the "Three Geese Leading the Way" approach. Traditional industries continue to cultivate and innovate, while strategic emerging industries accelerate their emergence to form new industrial pillars. Host machines drive component development, forging a robust XCMG-specific core component advantage. Strengthening platform company governance, we focus on digital and intelligent empowerment around core businesses, advancing the integration of operations and finance, as well as industry and finance.

Second, turn the blade inward and win the high-quality development battle through "three special initiatives"

First, regarding accounts receivable management: 1. Enhance collection rates for new business through strict enforcement of commercial policies. Establish a 360-degree risk view for business units, distributors, and customers. Rigidly implement commercial policies, strengthen collateral and post-loan management, and reinforce the overseas risk control "iron triangle" team and system. 2. Improve collection rates for mature receivables through targeted specialised management. 3. Support the reduction of risk asset exposure through financial innovation.

Secondly, regarding inventory optimisation, we must enhance forward capabilities while reducing backward stock levels. Firstly, improve forward capabilities in sales, production, and supply by enhancing market insight, refining product positioning, and driving comprehensive alignment across delivery methods and cycles within the supply chain. Secondly, reverse-engineer pressure to reduce existing inventory through continuous overdue management and specialised disposal tracking.

Thirdly, regarding gross margin enhancement, we must pursue value-driven marketing externally while reducing costs and controlling expenses internally. Firstly, we must enhance product competitiveness and differentiate marketing approaches. Value proposition must overcome price-driven competition, avoiding price wars and commercial battles. Instead, we shall leverage technological, product, aftermarket service, and full lifecycle management advantages to establish distinctive, industry-specific integrated solutions bearing XCMG's hallmark. Secondly, we must implement full product lifecycle profitability and target cost management, strengthening cross-functional collaboration in new product development.

Thirdly, drive innovation breakthroughs by seizing structural opportunities through the "Three Major

Increments".

Firstly, efficiently advance the core internationalisation strategy. Continuously and precisely enhance overseas resource investment while strengthening regional operational capabilities based on **1+ N**).

Secondly, accelerate the precise implementation of innovative aftermarket practices. Establish a spare parts system comprising "Installed Components+ Certified Components+ **Recycled Components**". For the domestic market, develop a "1+ N" warehousing network, while internationally advance a four-tier spare parts network: "Xuzhou Central Warehouse+ Overseas Regional Hub Warehouses+ National Service Points+ Project Warehouses". Construct overseas maintenance service centres to create full-lifecycle service bases for mining machinery.

Thirdly, technological innovation shall propel the new energy sector to maintain its leading position. We must consolidate our edge in core technologies, focusing on pure electric, hybrid, and hydrogen power pathways to establish differentiated competitiveness in host products. A new industrial high ground for core components shall be forged through comprehensive development of range extenders, battery packs, motor controllers, electric drive assemblies, and hydrogen fuel cells, accelerating their industrialisation.

Fourth, overcoming challenges to lead integrated innovation with robust capabilities

First, persistently break through key technologies to achieve self-reliance and self-strengthening. Driven by market orientation and technological planning, continuously enhance innovation and breakthroughs in nine major common core technologies. For future product technology directions, anchor the "++" engineering machinery approach to cultivate and incubate future industries.

Second, we shall persistently refine, solidify and meticulously develop process technologies. We shall tackle advanced manufacturing process technologies, focusing on areas such as advanced processes, industrial intelligence and smart factory planning and design, to overcome key technologies, equipment and systems for intelligent manufacturing.

Thirdly, we shall persistently advance quality transformation and innovation initiatives. This involves refining the quality indicator management system and promoting digitalised quality cost management. We will enhance quality governance capabilities to ensure the effective implementation of processes and systems. A tiered quality management approach for suppliers will be implemented, alongside strengthened preventive quality management through .

Fifth, digital and intelligent transformation: deepening business transformation through the "Project No. 1"

initiative

First, establish global digital marketing service capabilities. Second, enhance global digital financial management capabilities. Third, build global digital supply chain management capabilities. Fourth, elevate global digital collaborative R&D capabilities.

Sixth, Reform to Break Through: Activating Endogenous Development Momentum through "Advanced

Mechanisms"

First, persist in leveraging the guiding advantages of Party building. Fully harness the Party Committee's leadership role in charting direction, overseeing the overall situation, and ensuring implementation. Unite and lead the broad masses of cadres and employees to vigorously promote and practise the XCMG spirit of the new era, effectively guiding high-quality enterprise development through high-quality Party building.

Second, deepen reforms to propel high-quality development. Anchored to the reform imperative of "enhancing core functions and elevating core competitiveness," will deeply integrate technological innovation, industrial renewal, governance reform, and intelligent transformation with digitalisation and networked management. This will accelerate the formation of higher-quality, more efficient, and more dynamic institutional mechanisms. Further refine medium-to-long-term incentive and constraint mechanisms. Under the strategic guidance and scientific decision-making of the shareholders' meeting and board of directors, we shall continuously refine governance structures, sustainably stimulate corporate vitality, and fully construct an industrial system. We will accelerate the development of a world-class enterprise with XCMG characteristics, distinguished by outstanding products, an exceptional brand, leading innovation, and modern governance. We are fully committed to fulfilling the global investor return plan for the next

three years (2025-2027).

(IV) Risks Faced by the Company and Countermeasures

1. Economic Fluctuation Risk

The construction machinery sector in which the company operates is closely tied to macroeconomic conditions. The complexity of macroeconomic dynamics and uncertainties in economic policies may pose risks to industry development.

Countermeasure: Establish a market intelligence data system and visualisation platform to continuously deepen research tracking market demand shifts. Enhance the timeliness and accuracy of market insights through . Improve the company's full value chain and capability chain management across multiple dimensions—research, production, supply, sales, service, and finance—to enhance operational capabilities across existing chain segments and reduce operating costs.

2. Market Competition Risk

The industry faces intense competition. The company must maintain its core competitiveness in superior products and core technologies while optimising its industrial layout in a timely manner. Failure to do so may result in a decline in market share.

Countermeasures: The company will sustain and enhance competitive advantages through four key strategies: Firstly, market-oriented product positioning and customer-driven product development to create value for clients; secondly, comprehensive consolidation of foundational capabilities, rigorous implementation of operational plans, resolute risk mitigation and comprehensive cost reduction, alongside systematic advancement of the flagship "Smart Transformation, Digital Transition, and Network Integration" initiative; Thirdly, focus on addressing critical technological gaps by strategically increasing resource allocation for technological and product innovation, thereby enhancing self-reliance in core components. Fourthly, accelerate counter-cyclical industrial positioning by strengthening resource allocation towards new energy, aftermarket expansion, and internationalisation to improve the industry's resilience to economic cycles.

3. Exchange Rate Fluctuation Risk

The Company's expansion of overseas production capacity and overseas product markets is predominantly denominated in the currencies of host countries or US dollars. Given the complex international situation (), future overseas market and exchange rate trends carry significant uncertainty, potentially impacting the Company's earnings.

Countermeasures: Establish a foreign exchange risk management system, continuously refine foreign exchange risk management protocols, enhance monitoring and analysis of exchange rate fluctuations, standardise and empower member units in exchange rate management operations, diversify exchange rate management tools, improve foreign exchange management efficiency, strengthen resilience to exchange rate movements, and maximise hedging against exchange rate volatility risks.

XII. Activities Hosted During the Reporting Period (Research Visits, Consultations, Interviews, etc.)

☒ Applicable ☐ Not applicable

Date of Reception	Location of Reception	Method of Reception	Type of Hosted Party	Reception Participants	Principal topics discussed and materials provided	Index of Basic Research Information
2024 January January	Company Conference Room 518	Field Research	Institution	Tianfeng Securities Ren Kang	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.

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25 January 2024 25 January	I. XCMG Mining Machinery; II. Company Meeting Room 211 Room.	Field Research	Institutions	Dongwu Machinery Luo Yue, Penghua Fund Zhang Zhuoran, Gaoyi Asset Management Wu Dan, Huatai Asset Management Zhu Ronghua, Lin Zi'ao, HSBC Jinsin Zheng Xiaobing, CCB Fund Management Zhang Xianglong, Quan Guo	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activities disclosed by the company on the Interactive Easy platform of the China Securities Information Network. Investor Relations Activity
				Fund Management, Shang Guanghao; Fengchao Fund Management, Wang Longhao; CCB Fund Management, Zhang Xianglong; Changjiang Securities, Zang Xiong; China Europe Fund Management, Ma Siyuan; Harvest Fund Management, Zhai Fang; Changxin Fund Management, Zhou Hongbo; Zhongyi Asset Management, Gu Feng; Guolian Fund Management, Liang Qinzhi; Changxin Fund Management, Zhou Hongbo; Nanyin Wealth Management, Zou Hao; Heyuan Fund Management, Lin Yingxin; Zhongtai Securities, Jiang Nanyu, Luo Jingdan Yin, Zhongtai Securities Jiang Nanyu, Luo Jingdan		Transaction Record Table.
1st February 2024 01	Company Conference Room 211	Field Research	Institutions	Huaxia Fund Management Co., Ltd. – Yuan Shilin; Orient Securities Co., Ltd. – Yang Zhen, Liu Jiaqian	Main discussion focused on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network. for further details.
28 February 2024 28 February	I. XCMG Experience Hall; II. Company Conference Room 303.	Site Visit	Institutions	: Thomas Zhu; Temasek (Singapore); Rose Luo; BGI: Jiawei Zhu; New Capital Government Investment: Kira Xie; CIC: Teng Yan; Tokio Marine Asset Management: Greta Wang; China Merchants Fund Qichao Wang; Hanhai Investment Michelle Qi, Jingjing Weng; Hillhouse Capital Wang Yizhe; Helved Capital Marshall Yang; Kailin Capital Management Patrichk Zang; UBS Securities Wang Fei Li, Wei Shen; China Reform Fund Management Co., Ltd. Wang Ye; Xinda Securities Wang Rui, Kou Hongji; Yitong Investment Zhang Ziran; Zhongtai Machinery Jiang Nanyu; Southwest Securities Tai Guilong, Zhang Yidie; Wanjia Fund Zhang Xichen; Huatai Proprietary Trading Li Feng; Qianhai Kaoyuan Zhang Zijie; Northeast Machinery Liu Junqi, Gao Weijie; Heqi Investment Tang Xuren; Guosen Proprietary Trading Kang Ruiqiang	The discussion primarily concerned the company's production and operational status. No written materials were provided.	For details, please refer to the Investor Relations Activity Record disclosed on the Interactive Platform of the China Securities Information Network.

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8 March 2024 March 2024	I. XCMG Mining Machinery; II. Company Conference Room 303.	Field research	Institutions	Huatianfu Fund Management: Dong Chao; China Life Anbao Fund Management: Li Dan; BOC Fund Management: Shi Wenbo; Taiping Fund Management: Jiang Dongxuan; West Fund Management: Wu Wei; Changjiang Pension Fund Management: Wang Yemin; Yongying Fund Management: Yu Huiwen; CCB Insurance Asset Management: Hu Xiao; Huatai Securities Proprietary Trading, Li Feng; Nanjing Securities Proprietary Trading, Li Chengshu; Yuxiu Capital, Xu Junzhe; Zhengxingu Capital, Lu Chengeng; Xingshi Investment, Kong Jiaxiang; Chaos Investment, Wan Daping; Licheng Asset Management, Tao Ran; Jiufang Zhitou, Song Cheng; Jing'an Investment, Ding Chenwei; Shicheng Investment, Ni Ruichao; Hantang Investment, Wu Zhifeng; Zheshang Securities, He Jia-kai; Zheshang Securities, Xu Chen-qi; KGI Securities, Guo Liang-liang; TF Securities, Ren Kang; Guotai Fund, Chen Yu-yang; Guosen Asset Management, Wu Wen-cheng; Zeyuan Asset, Zeng Jie; GF Securities, Ni Zhao-yi; PICC Asset Management, He Yi-shi; Fengyang Asset, Shi Jin-hao; Hao.	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For details, please refer to the Investor Relations Activity Record disclosed on the company's Interactive Platform on the China Securities Information Network.
12 March 2024 12 March	I. XCMG Mining Machinery; II. Company Conference Room 211.	On-site Research	Institutions	Huaxia Jiuying: Wang Xiaohui, Zhao Jia, Yu Zhenfei	Main discussion focused on the company's production and operational status. No written materials provided.	For details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network. for further details.
12 March 2024 12 March	Company Conference Room 211	On-site Research	Organisations	Guosheng Machinery: Deng Yuliang; Xinhua Asset Management: Chen Zhenhua, Zhuang Jiayun, Zhang Yong, Luo Liwei; Guoxin Machinery: Nian Yason	Primary discussion focused on the company's production and operational status. No further details provided.	For details, please refer to the company's disclosure on the Juchao Information Network interactive Interactive Platform.
					No written materials provided.	For details, please refer to the records of investor relations activities disclosed on the company Records.
30 April 2024 30	Online Interaction	Online Exchange via Web Platform	Institutions and Individuals	327 investors participating online in the company's 2023 Annual and 2024 First Quarter Online Performance Briefing	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed on the company's Juchao Information Network Interactive Platform. for the 2023 Annual and Q1 2024 Online Performance
7 May 2024 7th	I. XCMG Experience Hall; II. Company Conference Room 612.	Field Research	Institution	Fuguo Fund: Yu Yang, Wang Yuanyuan, Yu Bo, Liu Lili, Zhang Xiaowei, Yuan Yi, Wu Mingge, Cui Yu; GF Securities Sun Boyang	The discussion primarily centred on the company's production and operational status. No written materials were	For further details, please refer to the investor relations activity log disclosed on the company's

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					provided.	Juchao Information Network Interactive Platform.
7 May 2024 7 May 2024	I. XCMG Mining Machinery; II. Company Conference Room 518.	Site Visit	Institution	Bosera Fund Management: Lin Bohong et al. (3 persons); Great Wall Fund Management: Fu Xiaoqin	The discussion primarily concerned the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed on the company's interactive platform via the China Securities Information Network.
14 May 2024 14 May	I. XCMG Mining Machinery; II. Company Conference Room 612.	On-site Research	Institutions	SDIC UBS Fund Management: Wang Yue, Tang Mulin; Yian Capital: Ge Yunzhi; Axing Investment: Liu Chang; Hua'an Securities: Zhang Fan; Zijin Insurance: Tan Yu; Ruiyuan Fund Management: Deng Menglin; Yunzhou Capital: Zhou Libo, Zhu Pengyu	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
16 May 2024 16 May	Company Conference Room 612	On-site Research	Institutions	Huaxia Jiuying: Sun Yujiao, Zhao Jia; CITIC Securities: Lü Juan, Chen Xuanlin	Main discussion focused on the company's production and operational status. No written materials were provided.	For further details, please refer to the company's investor relations activity log disclosed on the Interactive Easy platform of the China Securities Information Network.
16 May 2024 16 May	I. Company Conference Room 612; II. XCMG Mining Machinery.	Field Research	Institutions	Caitong Fund Management: Weng Jiamin; Huabao Fund Management: Gao Yidan; Fortune Fund Management: Wang Huanji; Yude Investment: Jin Tianzhen, Zhao Hongxu, Guan Junwei; CMBC Wealth Management: Zhu Beibei; Guojun Asset Management: Li Yu; CITIC Securities: Lü Juan, Chen Xuan Lin	Main discussion focused on the company's production and operational status. No written materials were provided.	For details, please refer to the Investor Relations Activity Record Form disclosed on the Interactive Platform of the China Securities Information Network.
22 May 2024 22nd	I. XCMG Mining Machinery; II. Company Conference Room 612.	Site Visit	Institutions	E Fund Management: Xiao Nan, Zhang Qinghua, Zhang Shengji, Wang Yuanchun, Ni Chunyao, Zhang Xiaoyu, Qiu Tianlan; GF Securities: Sun Boyang	Main discussion focused on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
23 May 2024 23 May	Company Conference Room 615.	Site Visit	Institutions	Yang Sheng and Huang Xuejun from Changjiang Pension; Chen Jifeng from GF Securities	Main discussion focused on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activity log disclosed on the company's Juchao Information Network Interactive Platform.

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28 May 2024 28 May 2024	Company Conference Room 612	Field Research	Institutions	Pacific Securities: Cui Wenjuan, Zhang Fenglin; Golden Eagle Fund: Hong Zichao; Cinda-Aoya Fund: Li Zezhou; Dany Investment: Bao Yuejiao; Guosen Asset Management: Wu Wencheng; Shenwan Lingxin: Xie Xinyu; Haitong Securities: Zhao Jingbo, Liu Qiwen, Zhao Yuewei; Sumitomo Mitsui: Yang Chang; Yinhua Fund: Wu Yingha; Shanghai Silver Fund: Liu Yang; Debon Genie Fund Management, Chen Yanni	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For details, please refer to the Investor Relations Activity Record disclosed on the company's Juchao Information Network Interactive Platform.
4 June 2024 04 June	Company Conference Room 303	On-site Research	Institutions	Invesco Great Wall Fund: Dong Han, Meng Qi, Deng Jingdong, Guo Lin, Wang Yu, Liu Erle; Zhesang Machinery: Wang Huajun, He Jia'kai, Xu Chenqi	Main discussion focused on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
4 June 2024 04 June	Company Conference Room 303	On-site Research	Institutions	Manulife Fund Management: Ding Shen; Ping An Fund Management: Zhang Cong; China Asset Management: Zhou Bin; Xingquan Fund Management: Yao Jia; China Europe Fund Management Ma Siyuan; Huatai	Main discussion points: Company production and operational status . No information provided	For details, please refer to the company's disclosures on the Juchao Information Network interactive Platform.
				Bai Rui, Ding Dang; Guolian Fund Management, Gan Chuanqi, Wu Gang; Xingzheng Asset Management, Wang Lufeng; Ping An Fund Management Co., Ltd. - Wang Xiubao; Xin Cheng Fund Management Co., Ltd. - Wu Yijing; CICC Asset Management Co., Ltd. - Gu Rougang; Everbright Asset Management Co., Ltd. - Guo Chongchong; Hongde Fund Management Co., Ltd. - Zheng Qi Xin; Pengyang Fund Management Co., Ltd. - Ma Huiqin; Caitong Fund Management Co., Ltd. - Wu Zhihao; Huaifu Fund Management Co., Ltd. - Shi Yu; Yimi Fund Management Co., Ltd. - Bao Lihua, Huang Xiaofeng; Dapu Asset Management, Liu Wei; Hongcheng Investment, Zhu Hao, Ning; China Overseas Fund, Yao Chenxi; ChinaAMC, Chen Weiyan; Zhesang Machinery, Wang Huajun, He Jia'kai, Xu Chenqi; Guosheng Machinery Deng Yuliang; Tongtai Asset Management Wang Yu	Written materials.	Investor Relations Activity Record Form.
18 June 2024 18 June	Company Conference Room 612	Site Visit	Institutions	Penghua Fund Management: Wang Haiqing, Zhang Zhuoran, Zhang Huaen; Huatai Securities: Shi Junqi	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.

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28 June 2024 28 June	Company Conference Room 303	On-site Research	Institution	Jinglin: Daisy Wu; BOC Schroder: Shuwei Chen; New Horizon: Peggy Li; Dacheng: Alex Li; Taikang: Chen Yi; UBS: Qin Jia; Gaoyi: Wu Dan; Chongyang: Zhang Chi; Invesco: Stanley Xia; Harmony Fund: Yuan Wei; East Capital: Hao Zhang; HSBC: Fang Chen, Hu Ruolin, Sun Xiangyue; Rongtong Fund: Fan Kun, Li Wenhai, Zhang Caiting, Zhang Wenxi, Qian Jiaxing; Changjiang Securities: Cao Xiaomin Min.	The discussion primarily centred on the company's production and operational activities. No written materials were provided.	For details, please refer to the Investor Relations Activity Record disclosed on the company's Interactive Platform on the China Securities Information Network.
2 July 2024 July 2024	Online Interaction	Online Exchange via Network Platform	Institutions	527 investors participating in the online exchange session	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network.
4 July 2024 04 July	Company Conference Room 612	On-site Research	Institutions	HuaFu Securities: Yu Nengfei, Wu Zeliang; Bosera Fund: Xie Zelin; Shenwan Hongyuan: Liu Jianwei, Zhang Jingwei; Zhongtai Securities: Jiang Nanyu	Main discussion focused on the company's production and operational status. No written materials provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network.
16 July 2024 16 July	Conference Room 416, Company Headquarters	On-site Research	Institution	Xinhua Asset Management: Sun Haowen, Zhuang Jiayun, Liu Xinyu, Yan Tao	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
18 July 2024 18 July	Company Conference Room 612	On-site Research	Institutions	Northeast Securities: Liu Junqi; Caitong Fund: Wu Zhihao; HuaFu Fund: Shi Yu; ABC Life Insurance: Hao Zuochuan	Primary discussion centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network.
18 September 2024 18 September	I. Company Conference Room 612; II. XCMG Mining Machinery.	Field Research	Institutions	Sun Baiyang and Zhang Zhilin from GF Machinery, Cui Yu from Fullgoal Fund, Li Chengshu from Nanjing Securities Proprietary Trading	Main discussion focused on the company's production and operational status. No written materials provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Co., Ltd.

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20 September 2024	I. Conference Room 612, Company Headquarters; II. XCMG Mining Machinery.	Field Research	Institutions	Fuguo Fund Management: Yu Xiao; Founder Securities: Wang Haozhe, Zhao Lu, Wang Fengdi; CITIC Securities: Dong Enliang; Shanghai Kandao Asset Management: Zhou Xiaolong	Primary discussion centred on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
24 September 2024	I. Company Conference Room 612; II. XCMG Mining Machinery.	Field Research	Institutions	Guotai Fund Management: Rao Yuhan; E Fund Management: Tu Chengliang; Caitong Securities: Zhang Haojie; CITIC Prudential: Qian Jiakun; Western LiDe: Liu Wenting; China Post Machinery: Chen Jiyun; ChinaAMC: Wu Huanqiang, Yuan Shilin; GF Securities: Securities Xu Xiabing	Main discussion focused on the company's production and operational status. No written materials were provided.	For details, please refer to the Investor Relations Activity Record disclosed on the company's Juchao Information Network Interactive Platform.
1 November 2024	Online Interaction	Online exchange via web platform	Institutions	225 investors participating in the online exchange session	The discussion primarily centred on the company's production and operational status. No written materials were provided.	For further details, please refer to the investor relations activity log disclosed by the company on the Interactive Platform of the China Securities Information Network.
12 November 2024	I. Company Conference Room 612; II. XCMG Experience Hall.	Field Research	Institutions	China Merchants Securities: Wu Yang; Guohai Securities: Zhang Yuying; Xiangcai Securities: Qiu Ping, Xuan Pengcheng, Yan Ruifang, Yu Wenjing	Main discussion focused on the company's production and operational status. No written materials were provided.	For details, please refer to the investor relations activity log disclosed by the company on the Interactive Easy platform of the China Securities Information Network. Records Form.

13. Implementation of Market Capitalisation Management System and Valuation Enhancement Plan

Has the company established a market capitalisation management system?

☒ Yes ☐ No

Has the company disclosed a valuation enhancement plan?

☐ Yes ☒ No

To enhance the company's investment value and further standardise market capitalisation management practices, the company has formulated the Market Capitalisation Management System in accordance with relevant regulations and its operational circumstances. For specific details, please refer to the Market Capitalisation Management System disclosed on the China Securities Information Network (www.cninfo.com.cn) on 29 April 2025.

14. Implementation Status of the "Quality and Returns Dual Enhancement" Action Plan

Has the Company disclosed an announcement regarding the "Quality and Returns Dual Enhancement" Action Plan?

☒ Yes ☐ No

To uphold the listed company's development philosophy of "investor-centricity" and safeguard the interests of all shareholders, the company has formulated and disclosed its "Dual Enhancement of Quality and Returns" action plan, aligning with its strategic development, operational performance, and financial standing. The specific content and

progress of this initiative are as follows:

I. Upholding Core Business, Driving Transformation, Scaling Global Industry Heights

In 2024 (), amidst profound shifts in both internal and external environments, the company remains steadfast in its core business. Adhering to the operational principles of "high quality, risk control, world-class standards, and stable growth," it resolutely shoulders its responsibility as **the leading enterprise in the industrial chain**. We prioritised technological innovation and three key growth drivers, enhancing endogenous momentum through the "Five Transformations" of high-end, intelligent, green, service-oriented, and **globalised** upgrading. This accelerated the formation of new productive forces, guiding the development of a world-class construction machinery industrial cluster through XCMG's approach of "**consolidation and breakthrough**, stability and advancement". Among its product lines, 16 -class mainframes—including truck-mounted cranes, mobile cranes, and road rollers—rank first domestically. The company maintains global leadership in lifting machinery, mobile cranes, and horizontal directional drilling equipment, while its piling machinery and concrete machinery consistently hold positions within the world's top tier.

global top tier. Road machinery, truck-mounted cranes, tower cranes, and aerial work platforms maintain third place globally, while open-pit mining equipment has advanced to fourth place worldwide. Excavators rank sixth globally and second domestically, loaders have surged to first place nationally, and new energy loaders lead the global market.

In 2024, the company achieved a net profit attributable to shareholders of RMB 5.976 billion, representing a year-on-year increase of 12.2%. Non-recurring net profit attributable to shareholders reached RMB 5.762 billion, a year-on-year increase of 28.14%, with cash flow amounting to RMB 5.720 billion, a year-on-year increase of 60.18%.

II. Upholding Innovation-Led Development to Drive High-Quality Growth

Guided by its mission of "Engineering technology leads the way, equipping a better future," the company's industry-leading technological innovation capabilities form a core competitive strength. It maintains 42 provincial-level or higher R&D platforms, including a National Enterprise Technology Centre, a National Key Laboratory for Intelligent Manufacturing of High-End Construction Machinery, a National Industrial Design Centre, two Provincial Manufacturing Innovation Centres, nine Provincial Engineering Technology Research Centres, and 17 Provincial Enterprise Technology Centres.

National Key Laboratory for Intelligent Manufacturing of Construction Machinery, a National Industrial Design Centre, two provincial-level manufacturing innovation centres, nine provincial engineering technology research centres, and 17 provincial enterprise technology centres.

Leveraging robust independent innovation capabilities and deep product technology expertise, the company has undertaken over 100 national and provincial-level scientific research projects in recent years, securing five National Science and Technology Progress Awards. By the end of 2024, the company held a cumulative total of 119,811 valid authorised patents, comprising 4,252 invention patents and 329 international patents. It has formulated and published five international standards.

11,981 valid authorised patents, including 4,252 invention patents and 329 international patents. It has cumulatively formulated and published 5 international standards and

333 national and industry standards.

Through independent innovation, the company has developed a series of globally leading first-of-a-kind major equipment, continuously spearheading China's high-end manufacturing sector.

III. Consolidating Governance Foundations and Enhancing Operational Standards

The company continuously refines its standardised and scientific "three meetings and one layer" management and supervision system, seeking neutrality within standardisation and innovation within standardisation. It is committed to establishing a corporate governance mechanism characterised by legally defined and transparent responsibilities, coordinated operations, and effective checks and balances. External directors constitute the majority on the company's board, with investor shareholders represented on the board and additionally holding three observer seats.

The Supervisory Board comprises seven members, including four shareholder supervisors, three of whom are investor representatives, thereby establishing a rational and standardised corporate governance framework.

In 2024, the company strictly adhered to laws, regulations, and its Articles of Association, convening 13 board meetings, 5 supervisory board meetings, and 2 shareholders' meetings. These sessions deliberated and approved proposals concerning share buybacks, the utilisation of raised funds, anticipated routine related-party transactions, and profit distribution in a standardised and efficient manner, thereby providing compliance safeguards for major corporate decision-making. The company demonstrated outstanding performance in board composition, operational practices, and innovative features, earning it the China Listed Companies Association's "2024 Outstanding Board

Practice Case for Listed Companies" award once again.

IV. Enhancing Disclosure Systems and Strengthening Investor Engagement

The Company maintains a robust information disclosure system with rigorous and meticulous procedures, achieving the highest grade A in information disclosure assessments for seven consecutive years. Over the past three years, the Company has disclosed an average of over 200 announcements annually without any corrections or supplementary announcements. The Company strictly adheres to laws

and regulatory requirements, fulfilling its disclosure obligations with truthfulness, accuracy, completeness, timeliness and fairness. It has strengthened proactive disclosure while reducing redundant disclosures.

Throughout 2024, the company received 195 investor telephone enquiries and responded to 54 investor queries via the

Shenzhen Stock Exchange's Interactive Easy platform.

; organised over 90 online meetings through earnings briefings and routine roadshows, engaging with over 1,400 institutional investors; conducted institutional investor roadshows at the Bauma exhibition and released the Global Investor Return Plan for the Next Three Years (2025-2027), attracting participation from over 200 institutions and garnering significant attention from the capital markets. The Chairman participated in multiple key institutional investor roadshows, annual results briefings, and on-site interactions at the Bauma exhibition. The company also strengthened engagement with overseas investors, conducting three reverse roadshows in Hong Kong and participating in the Shenzhen Stock Exchange's Singapore International Roadshow for high-quality Chinese enterprises – marking its inaugural on-site roadshow in Singapore, which received enthusiastic responses from international investors.

V. Prioritising Shareholder Returns to Forge a Shared Destiny with Investors

The company steadfastly upholds its core values of "shouldering great responsibilities, pursuing noble paths, and achieving great accomplishments," while practising the action creed of integrity, client orientation, " " excellence, and teamwork. It shares development outcomes with investors through cash dividends and share buybacks, while demonstrating confidence in growth via major shareholder share increases, employee share ownership, and equity incentives. The company's proposed 2024 profit distribution plan is as follows:

Based on the total number of shares entitled to profit distribution as of the record date for the implementation of the profit distribution, a cash dividend of RMB 1.80 (including tax) per 10 shares will be distributed to all shareholders, amounting to approximately RMB 2.127 billion.

A cash dividend of RMB 1.80 (tax inclusive) per 10 shares will be distributed to all shareholders, representing a total cash dividend of approximately RMB 2.127 billion. Concurrently, the company will continue its share buyback programme, with at least RMB 1.8 billion earmarked for share repurchases under equity incentive or employee shareholding schemes, and

shall not be less than RMB 300 million.

In November 2024, XCMG Machinery disclosed its Global Investor Return Plan for the Next Three Years (2025-2027), aiming to enhance shareholder returns, guide investors towards long-termism, and achieve sustainable value investment returns.

Section IV Corporate Governance

I. Basic Status of Corporate Governance

During the reporting period, the Company strictly adhered to the requirements of the Company Law, Securities Law, Shenzhen Stock Exchange Listing Rules, Shenzhen Stock Exchange Self-Regulatory Guideline No. 1 for Listed Companies – Standardised Operations of Main Board Listed Companies, Shenzhen Stock Exchange Internal Control Guidelines for Listed Companies. Centred on the internal control philosophy that "everyone must participate in internal control, everyone must be subject to internal control, and control and being controlled must revolve around value," the Company continuously refined its internal control system and enhanced the standard of its regulated operations. This effectively safeguarded the legitimate rights and interests of shareholders and other stakeholders. During the reporting period, the Company's shareholders' meetings, board of directors, and board of supervisors were convened in accordance with relevant regulations. All directors, supervisors, and senior management diligently fulfilled their respective duties with due diligence. The operations of the shareholders' meetings, board of directors, and board of supervisors were effective, with no discrepancies between the actual governance practices and the requirements outlined in the relevant documents issued by the China Securities Regulatory Commission.

1. Shareholders and Shareholders' Meetings

The Company strictly adheres to the Company Law, the Rules for Shareholders' Meetings of Listed Companies, the Shenzhen Stock Exchange Listing Rules, and the Company's

The Company convened and held shareholders' meetings in accordance with the requirements of the Articles of Association and the Rules of Procedure for Shareholders' Meetings, inviting solicitors to attend and witness proceedings while meticulously maintaining meeting minutes. In compliance with regulations, online voting was provided to all shareholders to safeguard their participation rights and decision-making authority concerning significant company matters. During the reporting period, the Company convened two shareholders' meetings, deliberating and approving 13 proposals. Among these, five items were deemed to impact the interests of small and medium-sized investors. The Company conducted separate counting of votes cast by small and medium-sized investors on these five proposals, promptly disclosing the results to safeguard their interests and ensure equal shareholder status.

The Company conducted separate counting of votes cast by small and medium-sized investors on these five resolutions. The results of this separate counting were promptly disclosed, safeguarding the interests of small and medium-sized shareholders and ensuring their equal status as shareholders.

2. Regarding the Controlling Shareholder and the Listed Company

The listed company maintains separate personnel, assets, and finances from its controlling shareholder, with distinct organisational structures and independent operations. Each entity conducts separate accounting, independently assumes responsibilities and risks, and operates autonomously through its respective board of directors, board of supervisors, and management bodies. The controlling shareholder adheres to proper conduct, refraining from directly or indirectly interfering in the company's decision-making or operational activities beyond the authority of the shareholders' meeting. The company has not provided guarantees for the controlling shareholder or its affiliated enterprises, nor has the controlling shareholder engaged in non-operational occupation of the company's funds.

3. Regarding Directors and the Board of Directors

The Company's directors conscientiously fulfil their duties of loyalty and diligence in accordance with the Shenzhen Stock Exchange Listing Rules, the Company's Articles of Association, and the Board Meeting Rules. They actively participate in relevant training, familiarise themselves with pertinent laws and regulations, and understand the rights, obligations, and responsibilities of directors. Directors maintain awareness of and continuously monitor the Company's production and operational status, financial condition, and material events that have occurred or may occur along with their implications. They proactively investigate and obtain information necessary for decision-making to ensure the Board's efficient operation and sound decision-making. The Board's composition and membership comply with legal and regulatory requirements, with independent directors constituting one-third of the Board. During the reporting period, the Board diligently fulfilled its duties as stipulated by relevant laws, regulations, and the Articles of Association, convening 13 meetings to deliberate on 50 proposals. Board convening, meeting, and decision-making procedures were lawful, with operations conducted in a standardised and efficient manner.

4. Regarding Supervisors and the Supervisory Committee

The Company's supervisors diligently perform their supervisory functions in strict accordance with the Company Law, the Company's Articles of Association, and the Rules of Procedure for Supervisory Board Meetings. The number and composition of the

Supervisory Board members comply with legal and regulatory requirements. Acting with a sense of responsibility to all shareholders, the Supervisory Board conscientiously fulfilled its duties, convening five meetings during the reporting period to deliberate on 15 proposals. The procedures for convening, holding, and deliberating by the Supervisory Board were lawful, efficient, and standardised.

During the reporting period, the Board of Supervisors lawfully supervised the legality and compliance of the Company's directors and senior management in performing their duties. It maintained continuous oversight of the Company's information disclosure practices and issued opinions on the Company's lawful operations, financial status, use of raised funds, fairness of related-party transactions, the audit report issued by the accounting firm, and periodic reports. These actions safeguarded the lawful rights and interests of the Company and its shareholders.

5. Performance Evaluation and Incentive Constraint Mechanism

The Company has formulated the Senior Management Compensation System (2023 Revision), establishing an incentive mechanism that integrates scientific principles with operational feasibility. In 2024, the Board actively exercised the responsibilities of its Remuneration and Assessment Committee. It conducted a fair and objective evaluation of the senior management's performance against all 2023 targets, formulating the 2023 remuneration assessment implementation plan for senior executives. This effectively incentivised the company's management team, promoted high-quality development, and safeguarded the interests of the company and all shareholders.

6. Regarding Stakeholders

The company fully respects and safeguards the legitimate rights and interests of creditors, employees, consumers and other stakeholders. It values proactive collaboration with relevant stakeholders to jointly advance the company's sustained and healthy development.

7. Regarding Information Disclosure and Transparency

During the reporting period, the company strictly adhered to the Shenzhen Stock Exchange Listing Rules, the Shenzhen Stock Exchange Self-Regulatory Guidelines No. 1 – Standardised Operations for Main Board Listed Companies, as well as the company's Articles of Association, Information Disclosure Management System, and Annual Report Disclosure Major Error Accountability System. It ensured timely and equitable disclosure of relevant information, guaranteeing the authenticity, accuracy, and completeness of all disclosed content.

8. Regarding Related Party Transactions

During the reporting period, the Company engaged in related party transactions pertaining to daily operations and leasing activities. The independent directors convened a dedicated meeting to deliberate on these transactions and unanimously agreed to submit them for consideration by the Board of Directors. The Supervisory Committee conducted verification and oversight of the related party transactions. These transactions were conducted fairly and reasonably, with lawful decision-making procedures, objective pricing bases, and fair transaction prices. They did not prejudice the interests of the Company or its shareholders, particularly minority shareholders. Contracts were executed for all material transactions.

9. Establishment and Operation of the Company's Internal Control System for Financial Reporting

Approved at the Fourth (Extraordinary) Meeting of the Sixth Board of Directors, the "Financial Reporting Preparation and Disclosure System" was formulated in accordance with the Accounting Law of the People's Republic of China, Enterprise Accounting Standards, the Basic Specifications for Enterprise Internal Control, and in conjunction with the Company's relevant provisions, the Financial Reporting Preparation and Disclosure System was formulated. During the reporting period, this system was strictly implemented, and no material deficiencies in the internal control over financial reporting were identified.

10. Management of Persons with Access to Inside Information

The Company strictly adheres to the Securities Law, the "Regulations on the Establishment of Insider Information Knowers Registration and Management Systems by Listed Companies" (CSRC Announcement

[2011] No. 30), the Shenzhen Stock Exchange Listing Rules, and the Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1—

— Standardised Operation of Main Board Listed Companies," to manage insiders with access to inside information prior to its lawful public disclosure. Training was provided to directors, supervisors, and senior management, and visits and interviews with specific external parties were registered. During the reporting period, no instances of insider trading by persons with access to inside information occurred within the Company. Furthermore, no regulatory measures or administrative penalties were imposed by supervisory authorities in relation to the implementation of the Insider Information Access Management System or suspected insider trading.

Whether there are any material discrepancies between the actual state of corporate governance and the laws, administrative regulations, and CSRC-issued provisions governing listed companies

☒

There are no material discrepancies between the actual state of corporate governance and the laws, administrative regulations, or the CSRC's provisions on listed company governance.

II. The Company's Independence from Controlling Shareholders and Actual Controllers in Terms of Assets, Personnel, Finance, Organisation, and Business

The company has achieved "three separations and two independences" from its controlling shareholder in terms of business, personnel, assets, organisation, and finance. The company possesses a fully independent business system and has the capability for autonomous operation.

(i) Business operations: The Company possesses independent business operations and autonomous management capabilities, exercising independent decision-making, self-directed operations, and bearing its own profits and losses, while independently assuming corresponding responsibilities and risks.

(2) Personnel: The Company maintains personnel independent of its controlling shareholder, with a separate labour and personnel management department. It has established independent systems for labour and personnel management, employee performance appraisal, and remuneration management. All senior management personnel work for and receive remuneration from the Company.

(iii) Assets: The company possesses independent and complete assets with clear property rights, maintaining autonomous supply, production, and sales systems, and holding proprietary patents and technologies.

(iv) Institutional Aspects: The company maintains a complete organisational structure with independent operational frameworks. No hierarchical relationship exists between the controlling shareholder and its functional departments and the company and its functional departments. The company's board of directors, board of supervisors, and other internal bodies operate entirely independently.

(v) Financial Aspects: The company has established an independent financial management department, implemented a separate accounting system, and developed comprehensive financial and accounting management systems. It has formed a fully independent internal control mechanism, maintaining separate accounting, independent bank accounts, and autonomous tax payments.

III. Circumstances of Competitive Overlap

☐ Applicable ☒ Not applicable

IV. Details of Annual General Meetings and Extraordinary General Meetings Convened During the Reporting Period

1. Shareholders' Meetings During the Reporting Period

Session	Meeting Type	Investor Participation Rate	Date of Convening	Date of Disclosure	Meeting Resolutions
2023 Annual General Meeting	Annual General Meeting	63.84%	May 2024 22	23rd May 2024 23	For further details, please refer to the announcement published on 23 May 2024 in China Securities Journal, Shanghai Securities News and the China Securities Information Network (www.cninfo.com.cn) under announcement number 2024-18.
2024 First Extraordinary General Meeting	Extraordinary General Meeting	50.94%	1 November 2024 01	2024 02	For further details, please refer to the announcement published on 2 November 2024 in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under announcement number 2024-51.

2. Request by Preferred Shareholders with Restored Voting Rights to Convene an Extraordinary General Meeting

☐ Applicable: ☒ Not applicable

V. Directors, Supervisors and Senior Management Personnel

1. Basic Information

Name	Gender	Age	Position	Employment Status	Term Commencement Date	End of Term Date	Initial Share holding (shares)	Number of shares acquired during the period (shares)	Number of shares reduced during the period (shares)	Other increases and decreases (Shares)	Number of shares held at period-end (shares)	Reason for increase/decrease in share holding
Yang Dongsheng	Male	56	Chairman	Current	2022 26 October							
Sun Lei	Male	47	Director	Current	2022 26							
Lu Chuan	Male	58	Director, President	Current	2017 10 April		1,100,906.00				1,100,906.00	
Shao Danlei	Female	51	Director	Current	2022 26							
Xia Yongyong	Male	52	Director	Current	2022 26							
Tian Yu	Male	59	Director	Current	2022 26 October							
Geng Chengxuan	Female	59	Independent Director	Current	2021 28 June							
Kuang Shidao	Male	55	Independent Director	Current	2021 02							
Yang Lin	Male	55	Independent Director	Current	2022 26 October							
Zhen Wenqing	Male	55	Chairman of the Supervisory Board	Current	2022 26							
Zhang Liankai	Male	47	Vice Chairman of the Supervisory Board	Current	2022 26							
Cheng Qian	Female	55	Supervisor	Current	2022 26 October		20,100.00				20,100.00	
Zhang Xu	Female	49	Supervisor	Current	2022 26							

in Full												
Li Ge	Female	58	Supervisor	Current	2003 28 April							
Jiang Lei	Female	50	Supervisor	Current	2021 02 August							
Ma Jingya	Male	40	Board of Supervisors Secretary	Current	2024 26 August		100.00				100.00	
					Day							
Sun Jianzhong	Male	58	Vice President	Current Position	2010 07 July		700,000 0.00				700,00 0.00	
Wang Qingzhu	Male	59	Vice President	Current	2018 26 May		700,00 0.00				700,00 0.00	
Liu Jiansen	Male	56	Vice President	Current Position	2018 19		700,00 0.00				700,00 0.00	
Song Zhike	Male	52	Vice President	Current	2022 26 October		700,00 0.00				700,00 0.00	
Jiang Mingzhong	Male	56	Vice President	Current	2022 26 October		700,00 0.00				700,00 0.00	
Meng Wen	Male	56	Vice President	Current Position	2022 26 October		700,00 0.00				700,00 0.00	
Shanzengha i	Male	52	Vice President	Current	2022 26 October		700,00 0.00				700,00 0.00	
Yu Hongyu	Male	42	Deputy General Manager , Finance Director Person	Current Position	2022 26 October 2022 700,000		700,00 0.00				700,00 0.00	
Yan Jun	Male	40	Vice President	Current	2024 25 June							
Wan Guangshan	Male	44	Vice President	Current Position	2022 14							
Fei Guangshen g	Male	59	Board Secretary	Current	1999 25 August		703,61 8.00				703,61 8.00	
Xu Tao	Male	39	Secretary to the Supervis ory Board	Resigned	2022 26 October	202 4 Year 08 Month 23						
Total	-	-	-	-	-	-	7,424. 724.00	0	0		7,424, 724.00	-

Note: Executive shareholdings primarily comprise shares granted under the 2023 equity incentive scheme.

During the reporting period, were there any resignations of directors or supervisors during their term of office, or dismissals of senior management personnel?

☒ Yes ☐ No

Mr Xu Tao resigned from his positions as Supervisor and Secretary of the Ninth Supervisory Board due to work adjustments.

Changes in Directors, Supervisors and Senior Management Personnel

☒ Applicable ☐ Not applicable

Name	Position Held	Type	Date	Reason
Xu Tao	Secretary of the Supervisory Board	Resignation	23 August 2024	Work Adjustment
Ma Jingya	Secretary to the Supervisory Board	Elected	26 August 2024	Staff Representative Council Election
Yan Jun	Vice President	Appointment	25 June 2024	Board of Directors Appointment

2. Position Details

Professional Background, Principal Work Experience, and Current Responsibilities of the Company's Current Directors, Supervisors, and Senior Management Personnel

Mr Yang Dongsheng, male, Han ethnicity, born in Xuzhou, Jiangsu Province in March 1968, member of the Communist Party of China, holds a university degree and a master's degree, and possesses the professional title of Senior Engineer. Currently serves as Party Secretary and Chairman of XCMG Group and XCMG Machinery. Commenced employment in August 1989, holding successive positions including Technician, Assistant Engineer, Head of Transmission Department, Deputy Head of Engineering Department, Assistant to General Manager, Deputy General Manager, General Manager, Deputy Party Secretary, and Party Secretary at XCMG Machinery Technology Branch; Party Secretary and General Manager of the Shovel and Haulage Division; Deputy General Manager and Deputy Party Secretary of XCMG Machinery Road Construction Machinery Branch, Vice President of XCMG Machinery, Member of the Party Committee, Director, Deputy Party Secretary of the Party, General Manager and Deputy Party Secretary of XCMG Group, Director and Deputy Party Secretary of XCMG Co., Ltd.

Mr Sun Lei, male, Han ethnicity, born in Xuzhou, Jiangsu Province in March 1977, is a member of the Communist Party of China with postgraduate qualifications. He currently serves as General Manager and Deputy Party Secretary of XCMG Group, and Director of XCMG Machinery. Commencing employment in January 1996, he successively held positions including Secretary of the Youth League Committee, Deputy Director of the Sub-district Office, Member of the Party Working Committee, Deputy Secretary of the Party Working Committee, Director of the Sub-district Office, Secretary of the Party Working Committee, Director of the People's Congress Working Committee, Chairman of the Trade Union, and Secretary of the Political and Legal Affairs Committee in Jiuli District, Xuzhou City; Deputy District Chief of Gulou District, Xuzhou City; Member of the Party Committee of the Xuzhou Municipal Government Office; Director of the Nanjing Office; Director and Party Secretary of the Xuzhou Reception Office; and Deputy Secretary-General of the CPC Xuzhou Municipal Committee.

Mr Lu Chuan, male, Han ethnicity, born in Zhangjiagang, Jiangsu Province in April 1966. Member of the Communist Party of China. Holds a postgraduate degree and Master's qualification. Professional titles include Engineer, Senior Economist, and Professor-level Senior Accountant. Possesses Certified Public Accountant (CPA) professional qualification. Currently serves as Director, President, and Deputy Party Secretary of XCMG Machinery. Commenced employment in August 1988. serving successively as Technician and Engineer at Jiangsu Electromechanical Research Institute; Assistant General Manager, Head of Finance and Audit Department, and Chief Accountant at XCMG Machinery's Crane Machinery Branch; General Manager and Party Committee Secretary at XCMG Machinery's Construction Machinery Branch; Chief Accountant, General Manager, and Party Committee Secretary at Xuzhou Heavy Machinery Co., Ltd.; General Manager and Party Committee Secretary at XCMG Crane Machinery Division; Director and Deputy Party Secretary at XCMG Group and XCMG Co., Ltd.; and Vice President, Director, Deputy Party Secretary, and President at XCMG Machinery.

Ms Shao Danlei, female, Han ethnicity, born in Quzhou, Zhejiang Province in March 1973. Member of the Communist Party of China. Holds a postgraduate degree and Master's qualification. Senior Accountant. Currently serves as Member of the Party Committee, Deputy General Manager and Chief Financial Officer of XCMG Group; Director of XCMG Machinery; and Party Committee Secretary of XCMG Finance. Commencing employment in August 1994, she successively held positions including Accounting Supervisor, Finance Supervisor, and Deputy Director of the Finance Department at XCMG Machinery Road Machinery Branch; Manager and Supervisor of the Finance Department at XCMG Machinery; Finance Manager at Xuzhou Meritor Axle Co., Ltd.; Deputy Director of the

Asset Finance Department at XCMG Co., Ltd.; Supervisor of Comprehensive Financial Management and Director of the Asset Finance Department at XCMG Group; and Party Committee Member, Assistant General Manager, and Chief Financial Officer at XCMG Group.

Mr Xia Yongyong, male, Han ethnicity, born in Xuzhou, Jiangsu Province in January 1972. Member of the Communist Party of China. University graduate with a Master's degree. Senior Economist. Currently serves as Deputy General Manager of XCMG Group, Director of XCMG Machinery, Party Secretary and General Manager of XCMG Automotive Division, and Party Secretary and General Manager of Xuzhou XCMG Automotive Manufacturing Co., Ltd. Commenced employment in August 1993. He has held positions including Planner at the Supply Department, Head of the Supply Department, and Head of the Procurement Department at Xuzhou Heavy Machinery Plant; Production Supervisor, Head of the Production and Manufacturing Department, Head of the Engineering Technology and Manufacturing Department, and Head of the Engineering Manufacturing Department at Xuzhou Heavy Machinery Co., Ltd.; Deputy General Manager of the Construction Machinery Branch at XCMG Machinery; Deputy General Manager of Xuzhou XCMG Concrete Machinery Co., Ltd.; Deputy General Manager of Xuzhou Heavy Machinery Co., Ltd.; Deputy General Manager of the XCMG Crane Machinery Division; and Party Committee Secretary and General Manager of Xuzhou Jianji Engineering Machinery Co., Ltd. Mr Tian Yu, male, Han ethnicity, born in Chifeng, Inner Mongolia in May 1965. Member of the Communist Party of China. Holds a postgraduate degree and a Doctor of Philosophy (PhD) qualification.

Currently serves as Director of XCMG Machinery, General Manager, Managing Director and Executive Director of Beijing Panmao Investment Management Co., Ltd. Commencing employment in August 1985, he successively held positions including Section Chief, Deputy Division Chief, Division Chief, and Branch Manager of the China Construction Bank's Inner Mongolia and Hainan Branches; Division Chief, Party Leadership Group Member, and Discipline Inspection Commission Secretary of the Ministry of Finance's Guangdong Special Commissioner's Office; Deputy General Manager and Party Committee Member of China Life Insurance Guangdong Branch; Assistant President and Sales Director of China Life Insurance Company Limited; and President and Managing Director of CITIC Industrial Investment Fund Management Co., Ltd.

Ms Geng Chengxuan, female, Han ethnicity, born in Dalian, Liaoning Province in October 1965, is a member of the Communist Party of China. She holds a postgraduate qualification and a doctoral degree. Currently serves as Independent Director of XCMG Machinery, Professor at the School of Economics and Management, Nanjing University of Aeronautics and Astronautics, Doctoral Supervisor, and Director of the Institute of Finance and Accounting. Commenced employment in June 1989, having held positions including Lecturer and Associate Professor at the School of Accounting, Lanzhou University of Finance and Economics (formerly Lanzhou Business College). Concurrently serves as Independent Director of Jiangsu Longpan Technology Co., Ltd. and Wuxi Huaguang Environmental Protection Energy Group Co., Ltd.

Mr. Kuang Shidao, male, Han ethnicity, born in Xuzhou, Jiangsu Province in October 1969, holds a bachelor's degree. Currently serves as an Independent Director of XCMG Machinery and Senior Partner at Beijing Weiheng (Shanghai) Law Firm. Commenced employment in August 1992, serving successively as a solicitor at Jiangsu Xuzhou Quanshan Law Firm and Principal Solicitor at Jiangsu Tongrui Law Firm. Concurrently serves as an arbitrator for the Shanghai International Economic and Trade Arbitration Commission and the Shanghai Arbitration Commission.

Mr Yang Lin, male, Han ethnicity, born in Bazhong, Sichuan Province in February 1969, member of the Communist Party of China, postgraduate degree, Doctorate. Currently serves as Independent Director of XCMG Machinery and Tenured Professor at the School of Mechanical and Power Engineering, Shanghai Jiao Tong University. Commenced employment in September 1997, holding successive positions including Lecturer, Associate Professor, Professor, Doctoral Supervisor, Tenured Professor, and Director at Shanghai Jiao Tong University. Concurrently serves as Chairman of Lingyi New Energy Technology (Shaoxing) Co., Ltd., Executive Director of

Shanghai Yiyudong Electronic Technology Co., Ltd., and Independent Director of Shanghai New Power Vehicle Technology Co., Ltd.

Mr Zhen Wenqing, male, Han ethnicity, born in Xuzhou, Jiangsu Province in July 1969, is a member of the Communist Party of China with a bachelor's degree. He currently serves as Deputy Party Secretary and Chairman of the Labour Union of XCMG Group, and Chairman of the Supervisory Board of XCMG Machinery.

Commencing employment in August 1991, he served successively as: Teacher at Pei County No. 2 Secondary School; Deputy Director of the Economic Development Bureau and Investment Promotion Bureau of Xuzhou Economic and Technological Development Zone; Director of the Second Investment Promotion Bureau; Deputy Party Secretary of Dazhuang Town, Director of the Economic Development Bureau, Director of the Work Safety Supervision and Administration Bureau, Director of the Commerce Bureau concurrently serving as Deputy Director of the Construction Machinery Development Office, and Member of the Party Working Committee; Deputy Director of the Xuzhou Port Office; Deputy Director of the Xuzhou Commerce Bureau and Member of the Party Committee.

Mr Zhang Liankai, male, Han ethnicity, born April 1977, member of the Communist Party of China, holds a bachelor's degree and master's degree, Senior Engineer, and Senior Economist. Currently serves as Vice Chairman of the Supervisory Board of XCMG Machinery and Board Secretary of Shanghai Tunnel Engineering Co., Ltd. Commencing employment in August 2000, he successively held positions including Technical Lead, Deputy Project Manager, Deputy Party Branch Secretary, and Deputy Manager at the Shield Engineering Branch of Shanghai Tunnel Engineering Co., Ltd.; Director of the Chairman's Office, Director of the Party Committee Office, and Head of the Party Committee Propaganda Section at Shanghai Tunnel Engineering Co., Ltd.; Deputy Party Secretary, Secretary of the Discipline Inspection Commission, and Chair of the Labour Union at Shanghai Urban Construction Real Estate Development Co., Ltd.; Deputy Director of the Planning and Development Division at the Shanghai State-owned Assets Supervision and Administration Commission; and Deputy General Manager at Shanghai Urban Construction Investment Development Co., Ltd.

Ms Cheng Qian, female, Manchu ethnicity, born in Beijing in January 1969, is a member of the Communist Party of China. She holds a postgraduate degree and a Doctor of Engineering degree. Currently serves as Supervisor of XCMG Machinery and General Manager of China Enterprise Cloud Energy (Tianjin) Management Co., Ltd. Commenced employment in August 1991, having held positions including Business Manager at China Light Industry Packaging & Printing Corporation, General Manager of the Integrated Market Department at Beijing Securities Co., Ltd., Managing Director and Head of Global Capital Markets China at UBS Securities Co., Ltd., and Vice Chairman of China-Singapore Rongchuang Capital Management Co., Ltd. ().

Ms Zhang Xu, female, Han ethnicity, born in June 1975 in Hai'an, Jiangsu Province. Member of the Communist Party of China, holding a bachelor's degree. Currently serves as Supervisor of XCMG Machinery and Head of the Audit Department at Weichai Holding Group Co., Ltd. Commencing employment in June 1996, she has held positions including: General Manager in the Production Department and Finance Department of Weifang Diesel Engine Factory; General Manager in the Finance Department, Cost Business Manager, Assistant to the Department Head, Deputy Head of the Financial Management Department, Deputy Head of the Financial Shared Service Centre, Head of the Audit Department, Deputy Head of Audit and Supervision, and Head of the Audit and Supervision Department at Weichai Power Co., Ltd.; Chief Financial Officer at Weichai Heavy Industry Co., Ltd.; and Audit Director at Weichai Holding Group Co., Ltd.

Ms Li Ge, female, Han ethnicity, born in Pizhou, Jiangsu Province in December 1966. Member of the Communist Party of China. University graduate with a Master's degree. Senior Economist. Currently serves as Supervisor, Deputy Party Secretary and Chairperson of the Labour Union at XCMG Machinery. Commencing employment in August 1989, she has successively served as Lecturer at Xuzhou Institute of Economic Management;

Head of Planning and Development Department at Xuzhou Slewing Bearing Company; Business Manager of Planning and Development Department and Deputy Head of Organisation and Personnel Department at XCMG Group; Deputy Party Secretary, Party Secretary concurrently serving as Secretary of the Commission for Discipline Inspection at the Crane Machinery Branch; Deputy Party Secretary and Secretary of the Commission for Discipline Inspection at XCMG Group; Deputy Party Secretary, Secretary of the Commission for Discipline Inspection and Chairman of the Board of Supervisors at XCMG

XCMG Group; Deputy Party Secretary and Secretary of the Discipline Inspection Commission of XCMG Co., Ltd.; Deputy Party Secretary, Secretary of the Discipline Inspection Commission, and Chairman of the Labour Union of XCMG Co., Ltd.; Deputy Party Secretary, Secretary of the Discipline Inspection Commission, and Chairman of the Supervisory Board of XCMG Machinery.

Ms Jiang Lei, female, Han ethnicity, native of Jintang, Sichuan. Born August 1974, member of the Communist Party of China, university graduate with master's degree, holding professional titles of Engineer and Senior Economist, and possessing a Senior Human Resources Management Professional Qualification. Currently serves as Supervisor of XCMG Machinery, and concurrently holds the positions of Party Committee Secretary, Discipline Inspection Commission Secretary, and Trade Union Chairperson at Xuzhou XCMG Agricultural Equipment Technology Co., Ltd. Commencing employment in August 1996, she held successive positions including intern at Xuzhou Heavy Machinery Plant; Quality Control Officer in the Quality Department; Process Engineer in the Technical Department's Process Division; Deputy Secretary of the Youth League Committee and Head of Publicity at Xuzhou Heavy Machinery Co., Ltd.; Deputy Director, Director of the Organisation and Personnel Department, Director of the Party Committee Organisation Department, Secretary of the Headquarters Party Committee, and Secretary of the Discipline Inspection Commission at XCMG Group and XCMG Co., Ltd.; Director of the Party Committee Organisation Department and Director of the Human Resources Department at XCMG Machinery; Secretary of the Headquarters Party Committee, Secretary of the Discipline Inspection Commission, Assistant President, and Chairperson of the Labour Union.

Mr Ma Jingya, male, Han ethnicity, native of Jining, Shandong Province. Born September 1984, member of the Communist Party of China, university graduate with bachelor's degree, holding a Level 4 lawyer qualification. Currently serves as Secretary of the Supervisory Board, Chief Risk Officer, and Head of the Risk Management Office at XCMG Machinery. Commenced employment in August 2007. Previous roles include: Corporate Management at XCMG Heavy Equipment Management Department; Business Manager, Regional Manager (Division I), and Acting Head of Marketing Department at XCMG Leasing Financial Leasing Division I; Secretary of the Youth League Branch; Head of Marketing Department; Director of the Office; Chairman of the Labour Union; Deputy Head of the Business Management Department of the Financial Division, Head of the Business Management Department of XCMG Leasing, Director of Business Management, Director of Business Operations and Risk Control of the Financial Division, Head of the Business Management Department, Director of Risk Control of the Financial Division, Assistant General Manager of XCMG Leasing, Deputy General Manager of the Financial Division and XCMG Leasing, Deputy Party Secretary and Deputy General Manager of the Financial Division, and Deputy General Manager of XCMG Leasing (acting).

Mr Sun Jianzhong, male, Han ethnicity, born in Cangzhou, Hebei Province in February 1966. Member of the Communist Party of China. University degree holder with a doctoral qualification. Senior Engineer with Researcher-level professional title. Currently serves as Vice President and Party Committee Member of XCMG Machinery, General Manager and Party Committee Secretary of XCMG Crane Machinery Division, and General Manager and Party Committee Secretary of Xuzhou Heavy Machinery Co., Ltd. Commencing employment in August 1988, he successively held positions including Designer at the Design Institute of Xuzhou Heavy Machinery Plant, Designer at Xuzhou Construction Machinery Research Institute, Chief Designer, Department Head, Assistant to the Director, Director of the Production and Manufacturing Department, and Assistant General Manager concurrently serving as Director of the Production and Manufacturing Department at the Lifting Machinery Branch. He subsequently served as General Manager and Party Committee Secretary of Xuzhou XCMG Hydraulic Components Co., Ltd., General Manager of Xuzhou XCMG Machinery Marketing Co., Ltd., Deputy General Manager, General Manager, Deputy Party Secretary, and Party Secretary of Xuzhou Heavy Machinery Co., Ltd., General Manager and Party Secretary of XCMG

Crane Machinery Business Unit, and Vice President and Party Committee Member of XCMG Machinery.

Mr Wang Qingzhu, male, Han ethnicity, born October 1965 in Tongshan County, Jiangsu Province. Member of the Communist Party of China. University graduate with Master's degree. Senior Economist and Researcher-level Senior Engineer. Currently serves as Vice President and Party Committee Member of XCMG Machinery. Commenced employment in August 1989, holding successive positions including: Inspector in the Assembly Workshop, Production Scheduler, Head of Materials Department, Deputy Head of Engineering Department and Head of Production Section at Xuzhou Loader Factory; Assistant to the Plant Manager at Xuzhou Hydraulic Components Factory; Head of Economic Operations Department at XCMG Group; General Manager and Deputy Party Secretary of Xuzhou XCMG Hydraulic Components Co., Ltd.; Vice President and Deputy Head of Engineering Department and Head of Production Section at XCMG Machinery Technology Branch; Deputy Party Secretary of XCMG Machinery

Assistant to the General Manager of Xuzhou Hydraulic Components Factory, Head of the Economic Operations Department of XCMG Group, General Manager and Deputy Party Secretary of Xuzhou XCMG Hydraulic Components Co., Ltd., Deputy General Manager and Deputy Party Secretary of XCMG Machinery Technology Branch, General Manager and Party Secretary of XCMG Road Machinery Division, Deputy General Manager of XCMG Group, Deputy General Manager of XCMG Co., Ltd., Assistant President, Vice President and Party Committee Member of XCMG Machinery, and General Manager and Party Secretary of XCMG Earthmoving Machinery Division.

Mr Liu Jiansen, male, Han ethnicity, born in Yanshan, Hebei Province in February 1968. Member of the Communist Party of China. Holds postgraduate qualifications and a doctoral degree. Professional titles include Translator and Senior Economist. Currently serves as Vice President and Party Committee Member of XCMG Machinery. Commenced employment in July 1990. serving successively as Translator and Dispatcher at the Equipment Department of Guangdong Daya Bay Nuclear Power Station, Translator at Huaxing Company for Pakistan's Chashma Nuclear Power Station, Director of the Translation Office at Huaxing Company for the Heavy Water Reactor at Qinshan Nuclear Power Station, General Manager of Zhitong Computer Co., Ltd., President of Nanjing Zhongda Film (Group) Co., Ltd., President of Nanjing Mingze Technology Co., Ltd., Head of the Information Management Department at XCMG Group, Head of the Information Management Department and Marketing Department at XCMG Machinery, Assistant to the President, Vice President, and Party Committee Member, General Manager, Deputy Party Secretary, and Party Secretary of Xuzhou Construction Machinery Group Import & Export Co., Ltd.

Mr Song Zhike, male, Han ethnicity, born in Suining, Jiangsu Province in March 1972. Member of the Communist Party of China, holding a university degree and master's qualification, with the professional title of Senior Engineer. Currently serves as Vice President of XCMG Machinery, General Manager and Party Committee Secretary of XCMG Excavator Machinery Business Division, and General Manager and Party Committee Secretary of Xuzhou XCMG Excavator Machinery Co., Ltd. Commencing employment in August 1994, he successively held positions including Designer in the Development Department and Sales Representative in the Production Department of the Paver Division at Xuzhou Construction Machinery Manufacturing Plant; Party Branch Secretary of the Production Department, Deputy Chairman of the Trade Union, Director of the Production Coordination Office, and Director of the Assembly Workshop concurrently serving as Party Branch Secretary at the Road Machinery Branch; Plant Manager of the Paver Division at the Road Machinery Branch; Deputy Director and Director of the Quality Department at XCMG Technology, concurrently serving as Party Branch Secretary for Quality; General Manager of Xuzhou XCMG Track Chassis Co., Ltd.; Director of the Manufacturing Department, Party Branch Secretary, Assistant General Manager, Deputy General Manager, General Manager, Deputy Party Secretary, and Party Secretary at Xuzhou XCMG Excavator Machinery Co., Ltd. (); Deputy General Manager, General Manager, Deputy Party Secretary, and Party Secretary of the XCMG Excavator Machinery Division; Deputy General Manager of XCMG Group Construction Machinery Co., Ltd. ().

Mr Jiang Mingzhong, male, Han ethnicity, born in November 1968 in Kaixian County, Chongqing. Member of the Communist Party of China. University graduate with Master's degree. Senior Engineer professional title. Currently serves as Vice President of XCMG Machinery. Commencing employment in August 1995, he successively held positions including intern at Xuzhou Construction Machinery Manufacturing Plant; designer in the Development Department; officer in the Organisation Department; Director of the Political Work Office and Director of the Commercial Office at XCMG Technology Road Machinery Branch; Head of the Party and Government Affairs Department and Head of the Enterprise Management Department at XCMG Technology (concurrently serving as Secretary of the Second Party Branch); General Manager of the Excavator Product Project; Head of the Management Department and Deputy General Manager at Xuzhou XCMG Excavator Machinery Co., Ltd.; and Head of the Business

Management Department at XCMG Machinery. Mr Meng Wen, male, Han ethnicity, born in Xuzhou, Jiangsu Province in August 1968. Member of the Communist Party of China. Holds a postgraduate degree and Master's qualification.

and holds the professional title of Senior Engineer. He currently serves as Vice President of XCMG Machinery, General Manager and Party Committee Secretary of XCMG Marketing Co., Ltd.

Commenced employment in August 1991, serving successively as Technician in the Heat Treatment Research Laboratory and Organisational Officer in the Personnel Department at Jiangsu Electromechanical Research Institute; Technical Reform Management Supervisor in the Planning Department of XCMG Group; Director of the Information Centre and Assistant General Manager concurrently serving as Head of the Market Research Department at XCMG Marketing Company; Deputy General Manager of XCMG Technology Marketing Company; Deputy General Manager of Xuzhou XCMG Truck Crane Co., Ltd., Deputy General Manager of Nanjing XCMG Automobile Manufacturing Co., Ltd., Deputy General Manager of XCMG Machinery Technology Branch, Deputy General Manager of XCMG Road Machinery Division, Deputy General Manager of XCMG Financial Services Division, and General Manager and Party Branch Secretary of Jiangsu XCMG Guanglian Machinery Leasing Co., Ltd.

Mr Shan Zenghai, male, Han ethnicity, born in Xuzhou, Jiangsu Province in May 1972. Member of the Communist Party of China. University graduate with Master's degree. Senior Engineer with Researcher-level professional title. Currently serves as Vice President and Chief Engineer of XCMG Machinery, and Party Committee Secretary of XCMG Research Institute. Commencing employment in September 1994, he successively held positions including intern and technician at the Structural Plant of Xuzhou Heavy Machinery Factory; technician, designer, and chief designer in the Development Department; Head of the Crane Division; Director of the Crane Institute at the Technical Centre of Xuzhou Heavy Machinery Co., Ltd.; Deputy Plant Manager for Technical Quality at the Final Assembly Plant; Director of the Truck Crane Research Institute; Deputy Director and Director of the Technical Centre; Assistant General Manager and Deputy General Manager; and Deputy General Manager of the XCMG Crane Machinery Business Unit.

Mr Yu Hongyu, male, Han ethnicity, native of Xingtai, Hebei Province. Born September 1982, member of the Communist Party of China, postgraduate degree holder with Master's qualification, certified accountant. Currently serves as Vice President and Chief Financial Officer of XCMG Machinery, and Party Committee Secretary of XCMG Global Treasury Centre. Commenced employment in July 2008, holding successive positions including Intern at XCMG Machinery Asset Finance Department, Budget and Tax Management Supervisor, Deputy Director of Finance Department at Xuzhou XCMG Hydraulic Components Co., Ltd., Budget Management Supervisor at XCMG Machinery Business Management Department, Financial Analysis Supervisor at Finance Department, Financial Director at XCMG Brazil Manufacturing Co., Ltd., and Deputy General Manager at Xuzhou Construction Machinery Group Import & Export Co., Ltd.

Mr Yan Jun, male, Han ethnicity, native of Datong, Shanxi Province. Born March 1984, member of the Communist Party of China, postgraduate degree holder with a Master's qualification. Currently serves as Vice President, Chief Information Officer and Director of the Global Digitalisation Centre at XCMG Machinery. Commencing employment in July 2008, he successively held positions as Assistant Engineer, Engineer, Senior Engineer, and Senior Manager within the IT Department of Lenovo (Beijing) Co., Ltd.; Senior Manager of the Process and Information Department at Beijing Jishun Engineering Consulting Co., Ltd. (Longfor Properties); Implementation and Operations Director of the JD Cloud Warehouse Product Department at Beijing Jingbangda Trading Co., Ltd. (JD Logistics); IT Director and General Manager of Digital Supply Chain Service Delivery at Lenovo (Beijing) Co., Ltd.

Mr Wan Guangshan, male, Han ethnicity, born in Lianyungang, Jiangsu Province in February 1980, is a member of the Communist Party of China. He holds a bachelor's degree and is a certified economist and senior accountant. Currently serves as Vice President of XCMG Machinery and Deputy General Manager of the Finance Department at Jiangsu Guoxin Group Co., Ltd. Commencing employment in June 2003, he held positions including Asset Accountant, Cost Accountant, General Ledger Accountant, and Deputy Director of the Finance Department at

Jiangsu Xinhai Power Generation Co., Ltd.; Deputy Manager of the Finance Department at Jiangsu Guoxin Group Co., Ltd.; and positions including Finance Department (Group Deputy Manager Level), Finance Department (Group Manager Level), Deputy General Manager of the Finance Department, and General Manager of the Audit Department at Jiangsu Guoxin Co., Ltd.

Mr. Fei Guangsheng, male, Han ethnicity, born in Hefei, Anhui Province in January 1965, is a member of the Communist Party of China. He holds a postgraduate degree and a Master's degree, and possesses the professional titles of Senior Economist and Engineer, along with the Senior Human Resources Management Professional qualification. He is qualified to serve as an Independent Director and Board Secretary. He currently serves as Board Secretary and Head of the Securities Department at XCMG Machinery, General Manager of Xuzhou XCMG Investment Co., Ltd., and General Manager of Xuzhou XCMG Equity Investment Co., Ltd. Commencing employment in August 1989, he has held positions including Technician in the Structural Workshop, Technician in the Technical Department, Assistant to the Head of the Technical Department, and Department Manager in the Engineering Department at Xuzhou Loader Factory; Head of the Securities Audit Department, Board Secretary, and Deputy General Manager at XCMG Technology; Deputy General Manager at Jiangsu Han Gao Information Industry Co., Ltd.; Deputy General Manager at XCMG Machinery Technology Branch; and Head of the Securities Department and Board Secretary at XCMG Machinery.

Positions held at shareholder units

☒ Applicable ☐ Not applicable

Name of Appointed Personnel	Name of Shareholder Unit	Position held at shareholder entity	Term Commencement Date	End Date of Term of Office	Whether remuneration or allowances are received from the shareholder organisation
Yang Dongsheng	Xuzhou Construction Machinery Group Co., Ltd.	Chairman	18 August 2022		Yes
Sun Lei	Xuzhou Construction Machinery Group Co., Ltd.	Managing Director	30 June 2021		Yes
Shao Danlei	Xuzhou Construction Machinery Group Co., Ltd.	Chief Financial Officer	5 September 2022		Yes
Shao Danlei	Xuzhou Construction Machinery Group Co., Ltd.	Deputy General Manager	27 September 2023		Yes
Xia Yongyong	Xuzhou Construction Machinery Group Co., Ltd.	Deputy General Manager	5 September 2022		No
Zhen Wenqing	Xuzhou Construction Machinery Group Co., Ltd.	Deputy Party Secretary	30 August 2022		Yes
Zhen Wenqing	Xuzhou Construction Machinery Group Co., Ltd.	Chairman of the Trade Union	22 September 2022		Yes
Wan Guangshan	Jiangsu Guoxin Group Co., Ltd.	Deputy General Manager, Finance Department	21 May 2021		Yes
Statement Regarding Positions Held in Shareholder Entities	None				

Positions held in other organisations

☒ Applicable ☐ Not applicable

Name of Appointed Personnel	Name of Other Organisation	Position held at other organisations	Commencement Date of Term	End date of term of office	Whether remuneration or allowances were received from other organisations
Yang	Xuzhou XCMG Vehicle Manufacturing	Chairman	2 September 2022		No

in Full					
Dongsheng	Co., Ltd.				
Sun Lei	XCMG Group Venture Capital Development (Xuzhou) Co., Ltd.	Chairman	22 September 2022		No
Sun Lei	Xuzhou Xugong New Energy Power Technology Co., Ltd. Co., Ltd.	Chairman	20 April 2023		No
Sun Lei	Xuzhou XCMG Fudi Battery Technology Co., Ltd. Company	Chairman	20 April 2023		No
Sun Lei	Xuzhou Gongrun Industrial Development Co., Ltd.	Chairman	2 September 2022		No
Sun Lei	Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	Director	25 February 2025		No
Zhen Wenqing	Xuzhou Xugong Automobile Manufacturing Co., Ltd.	Chairman of the Supervisory Board	25 February 2025		No
Shao Danlei	Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Chairman	2 September 2022		No
Shao Danlei	Jiangsu Gongxin Asset Management Co., Ltd. Company	Chairman	2 September 2022		No
Shao Danlei	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd.	Chairman	2 September 2022		No
Shao Danlei	Xuzhou Gongrun Industrial Development Co., Ltd.	Director	20 June 2020		No
Shao Danlei	Jiangsu Lianxu Expressway Co., Ltd.	Director	11 July 2024		No
Shao Danlei	Xuzhou XCMG Automotive Manufacturing Co., Ltd.	Director	25 February 2025		No
Xia Yongyong	Xuzhou Xugong Automobile Manufacturing Co., Ltd.	Party Secretary, Director, General Manager General Manager	2 September 2022		Yes
Xia Yongyong	Nanjing XCMG Automotive Manufacturing Co., Ltd.	Chairman	6 September 2022		No
Xia Yongyong	XCMG Group Nanjing Research Institute Co., Ltd. Company	Executive Director	2 September 2022		No
Tian Yu	Beijing Panmao Investment Management Co., Ltd.	Managing Director, Managing Partner, Executive Director	1 January 2019		Yes
Geng Chengxuan	Jiangsu Longpan Technology Co., Ltd.	Independent Director	27 September 2021		Yes
Geng Chengxuan	Wuxi Huaguang Environmental Protection Energy Group Co., Ltd. Co., Ltd.	Independent Director	13 May 2022		Yes
Kang Shidao	Beijing Weiheng (Shanghai) Law Firm Senior Partner	Senior Partner	1 May 2015		Yes
Yang Lin	Shanghai New Power Automotive Technology Co., Ltd. Limited	Independent Director	6 December 2021		Yes
Zhang Liankai	Shanghai Tunnel Engineering Co., Ltd.	Company Secretary	27 January 2022		Yes
Cheng Qian	China Enterprise Cloud Energy (Tianjin) Management Co., Ltd. Company	General Manager	24 July 2023		Yes
Zhang Xu	Weichai Holding Group Co., Ltd.	Head of Audit Department	10 January 2022		Yes
Ma Jingya	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	Director	4 February 2023		No

in Full					
	Company				
Statement on Positions Held in Other Organisations	None				

Disciplinary actions imposed by securities regulatory authorities on current and former directors, supervisors, and senior management personnel within the past three years

☐ Applicable ☒ Not applicable

3. Remuneration of Directors, Supervisors and Senior Management Personnel

Decision-making procedures, basis for determination, and actual payment of remuneration for directors, supervisors, and senior management

(i) Decision-making procedures for remuneration of directors, supervisors and senior management

1. Remuneration decision-making procedures for independent directors and external directors: reviewed by the Board Remuneration and Assessment Committee, submitted to the Board for deliberation and approval, presented to the General Meeting for voting, and implemented upon approval by the General Meeting.

2. Remuneration Decision-Making Procedure for Company Senior Management Personnel: Approved by the Board of Directors' Remuneration and Assessment Committee, submitted to the Board of Directors for approval, and disbursed upon Board approval.

(2) Basis for Determining Remuneration of Directors, Supervisors and Senior Management

1. Remuneration for Independent Directors and External Directors: In accordance with the "Proposal on Adjusting the Annual Allowance for Independent Directors and External Directors" passed at the Company's Second Extraordinary General Meeting on 25 May 2011, the annual allowance for each independent director and external director is RMB 150,000, and reasonable expenses incurred in the performance of their duties shall

The annual remuneration for the Company's independent directors and external directors shall be RMB 150,000 per person, with reasonable expenses incurred in the exercise of their duties reimbursed on an actual cost basis.

2. Remuneration for the Company's senior management is determined in accordance with the Company's Senior Management Remuneration System, the Annual Implementation Rules for the Senior Management Remuneration System, the Senior Management Incentive Fund Management Measures, and the achievement of operational targets set by the Board of Directors.

(3) Actual Remuneration Payments to Directors, Supervisors and Senior Management

The total remuneration received by all directors, supervisors and senior management personnel during the reporting period amounted to RMB 29,342,800.

Remuneration of Directors, Supervisors and Senior Management During the Reporting Period

Unit: RMB million

Name	Gender	Age	Position	Employment Status	Total pre-tax remuneration received from the company	Whether remuneration is received from related parties of the company
Yang Dongsheng	Male	56	Chairman	Current	0	Yes
Sun Lei	Male	47	Director	Current	0	Yes
Lu Chuan	Male	58	Director, President	Current Position	335.2	No
Shao Danlei	Female	51	Director	Current	0	Yes
Xia Yongyong	Male	52	Director	Current	0	Yes
Tian Yu	Male	59	Director	Current	0	No
Geng Chengxuan	Female	59	Independent Director	Current	15	No
Kuang Shidao	Male	55	Independent Director	Current	15	No
Yang Lin	Male	55	Independent Director	Current	15	No
Zhen Wenqing	Male	55	Chairman of the Supervisory Board	Current	0	Yes
Zhang Liankai	Male	47	Vice Chairman of the Supervisory Board	Current Position	0	No
Cheng Qian	Female	55	Supervisor	Current	0	No
Zhang Xu	Female	49	Supervisor	Current	0	No
Li Ge	Female	58	Supervisor	Current	205.16	No
Jiang Lei	Female	50	Supervisor	Current	42.56	No
Ma Jingya	Male	40	Secretary to the Supervisory Board	Current	20.41	No
Sun Jianzhong	Male	58	Vice President	Current	251.38	No
Wang Qingzhu	Male	59	Vice President	Current	235.23	No
Liu Jiansen	Male	56	Vice President	Current Position	263.41	No
Song Zhike	Male	52	Vice President	Current Position	275.87	No
Jiang Mingzhong	Male	56	Vice President	Current	249.11	No
Meng Wen	Male	56	Vice President	Current Position	201.75	No
Zenghai Shan	Male	52	Vice President	Current Position	246.7	No
Yu Hongyu	Male	42	Vice President, Finance Head	Current Position	208.88	No
Yan Jun	Male	40	Vice President	Current Position	June 1999	No
Wan Guangshan	Male	44	Vice President	Current	0	Yes
Fei Guangsheng	Male	59	Company Secretary	Current Position	167.68	No
Xu Tao	Male	39	Secretary to the Supervisory Board	Resigned	86.88	No
Total	—	—	—	—	2,934.28	—

Additional Notes

☐ Applicable ☒ Not applicable

VI. Performance of Directors' Duties During the Reporting Period

1. Board of Directors Activities During the Reporting Period

Meeting Number	Date Held	Date of Disclosure	Resolution
Seventeenth Meeting of the Ninth Board of Directors	28 April 2024	30 April 2024	For further details, please refer to the announcement numbered 2024-04 published on 30 April 2024 in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) Announcement No. 2024-04.

in Full			
Nineteenth Session of the Ninth Board of Directors (Extraordinary)	25 June 2024	27 June 2024	For full details, please refer to the announcement No. 2024-23 published on 27 June 2024 in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under notice number 2024-23.
Nineteenth Meeting of the Ninth Board of Directors (Extraordinary)	11 July 2024	12 July 2024	For details, please refer to the announcement No. 2024-25 published on 12 July 2024 in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under notice number 2024-25.
Nineteenth Session of the Ninth Board of Directors (Extraordinary)	7 August 2024	8 August 2024	For further details, please refer to the announcement published on 8 August 2024 in China Securities Journal, Shanghai Securities News and the China Securities Information Network (www.cninfo.com.cn) under notice number 2024-28.
Resolution No. 21 of the 21st Meeting of the Ninth Board of Directors (Extraordinary)	14 August 2024		
Twenty-Second Meeting of the Ninth Board of Directors (Extraordinary)	21 August 2024		
Nineteenth Session of the Ninth Board of Directors	27 August 2024	29 August 2024	For details, please refer to the announcement No. 2024-30 dated 29 August 2024 published in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under announcement number 2024-30.
The 24th Meeting (Extraordinary) of the Ninth Board of Directors	29 September 2024	8 October 2024	For full details, please refer to the announcement No. 2024-39 published on 8 October 2024 in China Securities Journal, Shanghai Securities News and on the China Information Network (www.cninfo.com.cn) under announcement number 2024-39.
The 25th Meeting of the Ninth Board of Directors (Extraordinary)	15 October 2024	17 October 2024	For full details, please refer to the announcement published on 17 October 2024 in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under announcement number 2024-43.
Resolution No. 26 of the Ninth Board of Directors (Extraordinary)	30 October 2024		
Nineteenth Board of Directors Twenty-seventh Meeting (Extraordinary)	26 November 2024	27 November 2024	For details, please refer to the announcement No. 2024-54 dated 27 November 2024 published in China Securities Journal, Shanghai Securities News and on the China Securities Information Network (www.cninfo.com.cn) under Announcement No. 2024-54.
The 28th Meeting (Extraordinary) of the Ninth Board of Directors	10 December 2024	11 December 2024	For details, please refer to the announcement No. 2024-57 published on 11 December 2024 in China Securities Journal, Shanghai Securities News and on the China Information Network (www.cninfo.com.cn) under announcement number 2024-57.
Resolution No. 29 of the Ninth Board of Directors (Extraordinary)	23 December 2024		

2. Directors' attendance at Board meetings and General Meetings

Directors' Attendance at Board Meetings and Shareholders' Meetings

in Full							
Director's Name	Number of Board Meetings Required to Attend During the Reporting Period	Number of board meetings attended in person	Number of board meetings attended by correspondence	Number of times delegated to attend board meetings	Number of board meetings missed	Whether absent from two consecutive board meetings in person	Number of shareholder meetings attended
Yang Dongsheng	13	2	11	0	0	No	2
Sun Lei	13	2	11	0	0	No	1
Lu Chuan	13	2	11	0	0	No	2
Shao Danlei	13	2	11	0	0	No	2
Xia Yongyong	13	2	11	0	0	No	2
Tian Yu	13	2	11	0	0	No	2
Geng Chengxuan	13	2	11	0	0	No	2
The state of the world	13	2	11	0	0	No	2
Yang Lin	13	2	11	0	0	No	2

Explanation for consecutive non-attendance at board meetings: Not applicable

3. Circumstances where directors raised objections to company matters

Whether directors raised objections to relevant company matters

☐ Yes ☒ No

During the reporting period, directors did not raise objections to any company matters.

4. Other Explanations Regarding Directors' Performance of Duties

Whether directors' proposals to the company were adopted

☒ Yes ☐ No

Explanation by directors regarding whether their

proposals to the company were adopted or not: None

VII. Status of Special Committees under the Board of Directors During the Reporting Period

Committee Name	Membership	Number of Meetings Held	Date of Meeting	Agenda	Key Opinions and Recommendations Put Forward	Other aspects of duty fulfilment	Details of the objection (if applicable)
Audit Committee	Geng Chengxuan (Chairman) Shao Danlei, Kuang Shidao	4	2024 28	Consideration of the 2023 Annual Financial Report Review of the First Quarter Financial Report for 2024, Proposal on Changes to Accounting Policies, Self-Assessment Report on Internal Controls for 2023, Proposal on the Proposed Change of Auditing Firm for 2024 Proposal on Estimated Daily Related Party Transactions for 2024 Proposal on Estimated Routine Related-Party Transactions for 2024	None	None	None
			2024 27 August Review of the 2024 Half-Year Financial	Consideration of the 2024 Interim Financial Report and the Proposal on the Implementation of Financial Derivatives Trading Operations Proposal on the Implementation of Financial Derivatives Trading Operations	None	None	None
			2024 29 September	Proposal on Investment in Xuzhou XCMG Strategic Emerging Industries Investment Partnership (Limited Partnership) and Related Party Transactions and Related Party Transactions"	None	None	None
			2024 30	Consideration of the Third Quarter Report for 2024	None	None	None
Remuneration and Assessment Committee	Kuang Shidao (Chairman) Tian Yu, Geng Chengxuan	2	2024 12	Review of the Annual Salary Implementation Plan for 2023	None	None	None
			2024 15 October Review of the "Proposal on Adjusting the Repurchase	Consideration of the "Proposal on Adjusting the Repurchase Price of the Company's 2023 Restricted Stock Incentive Plan and Repurchasing and Cancelling Certain Restricted Shares" Proposal on Adjusting the Repurchase Price of the Company's 2023 Rest	None	None	None
Strategic Committee	Yang Dongsheng (Chairman) Sun Lei, Lu Chuan, Xia Yongyong, Yang Lin	1	2024 29 September	Consideration of the "Proposal on Investing in Xuzhou XCMG Strategic Emerging Industries Investment Partnership (Limited Partnership) and Related Party Transactions"	None	None	None

in Full							
Nominations Committee	Yang Lin (Chairperson) Lu Chuan, Geng Chengxuan	1	2024 22 June	Consideration of the Motion on the Recommendation of the Company's Vice President	None	None	None

VIII. Activities of the Supervisory Board

During its supervisory activities within the reporting period, did the Supervisory Board identify any risks within the company?

☐ Yes ☒ No

The Board of Supervisors has no objections to the supervisory matters during the reporting period.

IX. Company Personnel

1. Number of Employees, Professional Composition and Educational Attainment

Number of employees at the parent company at the end of the reporting period (persons)	4,190
Number of employees at major subsidiaries at the end of the reporting period (persons)	23,601
Total number of employees at the end of the reporting period (persons)	27,791
Total number of employees receiving remuneration during the period (persons)	27,791
Number of retired employees for whom the parent company and principal subsidiaries bear expenses (persons)	0
Professional composition	
Professional composition category	Number of personnel by professional composition (persons)
Production personnel	9,974
Sales Personnel	5,795
Technical Staff	7,619
Finance personnel	658
Administrative staff	3,745
Total	27,791
Educational Attainment	
Educational Level Category	Number (persons)
Doctorate	109
Master's Degree	4,290
Undergraduate	11,179
College	9,870
Other	2,343
Total	27,791

2. Remuneration Policy

The Company consistently regards incentive system development as a crucial pillar for strategic implementation. It implements a market-oriented remuneration incentive mechanism that is externally competitive and internally equitable, fully mobilising employees' initiative, proactivity and creativity. This ensures income aligns with contribution, and capability matches performance value, thereby maximising the motivational role of remuneration. Employee compensation is primarily determined based on factors including competency level, performance, value contribution, company results and external remuneration benchmarks, underpinned by a comprehensive remuneration management system.

Aligned with strategic objectives and developmental requirements, the company continuously refines its incentive mechanisms and advances reforms in the "three systems" to ensure remuneration policies remain motivational, equitable, and strategically aligned. The company has established robust long-term incentive and constraint mechanisms, implementing scientific employee performance management. Key core personnel demonstrating outstanding performance, high value contribution, and critical support for the company's transformation towards intelligent innovation, digital transformation, and network connectivity receive generous remuneration packages with progressively enhanced incentives. Through competitive compensation structures, the

company attracts talent, pools wisdom, unites efforts, stimulates dynamism, and fosters mutual development between employees and the enterprise.

3. Training Programme

The company aims to cultivate a first-rate talent pool, prioritising internal development while focusing on strategic objectives and intelligent transformation. Through the "spirit of critical thinking, revolutionary drive, innovation, and summit-climbing," we explore the intrinsic principles of talent development. We have established a talent development system based on job qualifications, position grades, and digital badges, alongside employee career pathways. With new concepts and initiatives, we drive talent cultivation to better align with corporate strategy, integrate more deeply into business development, and enhance operational efficiency. digital badges. New concepts and initiatives drive talent development to align more closely with corporate strategy, integrate deeper into business operations, and enhance employee performance improvement. This approach consistently cultivates high-calibre professionals of both integrity and competence. The company employs blended training methods—combining online and offline formats, centralised and decentralised delivery, theory and practice, project exposure, and rotational assignments. This approach provides multi-tiered, comprehensive training and empowerment, continuously strengthening talent pipeline development. It cultivates and aggregates more versatile professionals, invigorating the entire workforce with a dynamic and enterprising ethos. This ignites a passion for dedicated effort and principled innovation among all employees, providing an inexhaustible talent engine for building a world-class enterprise.

4. Labour Outsourcing Status

☐ Applicable ☒ Not applicable

X. Profit Distribution and Capital Reserve Allocation for Share Capital Increase

Profit distribution policy during the reporting period, particularly the formulation, implementation, or adjustment of the cash dividend policy

☒ Applicable ☐ Not applicable

During the reporting period, the Company's profit distribution scheme was strictly implemented in accordance with the provisions regarding cash dividend policy in the Company's Articles of Association. The views of independent directors and minority investors were fully considered, safeguarding the legitimate rights and interests of minority shareholders.

Specific Explanation of the Cash Dividend Policy	
Compliance with the provisions of the Articles of Association or the requirements of the shareholders' meeting resolution:	Yes
Are the dividend criteria and ratios clearly defined and transparent?	Yes
Are the relevant decision-making procedures and mechanisms complete:	Yes
Have independent directors fulfilled their duties and responsibilities and performed their intended role?	Yes
Where the company has not distributed cash dividends, it shall disclose the specific reasons and the measures proposed to enhance investor returns in the next phase:	Not applicable
Whether minority shareholders have had sufficient opportunity to express their views and demands, and whether their legitimate rights and interests have been adequately protected:	Yes
Where adjustments or changes are made to the cash dividend policy, are the conditions and procedures compliant and transparent?	Yes

The company reported profits during the reporting period and the parent company had distributable profits available to shareholders, yet no cash dividend distribution proposal was put forward

☐ Applicable ☒ Not applicable

Profit distribution and capital reserve capitalisation during the reporting period

☒ Applicable ☐ Not applicable

Number of bonus shares per 10 shares (shares)	0
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Cash Dividend per 10 Shares (Yuan) (including tax)	1.80
Share capital base for distribution proposal (shares)	Total number of shares entitled to profit distribution as of the record date for the 2024 profit distribution
	as the base
Cash dividend amount (RMB) (including tax)	Based on the total number of shares entitled to profit distribution as of the record date for the 2024 profit distribution , with a cash dividend of ¥1.80 (including tax) per 10 shares distributed to all shareholders
Cash dividend amount (RMB) via other means (e.g. share buyback)	372,965,157.54
Total Cash Dividend Amount (including other methods) (RMB)	The Company's total share repurchase amount for the 2024 financial year was RMB 372,965,157.54, and the total number of shares entitled to profit distribution as of the record date for the 2024 profit distribution as the base, a cash dividend of RMB 1.80 (including tax) per 10 shares shall be distributed to all shareholders
Distributable profits (RMB)	12,227,771,633.39
Total Cash Dividend (including other forms) as a Percentage of Total Profit Distribution	100%
Details of the present cash dividend distribution	
Where a company is in its mature development phase and has no significant capital expenditure arrangements, the proportion of cash dividends in the current profit distribution shall be no less than 80 per cent	
Detailed Explanation of the Profit Distribution or Capital Reserve Transfer Proposal	
The 32nd Meeting of the Ninth Board of Directors approved the 2024 Profit Distribution Proposal as follows: , with a cash dividend of RMB 1.80 (including tax) per 10 shares distributed to all shareholders. Shares held by the company through its repurchase special account shall not be entitled entitled to participate in the profit distribution. This distribution proposal remains subject to approval by the General Meeting of Shareholders.	

XI. Implementation Status of the Company's Share Incentive Scheme, Employee Share Ownership Scheme or Other Employee Incentive Measures

☒ Applicable ☐ Not applicable

1. Equity Incentives

On 15 October 2024, the Company convened the 25th Extraordinary Meeting of the Ninth Board of Directors and the 13th Meeting of the Ninth Board of Supervisors (Extraordinary) to deliberate and approve the "Proposal on Adjusting the Repurchase Price of the Company's 2023 Restricted Stock Incentive Plan and Repurchasing and Cancelling Part of the Restricted Stocks". For details, please refer to the relevant announcement numbered 2024-45, published on 17 October 2024 on the China Securities Information Network (www.cninfo.com.cn).

45, published on the China Securities Information Network (www.cninfo.com.cn) on 17 October 2024

Equity Incentive Arrangements for Company Directors and Senior Management

☒ Applicable ☐ Not applicable

Unit: Shares

in Full

Name	Position	Stock Options Held at Beginning of Year Quantity	Number of Newly Granted Stock Options During the Reporting Period	Number of shares exercisable during the reporting period	Number of shares exercised during the reporting period	Number of shares exercised during the reporting period Exercise price (RMB/share)	Number of share options held at the end of the period	Market price at end of reporting period (CNY/share)	Number of restricted shares held at the beginning of the period	Number of shares unlocked during the period	Number of restricted shares newly granted during the reporting period	Grant price of restricted shares (RMB per share)	Number of restricted shares held at period-end
Lu Chuan	Director, President	0	0	0	0		0		1,100,000	0	0		1,100,000
Sun Jianzhong	Vice President	0	0	0	0		0		700,000	0	0		700,000
Wang Qingzhu	Vice President	0	0	0	0		0		700,000	0	0		700,000
Liu Jiansen	Vice President	0	0	0	0		0		700,000	0	0		700,000
Song Zhike	Vice President	0	0	0	0		0		700,000	0	0		700,000
Jiang Mingzhong	Vice President	0	0	0	0		0		700,000	0	0		700,000
Meng Wen	Vice President	0	0	0	0		0		700,000	0	0		700,000
Zenghai Shan	Vice President	0	0	0	0		0		700,000	0	0		700,000
Yu Hongyu	Deputy General Manager, Finance Director Officer	0	0	0	0		0		700,000	0	0		700,000
Fei Guangsheng	Board of Directors Secretary	0	0	0	0		0		700,000	0	0		700,000
Total	-	0	0	0	0	-	0	-	7,400,000	0	0	-	7,400,000

Senior management assessment mechanisms and incentive arrangements: None

2. Implementation of Employee Share Ownership Plan

☐ Applicable ☒ Not applicable

3. Other employee incentive measures

☐ Applicable ☒ Not applicable

XII. Development and Implementation of Internal Control Systems During the Reporting Period

1. Development and Implementation of Internal Controls

During the reporting period, the Company centred on its development strategy and disseminated corporate cultural concepts, continuously optimising its internal control system and refining internal control regulations. ~~Thirty-three~~ new internal control regulations were introduced, including the "Implementation Measures for XCMG Machinery's Decision-Making System on Major

Matters, Important Personnel Appointments, Significant Projects, and Large-scale Expenditures" and the "Non-Production Procurement Management System". Forty-nine internal control regulations were revised, including the "Centralised Procurement Management System for Production Materials" and the "Overseas Travel Management

49 internal control systems including the Centralised Procurement Management System for Production Materials and the Overseas Travel Management System. Through internal audits and internal control evaluations, the Company enhanced its operational execution and maintained the continuous and effective functioning of its internal control system.

2. Specific details of significant internal control deficiencies identified during the reporting period

☐ ☒

XIII. Management Control of Subsidiaries During the Reporting Period

Company Name	Integration Plan	Progress of Integration	Issues Encountered During Integration	Remedial Measures Taken	Resolution Progress	Follow-up Resolution Plan
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

XIV. Internal Control Evaluation Report or Internal Control Audit Report

1. Internal Control Evaluation Report

Date of Full Disclosure of Internal Control Evaluation Report	29 April 2025	
Index for Full Disclosure of Internal Control Evaluation Report	China Securities Information Network (www.cninfo.com.cn)	
Proportion of Total Assets of Units Included in Evaluation Scope to Total Assets in Company's Consolidated Financial Statements	95.78%	
Proportion of operating revenue from units included in the evaluation to the company's consolidated financial statements operating revenue	94.08%	
Criteria for identifying deficiencies		
Category	Financial reporting	Non-financial reporting
Qualitative Criteria	<p>(1) A deficiency identified shall be recognised as a material deficiency in financial reporting internal control if it meets any of the following criteria: the deficiency involves any fraud by senior management; the deficiency indicates that an internal oversight body has not been established or that the internal oversight body has failed to perform its fundamental duties; or the current financial report contains a material misstatement identified based on quantitative criteria, and the control activity failed to detect such misstatement, or requires the correction of a published financial report.</p> <p>; or when the current financial report contains a material misstatement identified based on quantitative criteria, and the control activities failed to detect such misstatement or necessitate the correction of published financial reports.</p> <p>(2) If any of the following deficiencies are identified, they shall be deemed material deficiencies in financial reporting internal control: material misstatements in the current financial reporting identified based on quantitative criteria, where control activities failed to detect such misstatements or necessitated correction of published financial reports; or misstatements that, although not reaching or exceeding the materiality threshold, are of such nature that they should nonetheless warrant attention from the board of directors and management.</p> <p>(3) Other than the deficiencies specified in the above two scenarios, shall be classified as non-material defects.</p>	<p>(1) If any of the following conditions are met, the identified deficiency shall be deemed a material deficiency in non-financial reporting internal control: absence of democratic decision-making procedures, such as lack of decision-making processes for major issues, appointment and dismissal of key personnel, significant project investments, or large-scale fund utilisation (the "Three Major and One Important" matters); unscientific decision-making procedures, such as major decision-making errors causing significant losses to the company as defined by quantitative standards; serious violations of national laws and regulations; or failure to comply with key regulatory requirements.</p> <p>; serious violations of national laws and regulations; significant mass exodus of key management personnel or critical talent; frequent negative media coverage; failure to rectify material deficiencies identified in internal control evaluations; absence of institutional controls for critical operations or systemic failure of such controls, resulting in material losses to the company as defined by quantitative standards.</p> <p>(2) If any of the following deficiencies are identified, they shall be deemed material weaknesses in non-financial reporting internal controls: deficiencies in critical business systems or procedures; significant turnover of personnel in key operational positions; failure to rectify internal control evaluation findings, particularly material weaknesses; other circumstances causing substantial adverse impact on the company; material property losses attributable to management errors, as defined by quantitative standards, where control activities failed to prevent such errors; Although the financial loss does not reach or exceed the materiality threshold, its nature warrants the attention of the board and management.</p> <p>(3) Deficiencies other than those specified above shall be classified as non-material.</p> <p>Internal control deficiencies in the work report should be classified as minor deficiencies.</p>

in Full		
Quantitative Criteria	<p>(1) Material internal control deficiencies relating to financial reporting: Such deficiencies may result in potential misstatement amounts representing 0.25% of total assets, 0.5% of operating revenue, or 5% or more of pre-tax profit in the Company's audited annual consolidated financial statements for the preceding year, constituting material deficiencies.</p> <p>(2) Material financial reporting-related internal control deficiencies: Deficiencies where the potential misstatement amount attributable to such deficiencies represents 0.125% of total assets, 0.25% of operating revenue, or 2.5% or more of pre-tax profit in the Company's audited annual consolidated financial statements for the preceding year, but falls below the quantitative threshold for material financial reporting-related internal control deficiencies, shall be classified as material deficiencies.</p> <p>(3) General financial reporting-related internal control deficiencies: Other potential misstatement amounts below the materiality levels specified above</p>	<p>(1) Material deficiencies: Deficiencies where the direct loss that could result from them represents 0.25% of the total assets, 0.5% of the operating revenue, or 5% or more of the pre-tax profit in the Company's audited annual consolidated financial statements for the previous year are material defects.</p> <p>(2) Material Deficiencies: Deficiencies where the direct loss that may result from such deficiencies represents 0.125% of the total assets, 0.25% of the operating revenue, or 2.5% of the pre-tax profit in the Company's audited annual consolidated financial statements for the preceding year, but is less than the quantitative standard for significant deficiencies, shall be classified as material deficiencies.</p> <p>(3) Minor Defects: Defects falling below the aforementioned thresholds are classified as minor defects.</p>
	Number of material defects in financial reports.	
Number of material defects in financial reports (items)		0
Number of material defects in non-financial reporting (items)		0
Number of material weaknesses in financial reporting (items)		0
Number of material deficiencies in non-financial reporting (items)		0

2. Internal Control Audit Report

☒ Applicable ☐ Not applicable

Paragraph of Consideration in Internal Control Audit Report	
As at 31 December 2024, XCMG Machinery maintained effective internal control over financial reporting in all material respects in accordance with the Basic Specifications for Enterprise Internal Control and relevant regulations.	
Controls in all material respects as of 31 December 2	
Disclosure of Internal Control Audit Report	Disclosure
Full Text of Internal Control Audit Report Disclosure Date	29 April 2025
Index for Full Disclosure of Internal Control Audit Report	China Information Network (www.cninfo.com.cn)
Type of Opinion in Internal Control Audit Report	Standard Unqualified Opinion
Existence of Material Deficiencies in Non-Financial Reporting	No

Whether the Accounting Firm Issued a Non-Standard Opinion Internal Control Audit Report

☐ Yes ☒ No

Whether the opinion in the internal control audit report issued by the accounting firm is consistent with the opinion in the Board's self-assessment report

☒ Yes ☐ No

XV. Rectification Status of Self-Inspected Issues in the Special Campaign on Listed Company Governance

None

Section V: Environmental and Social Responsibility

I. Significant Environmental Issues

Whether the listed company and its subsidiaries are designated as key polluting entities by environmental protection authorities

☒ Yes ☐ No

Environmental Protection Policies and Industry Standards

Does the company strictly comply with the following laws and regulations during its production and operation processes: The Environmental Protection Law of the People's Republic of China The Water Pollution Prevention and Control Law of the People's Republic of China The Soil Pollution Prevention and Control Law of the People's Republic of China The Air Pollution Prevention and Control Law of the People's Republic of China The Environmental Impact Assessment Law

Pollution Prevention and Control Law, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on Emergency Response, the Regulations on the Administration of Pollutant Discharge Permits

Jiangsu Province Atmospheric Pollution Prevention and Control Regulations, Jiangsu Province Emergency Response Plan Management Measures for Environmental Emergencies Implementation Opinions on Further Strengthening Hazardous Waste Pollution Prevention and Control, Comprehensive Emission Standards for Wastewater, Comprehensive Emission Standards for Air Pollutants, Environmental Noise Emission Standards at Boundaries of Industrial Enterprises, Pollutant Emission Standards for Electroplating, Pollution Control Standards for Hazardous Waste Storage, Technical Specifications for Emergency Monitoring of Environmental Emergencies, and other environmental protection laws, regulations, and standards. The company earnestly fulfils its environmental protection responsibilities.

Status of Environmental Protection Administrative Permits

Serial No.	Unit	Certificate Number	Validity Period	Issuing Authority	Remarks
1	XCMG Heavy Industry	91320300136442270G001R	23 August 2023 to 22 August 2028 to 22 August 2028	Xuzhou Municipal Bureau of Ecology and Environment	
	XCMG Heavy Industry (East Plant Area)	91320300136442270G003W	22 November 2023 to 21 November 2028 21 November 2028	Xuzhou Municipal Bureau of Ecology and Environment	
2	XCMG Excavator	913203016770124928001V	9 April 2024 to 8 April 2029 April 2029	Xuzhou Municipal Bureau of Ecology and Environment	
3	XCMG Track Base Plate	9132030507635143XL002Q	25 July 2024 to 24 July 2029 24 July 2029	Xuzhou Municipal Bureau of Ecology and Environment	
4	XCMG Technology	91320301694548475G001R	26 December 2024 to 25 December 2029 25 December 2029	Xuzhou Municipal Bureau of Ecology and Environment	
5	XCMG Chongqing	91500107790724520E001W	2 December 2020 to 1 December 2025 1 December 2025	Chongqing Municipal Ecology and Environment Bureau	
6	XCMG Road	91320301056640760R001R	12 March 2024 to 11 March 2029	Xuzhou Municipal Bureau of Ecology and Environment	
7	XCMG Road Construction	913203017827111216001R	6 January 2023 to 5 January 2028 5 January 2028	Xuzhou Municipal Bureau of Ecology and Environment	
8	XCMG Maintenance	91320301MA1UQJ595X001Q	25 October 2024 to 24 October 2029 24 October 2029	Xuzhou Municipal Bureau of Ecology and Environment	
9	XCMG Foundation	913203015512296618003Q	12 April 2024 to 11 April 2029 11 April 2029	Xuzhou Municipal Bureau of Ecology and Environment	
10	XCMG Special Machinery	913203017378252267001X	18 March 2024 to 17 March 2029 17 March 2029	Xuzhou Municipal Bureau of Ecology and Environment	
11	XCMG Port Machinery	91320301MA20QUUR60001U	6 December 2024 to 5 December 2029 December 2029	Xuzhou Municipal Bureau of Ecology and Environment	
12	XCMG Hydraulic Components	91320301136373148T002R	31 March 2023 to 30 March 2028 30 March 2028	Xuzhou Municipal Bureau of Ecology and Environment	
	XCMG Hydraulic Components	91320301136373148T003R	7 March 2023 to 30 March 2028 March 2028	Xuzhou Municipal Bureau of Ecology and Environment	

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13	XCMG Construction Machinery	91320301697878509W001R	22 December 2023 to 21 December 2028 21 December 2028	Xuzhou Municipal Bureau of Ecology and Environment	
14	XCMG Tower Crane	9132030178991831XAO01V	6 May 2022 to 5 May 2027 May 2027	Xuzhou Municipal Bureau of Ecology and Environment	
15	XCMG Mining Machinery	91320301MA1MA70W4N001R	21 January 2025 to 2030 January 20, 2030	Xuzhou Municipal Bureau of Ecology and Environment	
16	XCMG Fire Protection	91320300MA1MF9A25E001Q	27 June 2023 to 26 June 2028 26 June 2028	Xuzhou Municipal Bureau of Ecology and Environment	
17	XCMG SVI	91320301058670867Q001R	17 September 2022 to 16 September 2027 16 September 2027	Xuzhou Municipal Bureau of Ecology and Environment	
	XCMG SVI	91320301058670867Q002X	10 March 2022 to 16 September 2027 9 March 2027	Xuzhou Municipal Bureau of Ecology and Environment	
18	XCMG Truck-Mounted	91320301733762993T001R	24 October 2024 to 23 October 2029 23 October 2029	Xuzhou Municipal Bureau of Ecology and Environment	
19	XCMG Environment	91320301346559725B001X	22 May 2024 to 21 May 2029 21 May 2029	Xuzhou Municipal Bureau of Ecology and Environment	
20	XCMG Agricultural Machinery	91320301MA21T79H50001X	29 August 2024 to 28 August 2029 August 2029	Xuzhou Municipal Bureau of Ecology and Environment	
21	XCMG Transmission	913203013140210820001Q	22 November 2023 to 21 November 2028 November 2028	Xuzhou Municipal Bureau of Ecology and Environment	
22	XCMG Precision	91320322MA1WXCLT1K001U	28 October 2022 to 27 October 2027 27 October 2027	Xuzhou Municipal Bureau of Ecology and Environment	
23	Xuzhou New Environmental Protection (Pizhou)	91320382MA210P5X1X001V	31 March 2023 to 30 March 2028 March 30, 2028	Xuzhou Municipal Bureau of Ecology and Environment	
24	XCMG Research Institute	91320301MA1UWJNY79001X	22 July 2022 to 21 July 2027 21 July 2027	Xuzhou Municipal Bureau of Ecology and Environment	

Industry emission standards and specific details of pollutant emissions involved in production and business activities

Company or Subsidiary Name	Types of Primary Pollutants and Characteristic Pollutants	Names of Primary Pollutants and Characteristic Pollutants	Method of Discharge	Number of discharge outlets	Distribution of discharge outlets	Emission Concentration/Intensity	Applicable Pollutant Emission Standards	Total emissions	Approved total emissions	Exceeded Emission Limits
XCMG Heavy Industry	Water Pollutants Pollutants	Chemical Oxygen Demand	Indirect Discharge Discharge	1	Wastewater Treatment Treatment Plant	35.01 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	1.519 tonnes	38.39 tonnes	None
XCMG Heavy Machinery	Water Pollutants Pollutants	NH ₃ -N	Indirect Discharge Discharge	1	Wastewater treatment Station	3.9 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.145 tonnes	2.102 tonnes	None
XCMG Heavy	Water Pollutants Contaminants	Petroleum	Indirect discharge Discharge	1	Wastewater Treatment Plant Treatment Plant	0.23 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.009 tonnes	/	None

in Full										
XCMG Heavy Machinery	Air Pollutants	Particulate Matter	Organised Emissions	18	Structure, Coating Vehicle Workshop	1.83 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	7.88 4t	/	None
XCMG Heavy Industry	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	3	Paint Shop	2.53 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	4.04 6 tonnes	/	None
XCMG Heavy Machinery (East Plant Area)	Water Pollutants	COD	Indirect Discharge	1	Wastewater Treatment Station	23.94 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.11 8 tonnes	32.86 6 tonnes	None
XCMG Heavy (East Plant Area)	Water Pollutants	NH ₃ -N	Indirect Discharge	1	Wastewater Treatment Station	0.63 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.00 3 tonnes	1.643 tonnes	None
XCMG Heavy Machinery (East Plant Area)	Air Pollutants	Particulate Matter	Organised Emissions	4	Structure, Coating Vehicle Workshop	1.47 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	2.42 5t	/	None
XCMG Heavy Industry (East Plant Area)	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	3.18 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	22.2 03t	/	None
XCMG Excavator	Water Pollutants	COD	Indirect discharge	1	Plant wastewater Treatment	117.66 mg/L	Xuzhou Hehua Environmental Protection Technology Co., Ltd. (Damao Wastewater Treatment)	0.32 1t	12.87 5t	None
					Station		Factory) Takeover Standard			
XCMG Excavator	Water Pollutants	NH ₃ -N	Indirect Discharge	1	On-site Wastewater Treatment Station	2.37 mg/L	Xuzhou Hehua Environmental Protection Technology Co., Ltd. (Damao Wastewater Treatment Plant) Inflow Standard	5.5kg	0.728 tonnes	None
XCMG Excavator	Air pollutants	Particulate Matter	Organised emissions	26	Structure and Coating Vehicles Workshop	1.83 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	10.3 7 tonnes	/	None
XCMG Excavator	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	12.5 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	19.7 3 tonnes	/	None
XCMG Tracked Undercarriage	Water Pollutants	COD	Indirect discharge	1	Domestic wastewater discharge Outlet	47mg/L	Jiawang Urban Sewage Treatment Plant Acceptance Standard	1.07 t	/	None
XCMG Tracked Undercarriage	Water Pollutants	NH ₃ -N	Indirect discharge	1	Domestic wastewater discharge Point	4.27 mg/L	Jiawang Urban Sewage Treatment Plant Acceptance Standard	0.04 2 tonnes	/	None

in Full										
XCMG Tracked Undercarriage	Air Pollutants emissions	Particulate Matter	Organised emissions	7	Workshop	7.1 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	0.6 tonnes	/	None
XCMG Tracked Undercarriage	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	4	Paint Shop	0.28 mg/m ³	Surface Coating (Engineering and Steel Machinery Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.673 tonnes	/	None
XCMG Technology	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	75.75 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	5.63 t	24.65 tonnes	None
Xugong Technology	Water Pollutants	NH ₃ -N	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	0.46 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.289 tonnes	1.57 tonnes	None
Xugong Technology	Water Pollutants	Petroleum	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	0.17 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.139 tonnes	/	None
XCMG Technology	Air Pollutants	Particulate Matter	Organised Emissions	14	Structure and Coating Vehicles Workshops	1.5 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	2.5 tonnes	/	None
XCMG Technology	Atmospheric Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	4.78 mg/m ³	Surface Coating (Engineering and Steel Machinery Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	5.36 t	/	None
XCMG Chongqing	Water Pollutants	COD	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	20mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.02 tonnes	/	None
XCMG Chongqing	Water Pollutants	NH ₃ -N	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	0.47 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.7kg	/	None
XCMG Chongqing	Water Pollutants	Petroleum	Indirect discharge	1	Total Wastewater Discharge from Factory Premises Outlet	0.18 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.3kg	/	None
XCMG Chongqing	Air Pollutants	Particulate Matter	Organised Emissions	3	Paint Shop	3.21 mg/m ³	Table 1 of the Comprehensive Emission Standard for Air Pollutants in Chongqing (DB 50/418-2016) Other Regional Standard Limits	0.21 t	/	None
XCMG Chongqing	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	4.19 mg/m ³	Chongqing Municipal Comprehensive Emission Standard for Atmospheric Pollutants (DB 50/418-2016) Table 1 Standard Limit Values	0.273t	/	None

in Full										
XCMG Road	Water Pollutants	COD	Indirect Discharge	1	Plant Wastewater Treatment Station	94.05 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	3.072 tonnes	8.1 tonnes	None
XCMG Road	Water Pollutants	NH ₃ -N	Indirect discharge	1	On-site Wastewater Treatment Station	8.79 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.261 tonnes	0.461 t	None
XCMG Road	Water Pollutants	Petroleum	Indirect discharge	1	On-site Wastewater Treatment Station	0.15 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.15 kg	/	None
XCMG Road	Air Pollutants	Particulate Matter	Organised Emissions	27	Structure and Coating Vehicles Workshop	2.34 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	8.49 t	/	None
XCMG Road	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	3	Paint Shop	8.52 mg/m ³	Surface Coating (Engineering and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	6.69 t	/	None
XCMG Road Construction	Water Pollutants	COD	Indirect discharge	1	On-site Wastewater Treatment Station	83.9 mg/L	Jingma River Sewage Treatment Plant Acceptance Standard	2.239 tonnes	3.5 tonnes	None
XCMG Road Construction	Water Pollutants	NH ₃ -N	Indirect discharge	1	On-site Wastewater Treatment Station	7.8 mg/L	Jingma River Sewage Treatment Plant Acceptance Standard	0.293 tonnes	0.391 tonnes	None
XCMG Road Construction	Water Pollutants	Petroleum	Indirect discharge	1	Factory Wastewater Treatment Station	0.68 mg/L	Jingma River Wastewater Treatment Plant Acceptance Standard	0.018 tonnes	/	None
XCMG Road Construction	Air Pollutants	Particulate Matter	Organised Emissions	5	Structure and Coating Vehicles Workshop	3.3 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	1.7 tonnes	/	None
XCMG Road Construction	Atmospheric Pollutants	Non-methane hydrocarbons	Organised Emissions	1	Paint Shop	4.01 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	1.054 tonnes	/	None
XCMG Maintenance	Water Pollutants	COD	Indirect Discharge	1	Plant Wastewater Treatment Station	15mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.169 tonnes	8.77 tonnes	None
XCMG Maintenance	Water Pollutants	NH ₃ -N	Indirect discharge	1	Plant Wastewater Treatment Station	22.5 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.254 tonnes	0.73 tonnes	None
XCMG Maintenance	Water Pollutants	Petroleum	Indirect discharge	1	Worksite Wastewater Treatment Station	0.13 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	1.46 kg	/	None

in Full										
XCMG Maintenance	Atmospheric Pollutants	Particulate Matter	Organised Emissions	8	Structure and Coating Vehicles Workshops	8.8 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	0.55 t	/	None
XCMG Maintenance	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	1	Paint Shop	4.25 mg/m ³	Surface Coating (Engineering Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.483 t	/	None
XCMG Foundation	Water Pollutant Pollutants	COD	Indirect Discharge Discharge	1	West of the factory premises South	28.2 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.34 t	4.06 tonnes	None
XCMG Foundation	Water Pollutant Pollutants	NH ₃ -N	Indirect Discharge Discharge	1	West of the plant site South	12.4 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.15 t	0.41 t	None
XCMG Foundation	Air Pollutants	Particulate Matter	Organised emissions	4	Paint Shop	2.8 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.918 tonnes	/	None
XCMG Foundation	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	3	Paint Shop	3.51 mg/m ³	Surface Coating (Engineering Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	1.41 t	/	None
XCMG Special Machinery	Water Pollutants Pollutants	COD	Indirect Discharge Discharge	1	East of the factory premises Side	12 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	7.2 tonnes	/	None
Xugong Special Machinery	Water Pollutant Pollutants	NH ₃ -N	Indirect Discharge Discharge	1	East of the factory premises Side	0.36 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.28 t	/	None
XCMG Special Machinery	Water Pollutants Pollutants	Petroleum	Indirect Discharge emissions	1	East of the factory premises 0.09 mg/L	0.09 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.007 tonnes	/	None
XCMG Special Machinery	Air Pollutants	Particulate Matter	Organised Emissions	11	Structure and Painting Workshops	4.7 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	1.131 t	/	None
XCMG Special Machinery	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	2.26 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	2.57 t	/	None
XCMG Port Machinery	Water Pollutants	COD	Indirect discharge	1	On-site Wastewater Treatment Station	27.7 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.331 tonne	1.068 tonnes	None
XCMG Port Machinery	Water Pollutants	NH ₃ -N	Indirect discharge	1	On-site Wastewater Treatment Station	0.75 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.006 tonnes	0.107 tonnes	None
XCMG Port Machinery	Water Pollutants	Petroleum	Indirect discharge	1	On-site Wastewater Treatment Station	0.07mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.34 kg	/	None

in Full										
XCMG Port Machinery	Air Pollutants Pollutants	Particulate Matter	Organised Emissions	6	Coating vehicle Area	4.4 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	2.6 tonnes	/	None
XCMG Port Machinery	Atmospheric pollutants	Non-methane hydrocarbons	Organised emissions	2	Painting workshop	6.19 mg/m ³	Surface Coating (Construction and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	3.15 t	/	None
XCMG Hydraulic Components	Water Pollutants Pollutants	Total Chromium	Indirect Discharge Discharge	1	Workshop discharge Outlet	0.004 mg/L	Electroplating Pollutant Emission Standard GB21900-2008	0.018 kg	0.001 tonnes	None
XCMG Hydraulic Part	Water Pollutants Contaminants	Hexavalent Chromium	Indirect Discharge emissions	1	Workshop discharge Outlet	0.004 mg/L	Electroplating Pollutant Emission Standard GB21900-2008	0.018 kg	0.002 tonnes	None
XCMG Hydraulic Part	Water Pollutants Pollutants	COD	Indirect Discharge Discharge	2	Wastewater Treatment Treatment Plant	27.1 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	6.64 t	24.77 t	None
XCMG Hydraulic Parts	Water Pollutants Pollutants	NH ₃ -N	Indirect Discharge emissions	2	Wastewater Treatment Station	1.38 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.152 tonnes	2.478 tonnes	None
XCMG Hydraulic Parts	Water Pollutants Pollutants	Total Phosphorus	Indirect discharge Discharge	2	Wastewater Treatment Treatment Plant	0.08 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.155 tonnes	/	None
XCMG Hydraulic Components	Air Pollutants Pollutants	Particulate Matter	Organised emissions	11	Painting Vehicle Room	16.7 mg/m ³	Comprehensive Atmospheric Pollutant Emissions Standard DB32/4041-2021	2.76 t	/	None
XCMG Hydraulic Components	Air Pollutants	Chromic acid mist	Organised emissions	9	Electroplating Production Line Tower	0.033 mg/m ³	Comprehensive Emission Standard for Atmospheric Pollutants DB32/4041-2021	0.029 tonnes	/	None
XCMG Hydraulic Components	Air Pollutants Pollutants	Hydrogen chloride	Organised emissions	3	Acid washing Tower	1.02 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	0.794 tonnes	/	None
XCMG Hydraulic Components	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	6.7 mg/m ³	Surface Coating (Engineering and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	4.22 t	/	None
XCMG Hydraulic Components	Air Pollutants	Toluene	Organised emissions	2	Paint Shop	0.04 mg/m ³	Surface Coating (Construction and Steel Structure Industry) Air Pollutant Emission Standard DB32/4147-2021	0.088 t	/	None
XCMG Hydraulic Components	Air Pollutants	Xylene	Organised emissions	2	Paint Shop	0.03 mg/m ³	Surface Coating (Construction and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.066 tonnes	/	None
XCMG Construction Machinery	Water Pollutants	COD	Indirect discharge	1	On-site Wastewater Treatment Station	0.023 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.6 tonnes	0.93 tonnes	None
XCMG Construction Machinery	Water Pollutants	NH ₃ -N	Indirect discharge	1	On-site Wastewater Treatment Station	0.007 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.149 tonnes	0.16 tonnes	None

in Full										
XCMG Construction Machinery	Water Pollutants	Petroleum	Indirect discharge	1	On-site Wastewater Treatment Station	0.006 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.003t	/	None
XCMG Construction Machinery	Air Pollutants	Particulate Matter	Organised emissions	26	Structure, Coating Vehicle Workshops	2.2 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	1.57t	/	None
XCMG Construction Machinery	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	1	Paint Shop	5.04 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.99t	/	None
XCMG Tower Crane	Water Pollutants	COD	Indirect discharge	1	Factory Wastewater Treatment Station	21 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.92t	1.54 tonnes	None
XCMG Tower Crane	Water Pollutants	NH ₃ -N	Indirect discharge	1	Factory Wastewater Treatment Station	8.4 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.11t	0.2t	None
XCMG Tower Crane	Air pollutants	Particulate Matter	Organised emissions	9	Structure, Coating Vehicle Interval	1.9 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	8.5 tonnes	/	None
XCMG Tower Crane	Atmospheric Pollutants	Non-methane hydrocarbons	Organised emissions	3	Paint Shop	3.39 mg/m ³	Surface Coating (Engineering Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	1.6 tonnes	/	None
XCMG Mining Machinery	Water Pollutants	COD	Indirect discharge	1	North of the factory premises Side	196.18 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	12.98 tonnes	15 tonnes	None
XCMG Mining Machinery	Water Pollutants	NH ₃ -N	Indirect discharge	1	North of the plant site Side	10.59 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.701 tonne	1.35 tonnes	None
XCMG Mining Machinery	Water Pollutants	Petroleum	Indirect discharge emissions	1	North of the factory premises Side	1.1 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.075 tonnes	/	None
XCMG Mining Machinery	Air Pollutants	Particulate Matter	Organised Emissions	8	Structure, Coating Vehicle Workshops	1.5 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	0.195t	/	None
XCMG Mining Machinery	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	4	Paint Shop	7.39 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	7.35t	/	None
XCMG Firefighting	Water pollution Pollutants	COD	Indirect discharge	1	West corner of the factory site South Corner	41.6 mg/L	Xuzhou Longting Wastewater Treatment Plant Receiving standard	2.188 tonnes	6.051 tonnes	None
XCMG Firefighting	Water Pollutant	NH ₃ -N	Indirect Discharge	1	West corner of	2.0 mg/L	Xuzhou Longting Wastewater Treatment Plant	0.105 tonnes	0.539 tonnes	None

in Full										
	Pollutants		Discharge		the plant site South Corner		Receiving standard			
XCMG Firefighting	Air Pollutants emissions	Particulate Matter	Organised Emissions	13	Factory area emissions Exhaust	2.5mg/m ³	Comprehensive Atmospheric Pollutant Emission Standard DB32/4041-2021	5.17 tonnes	/	None
XCMG Firefighting	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Factory Exhaust Stack	6.1 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Air Pollutant Emission Standard DB32/4147-2021	9.72 t	/	None
XCMG SVI	Water Pollutants	COD	Indirect Discharge	2	On-site Wastewater Treatment Station	24.6 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	1.2 tonnes	4.37 tonnes	None
XCMG Schwing	Water Pollutants	NH ₃ -N	Indirect discharge	2	On-site Wastewater Treatment Station	13.6 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.036 tonnes	0.042 tonnes	None
XCMG SVI	Water Pollutants	Petroleum	Indirect discharge	2	On-site Wastewater Treatment Station	0.09 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.003t	/	None
XCMG Schwing	Air Pollutant	Particulate Matter	Organised	34	Structure,	1.7 mg/m ³	Comprehensive atmospheric pollutant emissions	9.13	/	None
UK	Pollutant		Emission		Coating Vehicle Room		Standard DB32/4041-2021	t		
XCMG Schwing	Atmospheric Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	7.05 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Air Pollutant Emission Standard DB32/4147-2021	4.91 t	/	None
XCMG Mobile	Water Pollutants	COD	Indirect discharge	1	Factory Wastewater Treatment Station	66.8 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	1.46 t	/	None
XCMG Truck-Mounted	Water Pollutants	NH ₃ -N	Indirect discharge	1	Factory Wastewater Treatment Station	23.98 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.524 tonnes	/	None
XCMG Truck-Mounted	Water Pollutants	Petroleum	Indirect discharge	1	Factory Site Wastewater Treatment Station	0.124 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	2.7kg	/	None
XCMG Truck-Mounted	Air Pollutants emissions	Particulate Matter	Organised emissions	2	Coating vehicle Area	1.51 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	1.4 tonnes	/	None
XCMG Truck-Mounted	Air Pollutants	Non-methane hydrocarbons	Organised emissions	4	Paint Shop	5.49 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	4.68 t	/	None
XCMG Environment	Water Pollutants	COD	Indirect Discharge	1	Wastewater Treatment Plant	46.4 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.81 t	1.54 t	None

in Full										
XCMG Environment	Water Pollutants	NH ₃ -N	Indirect discharge	1	On-site Wastewater Treatment Station	1.99 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.04 tonnes	0.15 t	None
XCMG Environmental	Water Pollutants	Petroleum	Indirect discharge	1	On-site Wastewater Treatment Station	0.52 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.009 tonnes	/	None
XCMG Environmental	Air Pollutants	Particulate Matter	Organised Emission	6	Coating vehicle Area	1.8 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	0.43 tonnes	/	None
XCMG Environment	Atmospheric Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	9.48 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	2 tonnes	/	None
XCMG Agricultural Machinery	Water Pollutants	COD	Indirect Discharge	1	Wastewater Treatment Station	148 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	3.25 t	8.956 t	None
XCMG Agricultural Machinery	Water Pollutants	NH ₃ -N	Indirect discharge	1	Wastewater treatment Treatment Plant	5.74 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.14 t	0.549 t	None
XCMG Agricultural Machinery	Water Pollutants	Petroleum	Indirect Discharge emissions	1	Wastewater treatment Station	0.82 mg/L	Comprehensive Wastewater Discharge Standard (GB8978-1996)	0.02 t	0.021 t	None
XCMG Agricultural Machinery	Air Pollutants emissions	Particulate Matter	Organised Emissions	4	Coating vehicle Area	4.53 mg/m ³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	0.055 tonnes	/	None
XCMG Agricultural Machinery	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	2	Paint Shop	2.8 mg/m ³	Surface Coating (Construction Machinery and Steel Structure Industry) Atmospheric Pollutant Emission Standard DB32/4147-2021	0.33 tonnes	/	None
XCMG Transmission	Water Pollutants	COD	Indirect Discharge	1	Wastewater Treatment Station	10mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	7.91 tonnes	/	None
XCMG Transmission	Water Pollutants	NH ₃ -N	Indirect discharge	1	Wastewater treatment Station	5mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.91 t	/	None
XCMG Transmission	Water Pollutants	Petroleum	Indirect discharge emissions	1	Wastewater treatment Station	1.59 mg/L	Comprehensive Wastewater Discharge Standard GB8978-1996	0.04 tonnes	/	None
XCMG Transmission	Air Pollutants	Particulate Matter	Organised Emissions	5	Structure, Painted Vehicle Workshops	0.6 mg/m ³	Comprehensive Emission Standard for Air Pollutants DB32/4041-2021	1.674t	/	None
XCMG Transmission	Air Pollutants	Non-methane hydrocarbons	Organised Emissions	3	Paint Shop	3.17 mg/m ³	Surface coating (construction machinery and steel structure industry) Atmospheric Pollutant Emission Standards	0.929 tonnes	/	None
							DB32/4147-2021			
XCMG Precision	Water Pollutants	COD	Indirect Discharge	1	East of the factory premises Side	23 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.04 t	0.867 tonnes	None
Xugong	Water Pollutants	NH ₃ -N	Indirect discharge	1	East of the factory	19.4 mg/L	Integrated Wastewater	0.003 tonnes	0.087 tonnes	None

in Full										
Precision	Pollutants		Discharge		premises Side		Discharge Standard GB8978-1996			
Xugong Precision	Water Pollutants Pollutants	Petroleum	Indirect discharge Discharge	1	East of the factory premises Side	0.51 mg/L	Integrated Wastewater Discharge Standard GB8978-1996	0.1kg	0.017 t	None
Xugong Precision	Atmospheric Pollutants Pollutants	Particulate Matter	Organised Emissions	21	Workshop	4.3 mg/m³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	24.7 8t	/	None
XCMG Precision	Atmospheric Pollutants	Non-methane hydrocarbons	Organised Emissions	1	Workshop	0.83 mg/m³	Surface Coating (Engineering Machinery and Steel Structure Industry) Air Pollutant Emission Standard DB32/4147-2021	3.35 8 tonnes	/	None
XCMG New Environmental (Pizhou)	Air Pollutants Pollutants	Non-methane Total Hydrocarbons	Organised emissions	4	Plant Area	13.47 mg/m³	Comprehensive atmospheric pollutant emissions Standard DB32/4041-2021	10.7 4 tonnes	/	None
XCMG Research Institute	Water Pollutants Pollutants	COD	Indirect Discharge Discharge	1	Wastewater Treatment Treatment Plant	15.3 mg/L	Xuzhou Economic Development Zone Wastewater Treatment Plant Acceptance and Discharge Grade III Standard	0.17 4t	/	None
XCMG Research Institute	Water Pollutants Pollutants	NH ₃ -N	Indirect Discharge Discharge	1	Wastewater treatment Station	0.79 mg/L	Xuzhou Economic Development Zone Wastewater Tertiary Treatment Standard	0.03 7t	/	None
XCMG Research Institute	Water Pollutants Pollutants	Petroleum	Indirect Discharge emissions	1	Wastewater treatment Station	0.07mg/L	Xuzhou Economic Development Zone Wastewater Tertiary Treatment Standard	0.73 kg	/	None

Pollutant Treatment

The company strictly ensures pollutants are discharged in compliance with standards, achieving a 100% compliance rate. All hazardous waste is transferred to qualified disposal units. In 2024, 5,973 tonnes of hazardous waste and 38,004 waste oil drums were transferred.

Emergency Response Plan for Sudden Environmental Incidents

Serial No.	Plan Title	Verifying Authority	Date of Verification	Registration Authority	Date of Filing	Remarks
1	Xuzhou Heavy Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	27 September 2024	Xuzhou Environmental Emergency and Accident Investigation Centre	27 September 2024	
	Xuzhou Heavy Machinery Co., Ltd. (Plant 2) Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	27 September 2024	Xuzhou Environmental Emergency and Accident Investigation Centre	27 September 2024	
2	Xuzhou XCMG Excavator Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	29 August 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	29 August 2022	

in Full

3	XCMG Tracked Chassis Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Jiawang Ecological Environment Comprehensive Administrative Law Enforcement Bureau	13 May 2024	Xuzhou Jiawang Ecological Environment Comprehensive Administrative Law Enforcement Bureau	13 May 2024	
4	XCMG Construction Machinery Co., Ltd. Technology Branch Emergency Response Plan for Sudden Environmental Incidents Contingency Plan	Xuzhou Municipal Bureau of Ecology and Environment	16 November 2021	Xuzhou Environmental Emergency and Accident Investigation Centre	29 November 2021	
5	XCMG Chongqing Construction Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Chongqing High-Tech Zone Ecological Environment Bureau	8 July 2024	Chongqing High-Tech Zone Bureau of Ecology and Environment	8 July 2024	
6	XCMG Construction Machinery Co., Ltd. Road Machinery Branch Emergency Response Plan for Sudden Environmental Incidents Contingency Plan	Xuzhou Environmental Emergency and Accident Investigation Centre	19 October 2023	Xuzhou Environmental Emergency and Accident Investigation Centre	19 October 2023	
7	Xuzhou XCMG Road Construction Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Municipal Bureau of Ecology and Environment, Economic and Technological Development Zone Branch	3 February 2023	Xuzhou Environmental Emergency and Accident Investigation Centre	1 March 2023	
8	Xuzhou XCMG Maintenance Machinery Co., Ltd. Environmental Emergency Response Plan	Xuzhou Municipal Bureau of Ecology and Environment, Economic and Technological Development Zone Branch	10 March 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	15 April 2022	
9	Xuzhou XCMG Foundation Engineering Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Jiawang Ecological Environment Comprehensive Administrative Law Enforcement Bureau	15 December 2023	Xuzhou Jiawang Ecological Environment Comprehensive Administrative Law Enforcement Bureau	15 December 2023	
10	Xuzhou Xugong Special Engineering Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Economic and Technological Development Zone Ecological Environment Comprehensive Administrative Law Enforcement Bureau	13 May 2024	Xuzhou Economic and Technological Development Zone Ecological Environment Comprehensive Administrative Law Enforcement Bureau	13 May 2024	

in Full						
		t Bureau				
11	Xuzhou Xugong Port Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	26 December 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	26 December 2022	
12	Xuzhou XCMG Hydraulic Components Co., Ltd. (West Plant Area) Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	2 December 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	2 December 2022	
	Xuzhou Xugong Hydraulic Components Co., Ltd. (East Plant) Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	2 December 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	2 December 2022	
13	XCMG Construction Machinery Co., Ltd. Emergency Response Plan	Xuzhou Municipal Bureau of Ecology and Environment, Development Zone Branch	28 April 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	6 May 2022	
14	Xuzhou Jianji Construction Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	24 April 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	24 April 2022	
15	Xuzhou Xugong Mining Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Municipal Bureau of Ecology and Environment	26 September 2023	Xuzhou Environmental Emergency and Accident Investigation Centre	13 October 2023	
16	Xugong Fire Safety Equipment Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Tongshan District Bureau of Ecology and Environment	11 August 2023	Xuzhou Tongshan Ecological Environment Bureau	11 August 2023	
17	Xuzhou XCMG SVI Machinery Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Municipal Bureau of Ecology and Environment, Economic and Technological Development Zone Branch	18 March 2024	Xuzhou Emergency and Accident Investigation Centre	18 March 2024	
18	Xuzhou XCMG Truck Crane Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	7 December 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	7 December 2022	
19	Xuzhou Xugong Environmental Technology Co., Ltd. Emergency Response Plan for Sudden Environmental	Xuzhou Environmental Emergency and	25 April 2024	Xuzhou Economic and Technological Development Zone Ecological	25 April 2024	

in Full						
	Incidents	Incident Investigation Centre		Environment Comprehensive Administrative Bureau		
20	Xuzhou XCMG Agricultural Equipment Technology Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Municipal Bureau of Ecology and Environment and Economic and Technological Development Zone Branch	26 February 2025	Xuzhou Municipal Bureau of Ecology and Environment Economic and Technological Development Zone Sub-bureau	26 February 2025	
21	Xuzhou Xugong Transmission Technology Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Xuzhou Environmental Emergency and Accident Investigation Centre	4 March 2022	Xuzhou Environmental Emergency and Accident Investigation Centre	4 March 2022	
22	Xuzhou Xugong Precision Industry Technology Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Pei County Ecological Environment Bureau, Xuzhou City	10 April 2024	Pei County Ecological Environment Bureau, Xuzhou City	15 April 2024	
23	XCMG (Pizhou) Environmental Protection Technology Co., Ltd. Emergency Response Plan for Sudden Environmental Incidents	Pizhou Municipal Bureau of Ecology and Environment	3 April 2023	Pizhou Municipal Bureau of Ecology and Environment	3 April 2023	

Self-Monitoring Programme for Environmental Pollutants

All subsidiaries shall organise self-monitoring and information disclosure for pollutants discharged, and formulate self-monitoring plans. Self-monitoring shall combine automated monitoring with manual monitoring. Automated monitoring shall be self-operated and maintained by the enterprise; manual monitoring shall combine self-conducted monitoring by the enterprise with monitoring commissioned to socialised monitoring institutions. In accordance with the self-monitoring plan, monitor and evaluate exhaust gases and ambient air, wastewater and aquatic environments, noise levels, etc. Establish a comprehensive monitoring archive information management system as required, preserving original monitoring records and data reports, production logs during monitoring periods, and documentation pertaining to commissioned manual monitoring—including the contract, the commissioned entity's qualifications, and its basic details.

Details regarding investments in environmental governance and protection, along with the payment of environmental protection tax.

The company strictly adheres to the Environmental Protection Tax Law of the People's Republic of China, paying environmental protection taxes quarterly

in full and on time. Environmental governance and protection investments for 2024 are projected to reach approximately

46 million yuan.

Measures taken and outcomes achieved during the reporting period to reduce carbon emissions

☒ Applicable ☐ Not applicable

XCMG Machinery refined its institutional framework, establishing a technical standards system for carbon peaking and carbon neutrality in construction machinery. It issued five company-level low-carbon standards covering energy metering, greenhouse gas accounting, data collection, and management. In collaboration with XCMG Excavator and XCMG Hydraulic Components, it jointly released five enterprise-level low-carbon standards addressing carbon footprint accounting and low-carbon supply chain management.

A company-level energy and carbon emissions management platform has been developed, featuring carbon data collection, accounting, reporting, and analysis capabilities. Deployed across 35 subsidiaries, it enables autonomous carbon accounting and closed-loop management. Developed a lifecycle carbon footprint accounting, evaluation and traceability management system for construction machinery, operational at XCMG Global Procurement Centre and XCMG Excavator. Completed carbon footprint calculations for 83 core tier-one suppliers, 114 components, and 3 excavator models (XE35E, XE35U, XE600G). Deepened exploration of photovoltaic power generation applications. In 2024, self-generated photovoltaic electricity reached 130 million kWh, achieving carbon dioxide emissions reductions of 91,200 tonnes. For paint exhaust waste heat recovery technology, developed composite phase change thermal storage materials suitable for specific temperature zones. Completed R&D of the construction machinery industry's first integrated low-temperature waste heat recovery-storage-utilisation equipment and piloted its installation on XCMG's hydraulic component painting line. Waste heat recovery reduces energy costs and cuts carbon emissions by 1,160 tonnes annually.

Administrative penalties incurred during the reporting period due to environmental issues

in Full					
Company or Subsidiary Name	Reason for Penalty	Nature of Violation	Penalty Outcome	Impact on the listed company's production and operations	Company Remedial Measures
Not applicable	Not applicable	None	None	Not applicable	Not applicable

Other environmental
information required to be
disclosed: None

Other environmental
protection-related
information: None

II. Social Responsibility

In November 2024, the company disclosed the Global Investor Return Plan for the Next Three Years (2025-2027). Over the next three years, the XCMG Experience Hall and XCMG Intelligent Pilot Factory will offer one complimentary "educational tour" visit per summer holiday to investors/proxy representatives holding shares for at least three months that year, along with their children. Interested parties may register via email at: zqb@xcmg.com.

Further details regarding other social responsibilities are available in the Company's 2024 Environmental, Social and Governance (ESG) Report, published on 29 April 2025 on the China Securities Information Network (www.cninfo.com.cn).

III. Consolidating and Expanding Poverty Alleviation Achievements and Rural Revitalisation

(1) Targeted Poverty Alleviation Planning

Upholding its core values of "Shouldering Great Responsibilities, Pursuing the Right Path, and Achieving Greatness," and with "Boldly Shouldering Great Responsibilities, Pursuing the Right Path for the Long Term" as its responsibility ethos, the company actively fulfils its social responsibilities, extending XCMG's compassion worldwide. Through years of exploration and accumulation, XCMG has gradually forged a distinctive philanthropic path for state-owned equipment manufacturing enterprises, characterised by systematisation, precision, and internationalisation. In accordance with the national strategy of "targeted poverty alleviation", XCMG remains committed to its philanthropic philosophy of "empowering a better life through with love". Collaborating with value chain partners, it focuses on three main themes – "empowering development, building the future, and nurturing compassion" – with particular emphasis on six key areas: disaster relief, health, education, environmental sustainability, customer welfare, and development. This has led to the establishment of a standardised, systematic, model-based, and sustainable philanthropic framework. XCMG actively promotes global initiatives such as "African Water Cisterns", "African Clean Water", Global Artisans" and "XCMG Overseas Internship Programme" to fulfil its corporate citizenship responsibilities.

(2) Annual Targeted Poverty Alleviation Summary

1. African Cistern Project

XCMG Group collaborates with the China Rural Development Foundation on the "African Water Cisterns" initiative, providing funding to construct water cisterns in underdeveloped African regions. This is complemented by charitable outreach, technical training, and other philanthropic activities. Now in its sixth phase, the project has invested over 6 million yuan, constructing 201 household cisterns and delivering clean water to over 12,000 residents. In 2025, construction will continue

40 additional water cisterns.

2. Emergency Relief

In the face of disaster, XCMG consistently safeguards communities through action. On 20 February, when heavy snowfall struck Xuzhou, XCMG swiftly activated its emergency response plan. 121 pieces of equipment and 300 XCMG personnel worked through the night in bitter cold, clearing snow and melting ice. After 30 consecutive hours of operation, they restored the city's traffic flow. On 16 June, torrential rains struck Meizhou, triggering widespread flash floods. XCMG urgently deployed excavators and loaders to repair collapsed roads and seal breached embankments overnight. Across Guangdong, Guangxi, Hunan, Hubei, Sichuan,

Shaanxi, Gansu, Anhui, and Hainan, XCMG personnel were similarly deployed on the front lines of flood control and emergency response, establishing vital lifelines for affected communities. On 10 May, XCMG participated for the fourth consecutive year in the State Council's "Emergency Mission" live-action drill. Thirty-five units of high-precision equipment assembled in Jinhua, Zhejiang, demonstrating the formidable capabilities of national heavy machinery through operations ranging from breach sealing to drainage and emergency relief.

3. XCMG Overseas Interns

The Ninth Season of XCMG Internship Programme (100 Ways to Work at XCMG) leverages "global talent competition" as its strategic fulcrum, innovatively establishing a new international employer brand model centred on "authentic workplace scenario experiences+ and a closed-loop talent ecosystem". The initiative pioneered a three-dimensional interactive system featuring "full industrial chain role immersion", practical project competitions+, and cross-cultural work scenarios+. For the first time, it brought together employees from fourteen overseas regions offline, vividly demonstrating XCMG's "1+14+N" global framework. Through immersive experiences including the XCMG Games, digital factory training, and multinational sales simulations, interns focused on core values of "shouldering great responsibilities, pursuing noble paths, and achieving greatness" alongside digital transformation outcomes throughout the "ice-breaking – intensive training – production line exploration – final presentation" process. This season's activities redefined the international talent attraction principles for high-end equipment manufacturing through innovative practices: strategic employer branding, experiential talent development scenarios, and an industrial showcase ecosystem.

4. One-Day Donation

As a long-standing brand charity initiative, XCMG's poverty alleviation "One-Day Donation" campaign, launched in 2002, has seen all employees have collectively raised 24.0592 million yuan in charitable funds and donated over 273,539 items of supplies. These small contributions have coalesced into a vast ocean, vividly embodying the corporate responsibility of China's leading construction machinery enterprise. This century-spanning commitment to public welfare represents both a heartfelt response to the era from XCMG's workforce and a benchmark for sustainable social responsibility within the industry.

(3) Follow-up Targeted Poverty Alleviation Plan

The company will continue collaborating with shareholders and upstream/downstream value chain partners to integrate internal and external resources, pursuing targeted poverty alleviation initiatives in areas such as employment transfer, education-based poverty reduction, and social welfare support:

In line with the national "Targeted Poverty Alleviation" strategy, we shall deepen initiatives such as the "African Cisterns" project, global scholarship programmes, and the "Micro-Wishes" scheme for Hope Primary Schools. By mobilising partners across the entire value chain and adopting an internet-based public-private partnership (PPP) model, we will collaborate with the China Foundation for Poverty Alleviation to establish community networks and facilitate resource integration. This approach will open channels for mutual cooperation between enterprises, partners, and society at large, thereby expanding the reach and impact of our poverty alleviation projects. Establishing national benchmark demonstration projects for targeted poverty alleviation. For poverty alleviation initiatives such as the "African Water Cisterns" programme, we prioritise summarising and refining advanced experiences and best practices from project implementation. We explore innovative management models, systematise project outcomes and effectiveness, and actively apply for national precision poverty alleviation benchmark projects and international aid benchmark projects through resources such as the China Foundation for Poverty Alleviation, the State Council Leading Group Office of Poverty Alleviation and Development, and the Ministry of Civil Affairs. By leveraging high-level forums organised within the

philanthropic sector, we share successful models of precision poverty alleviation and international aid globally, thereby advancing poverty alleviation efforts across society.

Section VI: Significant Matters

I. Fulfilment of Commitments

1. Commitments made by the Company's actual controller, shareholders, related parties, acquirers, and other relevant parties that were fulfilled during the reporting period and those that remained unfulfilled as of the reporting period's end

☒ Applicable ☐ Not applicable

Reason for Commitment	Commitment Party	Type of Commitment	Content of Commitment	Commitment Date	Commitment Period	Performance Status
Commitments made in the acquisition report or equity change report	Jiangsu Guoxin	Share Reduction Commitment	Reduction of holdings in XCMG Machinery not exceeding 1% of total share capital	2024 22 November 2025	2025 21 November	Proper fulfilment of
Asset Restructuring Commitments	XCMG Group	Share Lock-up Commitment	<p>The shares of the listed company acquired by the Company through subscription using XCMG Limited's equity in this transaction shall not be transferred for a period of 36 months from the date of completion of this issuance.</p> <p>if the closing price of the listed company's shares falls below the issue price of the shares issued in this exchange for 20 consecutive trading days within 6 months (during this period, if the listed company has ex-dividend or ex-rights events such as dividend payments, bonus shares, or capital reserve increases to share capital, adjustments shall be made in accordance with the relevant provisions of the China Securities Regulatory Commission and the Shenzhen Stock Exchange, hereinafter the same), or if the closing price at the end of 6 months after the completion of this issue is lower than the issue price of the shares issued in this Shenzhen Stock Exchange, and shall be adjusted accordingly; the same applies hereinafter), or if the closing price at the end of the six-month period following the completion of this issuance is lower than the issue price of the shares issued in this transaction, the lock-up period for the listed company shares acquired by the Company in this transaction shall be automatically extended by six months beyond the aforementioned lock-up period.</p> <p>During the period of this undertaking, any shares acquired by the Company through this transaction shall also be subject to the aforementioned lock-up period if such shares are increased due to the listed company issuing bonus shares or capitalising reserves. Upon expiry of the lock-up period, the Company shall transfer and trade the listed company shares in accordance with the laws, regulations and rules of the Shenzhen Stock Exchange in force at that time.</p> <p>Should the lock-up period for the shares subscribed by the Company conflict with the latest regulatory policies of the securities regulatory authorities, the Company shall make corresponding adjustments in accordance with the regulatory policies of the securities regulatory authorities.</p> <p>2022</p>	29 August 2022 29 August 2025	29 August 2025 29	Proper fulfilment of

in Full						
Asset Restructuring Commitments	XCMG Jinfan , Tianjin Maoxin, Jinshi Pengheng	Share Lock-up Commitment	<p>The shares of the listed company acquired by this entity as a result of this transaction shall not be transferred in any manner for a period of 36 months from the date of completion of the share issuance.</p> <p>Following the conclusion of this issuance, any additional shares of the listed company acquired by this entity through this transaction due to reasons such as bonus shares or capitalisation of reserves shall also be subject to the aforementioned lock-up period. Upon expiry of the lock-up period, the transfer and trading of the listed company's shares by this entity shall be conducted in accordance with the laws, regulations, and rules of the Shenzhen Stock Exchange in effect at that time.</p> <p>Should the lock-up period for the shares subscribed by this entity conflict with the latest regulatory policies of the securities regulatory authorities, this entity shall make corresponding adjustments in accordance with the regulatory policies of the securities regulatory authorities.</p>	29 August 2022 29 2025	29 August 2025 29	Proper fulfillment of
Asset Restructuring Commitments	XCMG Group	Performance Commitment and Compensation Arrangements	XCMG Group undertakes to achieve the aggregate net profit for each period during the performance compensation period for equity-based performance commitment assets.	2022 01	2024 31 December	Normal fulfillment
			<p>XCMG Group undertakes that the aggregate net profit, after deducting non-recurring gains and losses, of the equity-related performance commitment assets for each of the years 2021, 2022, 2023 and 2024, as audited, shall not be less than RMB 1,480,924,300, ¥1,570,277,100, ¥1,634,708,200, and ¥1,710,296,700 respectively. XCMG Group undertakes that the total revenue share from the intellectual property performance commitment assets shall be RMB 144.9732 million, RMB 133.9485 million, RMB 108.0769 million, and RMB 72.6725 million for each of the periods 2021, 2022, 2023, and 2024 respectively.</p> <p>Should XCMG Group be required to compensate XCMG Machinery with shares, XCMG Machinery shall determine the number of shares to be compensated by XCMG Group for that year based on the special audit opinion issued by a qualified auditing institution. Within two months of the issuance of the special audit opinion, XCMG Machinery shall convene a shareholders' meeting to deliberate on the relevant resolutions concerning the repurchase and cancellation of the shares to be compensated by XCMG Group.</p> <p>and cancellation.</p>	Date	Date	

in Full						
Commitments made during the asset restructuring	XCMG Group	Other Commitments	<p>I. Upon completion of this transaction, the Company shall maintain the independence of the listed company, ensuring its personnel, assets, operations, finances and organisational structure remain distinct and complete.</p> <p>II. Upon completion of this transaction, it is guaranteed that the listed company's senior management personnel, including the President, Vice Presidents, Chief Financial Officer, and other financial staff, shall not hold any administrative positions other than directors or supervisors within the Company or any other enterprises controlled by the Company, nor shall they receive remuneration from the Company or any other enterprises controlled by the Company. It is further guaranteed that the appointment of the listed company's senior management personnel shall be carried out in accordance with legal regulations and the provisions of the listed company's articles of association. It is also guaranteed that the listed company's labour, personnel, and wage management shall be completely independent from the Company and any other enterprises controlled by the Company. III. It is hereby guaranteed that the listed company possesses independent and complete assets, with all such assets under the control of the listed company and independently owned and operated by it. Following the completion of this transaction, it is guaranteed that there shall be no interference in the management of the listed company's assets, nor any unlawful appropriation of the listed company's funds or assets. It is further guaranteed that the assets of the listed company shall not be unlawfully used to provide guarantees for the debts of the controlling shareholder, actual controller, or other enterprises under their control.</p> <p>IV. Following completion of this transaction, guarantee that the listed company's business operations shall remain independent operate independently and conduct business autonomously; the listed company shall independently enter into contracts and conduct business, possessing an independent and complete business system, implementing independent accounting for operational management, independently bearing responsibilities and risks, and possessing the capability for independent, autonomous and sustainable operation in the market.</p> <p>V. Upon completion of this transaction, it is guaranteed that the listed company shall establish an independent finance department in accordance with relevant accounting regulations, implement an independent accounting system and financial management framework, and exercise autonomous financial decision-making. It is further guaranteed that the listed company shall independently open bank accounts for settlement of receipts and payments, and shall independently file tax returns and fulfil tax obligations in accordance with the law.</p> <p>VI. Upon completion of this transaction, the listed company shall guarantee that it will establish its corporate governance structure and internal operational management bodies independently in accordance with the Company Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, and other relevant laws, regulations, and its Articles of Association, to independently establish its corporate governance structure and internal operational management bodies, and to ensure that such bodies independently exercise their respective powers. It is further guaranteed that the operational management bodies of the listed company shall not be intermingled with those of the Company or other enterprises controlled by the Company.</p>	2022 29 2022	Long-term	Proper execution of
Asset restructuring	XCMG	Regarding Same-Industry Competition	I. Upon completion of this transaction, the Company shall endeavour to	2022	Long-term	Normal

in Full						
Commitment	Group	Commitment Regarding Competition, Related-Party Transactions, and Fund Appropriation	<p>To minimise and avoid related party transactions between the Company, other enterprises controlled by the Company, and the listed company and its subsidiaries/branches; for unavoidable or reasonably justified related party transactions, transaction prices shall be determined in accordance with principles of market fairness, equity, and equivalent compensation and shall enter into agreements in accordance with the law, fulfil lawful procedures, and comply with decision-making procedures and information disclosure obligations as stipulated by relevant laws, regulations, normative documents, and the articles of association of the listed company, ensuring that the legitimate rights and interests of the listed company and its minority shareholders are not harmed through related party transactions.</p> <p>II. The Company shall strictly exercise its shareholder rights in accordance with the Company Law of the People's Republic of China and other relevant laws, regulations, and the provisions of the listed company's articles of association. When voting on related-party transactions involving the Company at the shareholders' meeting, the Company shall comply with the relevant provisions of the Company Law of the People's Republic of China, the Listing Rules of the Shenzhen</p> <p>the Company Law of the People's Republic of China, the Shenzhen Stock Exchange Listing Rules, and other laws, regulations, normative documents, and the relevant provisions of the Articles of Association of the listed company.</p> <p>conflict of interest voting obligations.</p>	29 August Sun		Fulfilment of

in Full						
Asset Restructuring Commitments	XCMG Group	Commitments Regarding Competitive Activities, Related Party Transactions and Funds Utilisation	<p>I. As of the date of this undertaking letter, the Company and other enterprises controlled by the Company (excluding XCMG Co., Ltd. and its subsidiaries, collectively referred to as "the Company and Related Enterprises") engage in the same or similar business operations as XCMG Co., Ltd. and other enterprises controlled by it (excluding the listed company). To prevent any potential same-industry competition arising between the Company and Related Enterprises and the listed company post-transaction completion, the Company undertakes to implement corresponding measures to avoid such competition. The relevant circumstances and the Company's undertakings are as follows:</p> <p>(i) Wide-body Dump Truck Business</p> <p>As of the date of this undertaking letter, Xuzhou XCMG Heavy Vehicle Co., Ltd., a subsidiary of Xuzhou XCMG Vehicle Manufacturing Co., Ltd. (hereinafter referred to as "XCMG Vehicle") controlled by the Company, engages in the production and sale of wide-body dump trucks. This business shares certain similarities in product application and customer base with the mining dump truck operations conducted by Xuzhou XCMG Mining Machinery Co., Ltd. (hereinafter referred to as "XCMG Mining Machinery"), a company controlled by XCMG Co., Ltd., resulting in some business overlap. Accordingly, In this regard, the Company undertakes that within 36 months from the date of asset transfer of this transaction, XCMG Automotive shall divest its controlling interest in Xuzhou XCMG Heavy Vehicle Co., Ltd.</p> <p>Heavy Vehicle Co., Ltd. within 36 months from the date of asset transfer for this transaction. Upon completion of the transfer, the controlling shareholder of Xuzhou XCMG Heavy Vehicle Co., Ltd. shall be the listed company, a third-party investor unrelated to this entity, or have no actual controller, thereby avoiding competitive overlap.</p> <p>(2) Concrete Mixer Truck Business</p> <p>As of the date of this undertaking letter, XCMG Automotive, controlled by the Company, engages in the production and sale of complete concrete mixer trucks. This business overlaps to some extent with the concrete mixer truck operations conducted by Xuzhou XCMG Schwing Machinery Co., Ltd. (hereinafter referred to as "XCMG Schwing"), controlled by XCMG Limited. Specifically, XCMG Automotive primarily manufactures concrete mixer truck chassis and assembles complete vehicles by procuring concrete mixer truck superstructures. Conversely, XCMG SVI principally manufactures concrete mixer truck superstructures and assembles complete vehicles by procuring concrete mixer truck chassis. In response, the Company undertakes that XCMG Automotive shall, after selling all existing inventory of complete concrete mixer trucks as of the date of this undertaking and fulfilling all existing orders for complete concrete mixer trucks as of the date of this undertaking, , it will solely engage in the production of concrete mixer truck chassis.</p>	2022 29 August XCMG Automotive	Long-term	Normal fulfillment of

in Full					
			<p>production operations, ceasing the whole-vehicle business for concrete mixer trucks.</p> <p>(3) Excavator Business</p> <p>As of the date of this undertaking letter, the Company, as the investing entity, intends to invest in and hold equity in Urgench Excavator Joint Stock Company (hereinafter referred to as "Urgench Company"), an overseas company registered in Uzbekistan. This company plans to engage in the welding and machining of excavator components in Uzbekistan.</p> <p>Urgench Company falls under the excavator business segment. Pursuant to requirements from state-owned asset regulatory authorities during XCMG Co., Ltd.'s mixed-ownership reform regarding industrial segmentation and asset integration plans between the Company and XCMG Co., Ltd., XCMG Group intends to transfer its equity in Urgench Company to XCMG Co., Ltd. As of the date of this undertaking letter, the Company's capital contribution to Urgench Company has not yet been completed locally, and the Company has not yet been registered as a shareholder of Urgench Company.</p> <p>To avoid competitive conflicts, the Company undertakes that within 24 months of its registration as a shareholder of Urgench Company, it shall transfer its equity interest in</p> <p>Within 24 months of the Company being registered as a shareholder of Urgench Company, the Company undertakes to transfer its equity interest in Urgench Company to XCMG Co., Ltd. or to XCMG Machinery or its subsidiary following completion of this transaction. Prior to the completion of the aforementioned equity transfer in Urgench Company, the Company undertakes to delegate its management rights over said company to XCMG Co., Ltd. or to XCMG Machinery following completion of this transaction.</p> <p>II. From the date of this undertaking letter, to prevent potential competition between the Company and its related entities and the Listed Company and its subsidiaries, in addition to the undertakings stated above, the Company and its related entities shall not, in any form (including but not limited to establishing joint ventures, cooperatives, joint ventures, investments, mergers, or entrusted operations) directly or indirectly engage in, participate in, or assist others in engaging in any identical or similar business or other operational activities that are in direct or indirect competition with the business then being conducted by the listed company and its subsidiaries. Nor shall the Company directly or indirectly invest in any economic entity that is in direct or indirect competition with the business then being conducted by the listed company and its subsidiaries;</p> <p>III. From the date of this undertaking letter, the Company shall supervise and constrain</p> <p>supervise and constrain its own and related enterprises' production and business activities. Should any products or business operations of the Company and its related enterprises (including those established after completion of this transaction) become identical or similar to those of the Listed Company and its subsidiaries, the Company undertakes to resolve the matter through the following measures:</p> <p>(i) Should any commercial opportunity obtained by the Company or its related enterprises from any third party in the future compete or potentially compete with the principal business of the Listed Company and its subsidiaries, the Company and its related enterprises shall immediately notify the Listed Company. Upon securing the third party's consent, the Company and its related enterprises shall endeavour to transfer such commercial opportunity to the Listed Company and its subsidiaries;</p> <p>(ii) Should any actual or potential conflict of interest arise between the Company and its Affiliated Entities and the Listed Company and its Subsidiaries due to substantial or potential competitive activities, the interests of the Listed Company and its Subsidiaries shall be prioritised;</p> <p>(iii) Where deemed necessary by the listed company, the Company and its related entities shall reduce or transfer all relevant assets and businesses held by the related entities</p> <p>(iv) Where deemed necessary by the listed company, it</p>		

			may acquire relevant assets and businesses held by the Company			
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			<p>(iv) Where deemed necessary by the listed company, it may acquire the relevant assets and businesses held by the Company and its related enterprises through appropriate means on a priority basis.</p> <p>IV. From the date of this undertaking, the Company guarantees it shall never utilise its knowledge or information concerning the Listed Company and its subsidiaries to assist any third party in undertaking, participating in, or investing in businesses or projects that compete with the Listed Company and its subsidiaries;</p> <p>V. The Company confirms that each undertaking contained herein constitutes an independently enforceable commitment. Should any undertaking be deemed invalid or terminated, this shall not affect the validity of the remaining undertakings. In the event of any breach of this undertaking, the Company shall</p> <p>compensate the listed company for any losses incurred.</p>			
Commitments made during asset restructuring	XCMG Group	Commitments Regarding Competitive Activities, Related Party Transactions and Fund Occupancy	<p>Following completion of this transaction, the Company undertakes to comply with and ensure that other enterprises under its control comply with the "Notice on Regulating Capital Transactions between Listed Companies and Related Parties and Certain Issues Concerning External Guarantees by Listed Companies" (2017 Revision) and the "Notice of the China Securities Regulatory Commission and the China Banking Regulatory Commission on Regulating External Guarantee Behaviour of Listed Companies" (CSRC Document [2005] No. 120). The Company shall standardise external guarantee behaviour between itself and other enterprises under its control and listed companies, and shall not unlawfully occupy the listed company's funds.</p>	2022 29 August August	Long-term	Regular fulfilment
Whether commitments are fulfilled on time	Yes					
Should the commitment remain unfulfilled beyond the stipulated period, a detailed explanation of the specific reasons for non-completion and the subsequent work plan shall be provided.	Not applicable					

2. Where the company's assets or projects are subject to profit forecasts and the reporting period remains within the forecast period, the company shall explain whether the assets or projects have met the original profit forecasts and the reasons therefor

☒ Applicable ☐ Not applicable

Name of asset or project subject to profit forecast	Forecast Commencement Date	Forecast End Date	Current Period Forecasted Performance (RMB 10,000)	Actual Performance for Current Period (RMB 10,000)	Reasons for Falling Short of Forecast (if applicable)	Original Forecast Disclosure Date	Original Forecast Disclosure Index
XCMG Excavators and XCMG Tower Cranes: Consolidated net profit attributable to owners of the parent company after excluding non-recurring gains and losses	2021 01 January 2021	2024 31	639,620.63	642,188.35	Not applicable	2022 08 July	For details, please refer to the "XCMG Group Construction Machinery Co., Ltd. Absorption Merger of XCM (Revised Edition) published on the China Securities Information Network on 8 July 2022. (Revised Draft) 101111

in Full							
							2021-2022
XCMG Schwing—Patent and proprietary technology, trademark rights and other Intellectual Property Rights	2021 01 January 2021	2024 31 December	45,967.11	44,555.68	The construction machinery sector is cyclical in nature, with varying cyclical patterns across product categories. During the reporting period, the market was impacted by the following factors: market, domestic concrete	2022 07 Details are available in the 2022	For further details, please refer to the "XCMG Group Annual Report for the Year Ended 31 December 2022" XCMG Group Engineering Machinery Co., Ltd. Group Engineering Machinery Stock
Asset Income Sharing Agreement" published on the China Securities Information Network.					The concrete industry remains in a period of profound restructuring.		XCMG Construction Machinery Co., Ltd. Absorption Merger of XCMG Group Construction Machinery Co., Ltd. and Related Party Transaction Report (Revised Draft)

Performance Commitments Made by Company Shareholders and Transaction Counterparties During the Reporting Period

☒ Applicable ☐ Not applicable

In September 2021, the Company and XCMG Group entered into the Performance Commitment Compensation Agreement.

XCMG Group undertook performance commitments regarding the aggregate net profit of equity-related performance commitment assets for each period during the performance compensation period. Should the completion of this transaction fail to be finalised by 31 December 2021 (inclusive), XCMG Group committed that the equity-related performance commitment assets would achieve aggregate net profits not less than RMB 1,480,924,300 for each of the following years:

2022, 2023, and 2024 shall not be less than RMB 1,480,924,300, RMB 1,570,277,100, RMB 1,634,708,200, and RMB 1,710,296,700 respectively, after deducting non-recurring gains and losses. Should the cumulative net profit realised by the equity-based performance commitment assets fall short of the cumulative committed net profit by the end of the relevant period, a compensation obligation shall be triggered.

XCMG Group undertakes the following regarding the projected revenue share from the intellectual property-related performance commitment assets: should the closing of this transaction fail to be completed by 31 December 2021 (inclusive), XCMG Group commits that

the intellectual property-related performance commitment assets shall achieve net profits of no less than RMB 171, 31 (inclusive), XCMG Group commits that the total revenue share amounts for the intellectual property performance commitment assets in each period of 2021, 2022, 2023 and 2024 shall be RMB 144.9732 million, RMB 133.9485 million, RMB 108.0769 million, and RMB 72.6725 million respectively. Should the cumulative realised revenue share from the intellectual property performance commitment assets fall below the cumulative committed revenue share by the end of the relevant period, a compensation obligation shall be triggered.

Performance Commitment Fulfilment Status and Its Impact on Goodwill Impairment Testing

Performance Achievement of Equity-Based Performance Commitment Assets

As audited by Zhongxinghua Certified Public Accountants LLP (Special General Partnership), the cumulative net profit after deducting non-recurring gains and losses for the equity-based performance commitment assets from 2021 to 2024 amounted to RMB 639,620.63 million.

The cumulative net profit after deducting non-recurring gains and losses for the equity-based performance commitment assets from 2021 to 2024 was RMB 639,620.63 million. The actual cumulative net profit after deducting non-recurring gains and losses amounted to RMB 642,188.35 million.

Performance Achievement of Intellectual Property-Related Performance Commitment Assets

As audited by Zhongxinghua Certified Public Accountants LLP (Special General Partnership), the cumulative revenue share commitment for intellectual property performance-related assets from 2021 to 2024 (after taking into account XCMG Limited's shareholding ratio) was RMB 459.6711 million, while the actual cumulative revenue share achieved (after taking into account XCMG Limited's shareholding ratio) amounted to RMB 445,556,800.

II. Non-operational Funds Occupied by Controlling Shareholders and Other Related Parties from the Listed Company

☐ Applicable ☒ Not applicable

During the reporting period, there were no instances of non-operational fund occupation by the controlling shareholder or other related parties towards the listed company.

III. Non-Compliant External Guarantees

☐ Applicable ☒ Not applicable

The Company had no non-compliant external guarantees during the reporting period.

IV. Board of Directors' Explanation Regarding the Most Recent "Qualified Audit Report"

☐ Applicable ☒ Not applicable

V. Explanation by the Board of Directors, Board of Supervisors, and Independent Directors (if applicable) Regarding the "Qualified Audit Report" Issued by the Auditing Firm for the Current Reporting Period

☐ Applicable ☒ Not applicable

VI. Explanation of Changes in Accounting Policies, Accounting Estimates, or Corrections of Significant Accounting Errors Compared with the Previous Year's Financial Report

☒ Applicable ☐ Not applicable

On 6 December 2024, the Ministry of Finance issued Interpretation No. 18 of the Accounting Standards for Business Enterprises (Cai Kui [2024] No. 24, hereinafter referred to as "Interpretation No. 18"), which provides normative guidance on "Subsequent Measurement of Investment Property Held as a Base Item under the Floating Charge Method" and "Accounting Treatment for Warranty-Type Quality Guarantees Not Constituting Individual Performance Obligations". This interpretation took effect upon issuance.

VII. Explanation of Changes in the Scope of Consolidated Financial Statements Compared to the Previous Year

☒ Applicable ☐ Not applicable

During the reporting period, the Company or its subsidiaries established the following entities through new incorporations: Chengdu XCMG Southwest Technology Co., Ltd., Xuzhou Xuhuan Urban Services Co., Ltd., Pingdingshan Xuchen Environmental Services Co., Ltd., XCMG International Investment Development (Tianjin) Co., Ltd., Xuzhou XCMG No. 3 Equity Investment Partnership (Limited Partnership), XCMG Chile Financial Leasing Co., Ltd., Jieshou Xuhuan Urban Services Co., Ltd., Dongming Xuhuan Environmental Services Co., Ltd., XCMG EQUIPMENT (M) SDN BHD, XCMG Japan Co., Ltd., XCMG Tanzania Co., Ltd., XCMG Finance Australia Co., Ltd., XCMG Europe Investment Development Co., Ltd., XCMG Europe Financial Leasing Co., Ltd., and XCMG Peru Co., Ltd. into the scope of consolidated financial statements. Inner Mongolia XCMG Mining Machinery Co., Ltd. and Dalian Riquan Electric Technology Co., Ltd. were deregistered, while Xuzhou Jiayu Energy Trading Co., Ltd. was disposed of and no longer included in the consolidated financial statements.

VIII. Appointment and Dismissal of Auditing Firms

Currently Appointed Auditors

Domestic Accounting Firm Name	Zhongxinghua Certified Public Accountants (Special General Partnership)
Remuneration for Domestic Accounting Firm (RMB 10,000)	266
Continuous Years of Audit Services Provided by Domestic Accounting Firm	1
Name of Certified Public Accountant at Domestic Accounting Firm	Ren Huagui, Wang Jun, Yang Rui
Continuous years of audit services provided by the domestic accounting firm's certified public accountants	Ren Huagui: 1 year, Wang Jun: 1 year, Yang Rui: 1 year
Name of Overseas Accounting Firm (if applicable)	Not applicable
Continuous years of audit services provided by overseas accounting firms (if applicable)	Not applicable
Name of the overseas accounting firm's certified public accountant (if applicable)	Not applicable
Continuous years of audit services provided by the overseas accounting firm's certified public accountants (if applicable)	Not applicable

Whether the accounting firm was changed during the current period

☐ Yes ☒ No

Engagement of internal control audit accounting firms, financial advisers or sponsors

☒ Applicable ☐ Not applicable

Appointed Zhongxinghua Certified Public Accountants LLP as the internal control audit firm, with remuneration for the 2024 internal control audit services amounting to RMB 4 8 0 ,000.

IX. Potential Delisting Following Annual Report Disclosure

☐ Applicable ☒ Not applicable

X. Matters Relating to Bankruptcy Reorganisation

☐ Applicable ☒ Not applicable

No matters relating to bankruptcy reorganisation occurred during the reporting period.

XI. Significant Litigation and Arbitration Matters

☐ Applicable ☒ Not applicable

The Company had no material litigation or arbitration matters during the reporting period.

XII. Penalties and Rectification Measures

☐ Applicable ☒ Not applicable

The Company has not incurred any penalties or implemented rectification measures during the reporting period.

XIII. Integrity Status of the Company, its Controlling Shareholder and Actual Controller

☐ Applicable ☒ Not applicable

XIV. Significant Related Party Transactions

1. Related-party transactions related to daily operations

☒ Applicable ☐ Not applicable

Related Party	Related Party Relationship	Type of Related Party Transaction	Details of Related Party Transaction	Pricing Principles for Related Party Transactions	Related-party transaction price	Amount of Related Party Transaction (RMB 10,000)	Proportion of Total Transaction Amounts	Approved Transaction Limit (¥10,000)	Whether exceeding approved limit	Settlement method for related-party transactions	Market price for comparable transactions	Disclosure date	Disclosure Index
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Controlled by XCMG Group	Related-party procurement	Procurement Products	Market Price	As stipulated in the contract	22.979	0.32%	68,000	No	As per contractual agreement	/	2024 April 30 2024	2024-11
Xuzhou Xugong Automobile Manufacturing Co. Xuzhou XCMG Vehicle Manufacturing	Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	Related-party procurement	Procurement of Materials, products	Market price	As per contractual agreement	177.919	2.48%	240,000	No	in accordance with the contractual agreement	/	2024 April 30 2024	2024-11

in Full													
ing Co., Ltd.	Controlle d												
Xuzhou New Energy	Co- recipient XCMG	Associate d Procure ment	Procure ment Products	Market Pricing	Accordin g to Contract	83.92 4	1.17%	90,00 0	No	Accordin g to contract	/	2024 April	202 4-11
Yuan Automobile Co., Ltd. Group	Grou p Contr ol				Agreeme nt					Agreeme nt		30 Month	
Xuzhou Rotor Bearing Co., Ltd.	Comp any Direct or Serves as Deputy Direct or of His Own Company of the Company	Relate d Party Procure ment	Procure ment of Materials	Mark et Price	In accor dance with contr actual terms	14.43 6	0.20%	15.00 0	No	As per contr actual agree ment	/	2024 April 30 2024	202 4-11
Xuzhou Meichi Axle Co., Ltd.	Comp any Chair man serves as Direct or of the comp any of the company	Relate d- party procure ment	Procure ment of Materials	Mark et price	In accor dance with contr actual agree ments	9,567	0.13%	16,00 0	No	As per contr actual agree ment	/	2024 April 30 2024	202 4-11
Xuzhou Pate Control Technology Co., Ltd.	Comp any execu tives servin g as direct ors of their respe ctive comp anies Chairma n	Relate d- party procure ment	Procure ment of Materials	Mark et price	In accor dance with the contr act	0	0.00%	15,00 0	No	As per contr actual agree ment	/	2024 April 30 2024	202 4-11
Xuzhou Wika Electronic Control Technology Co., Ltd.	Comp any execu tives servin g as direct ors of their respe ctive comp anies Chairma n	Relate d- party procure ment	Procure ment of Materials	Mark et price	In accor dance with contr actual terms	43.25 7	0.60%	50,00 0	No	As per contr actual agree ment	/	2024 April 30 2024	202 4-11

in Full													
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Associated Procurement	procurement of materials, products	Market price	As per contractual agreement	78,533	1.09%	80,000	No	As per contractual agreement	/	2024 April 30 2024	2024-11
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	and XCMG Group	Related-party sales	Products sold	Market Price	As stipulated in the contract	278.348	3.15%	350,000	No	As per contractual agreement	/	2024 April 30 2024	2024-11
Xuzhou Xugong Automobile Manufacturing Co. Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	Xuzhou XCMG Vehicle Manufacturing Co., Ltd. Controlled	Related-party sales	Products for sale	Market price	As per contractual agreement	2,323	0.03%	60,000	No	As stipulated in the contract	/	2024 April 30 2024	2024-11
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Related-party sales	Sales of materials, products	Market price	As per contractual agreement	87,331	0.99%	80,000	Yes	As stipulated in the contract	/	2024 April 30 2024	2024-11
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Leased	leased premises, Equipment	Market price	As per contractual agreement	5,334		8,000	No	As stipulated in the contract	/	2024 April 30 2024	2024-11
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Associated Leasing	Leased out factory buildings, Equipment	Market price	As per contractual agreement	40		6,000	No	As stipulated in the contract	/	2024 April 30 2024	2024-11
Jiangsu Zehan Manufacturing Outsourcing Co. Co., Ltd.	and XCMG Group Control	Associated Labour Services	Acceptance of Labour/Services	Market Price	As per contractual agreement	16.954		55.000	No	As per contractual agreement	/	2024 April 30 2024	2024-11
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Associated Labour Services	Acceptance of labour/services	Market price	As stipulated in the contract	333		50,000	No	As stipulated in the contract	/	2024 April 30 2024	2024-11

in Full													
XCMG Group and its controlled Associated Parties	are jointly controlled by XCMG Group control	Associated labour services	Provision of labour /services	Market price	As stipulated in the contract	0		3,000	No	As stipulated in the contract	/	2024 April 30 2024	2024-11
Total				—	—	821.278	—	1,186,000	—	—	—	—	—
Details of Large-Scale Sales Returns				Not applicable									
Actual performance during the reporting period (if any) of estimated total amounts for routine related-party transactions expected to occur during the current period, categorised by type				Estimated amount for routine related-party transactions involving procurement of materials and products in 2024: RMB 574 million. Actual amount executed during the reporting period: The estimated amount for the sale of materials and products is ¥490,000 million; the actual amount executed during the reporting period was ¥368,001 million. The estimated amount for related-party leasing is ¥14,000 million, with an actual amount executed during the reporting period of ¥5,374 million. 368,001 million yuan; the estimated amount for related-party leasing was 14,000 million yuan, with an actual execution of 5,374 million yuan during the reporting period; The projected amount for services received was ¥1,050 million, with an actual execution of ¥172.87 million during the reporting period; the projected amount for services provided amount of RMB 30 million, with actual execution during the reporting period amounting to RMB 0 million.									
Reasons for significant deviation between transaction prices and market reference prices (if applicable)				Not applicable									

2. Related party transactions arising from the acquisition or disposal of assets or equity interests

☐ Applicable ☒ Not applicable

The Company did not engage in any related party transactions involving the acquisition or disposal of assets or equity interests during the reporting period.

3. Related party transactions involving joint external investments

☐ Applicable ☒ Not applicable

The Company did not engage in any related party transactions involving joint external investments during the reporting period.

4. Related-party debt and credit transactions

☐ Applicable ☒ Not applicable

The Company had no related party debt and credit transactions during the reporting period.

5. Transactions with Financial Companies Having Related Party Relationships

☐ Applicable ☒ Not applicable

The Company has no deposits, loans, credit facilities or other financial dealings with the financial company with which it has an associated relationship or with any associated party.

6. Transactions between the Company's Controlled Finance Companies and Related Parties

☐ Applicable ☒ Not applicable

There are no deposits, loans, credit facilities or other financial transactions between the financial company controlled by the Company and its related parties.

7. Other Significant Related Party Transactions

☐ Applicable ☒ Not applicable

The Company had no other significant related party transactions during the reporting period.

XV. Significant Contracts and Their Implementation Status

1. Custody, Contracting, and Leasing Arrangements

(1) Custody Arrangements

☐ Applicable ☒ Not applicable

The Company had no custodial arrangements during the reporting period.

(2) Contractual Arrangements

☐ Applicable ☒ Not applicable

The Company had no contracting arrangements during the reporting period.

(3) Leasing Arrangements

☐ Applicable ☒ Not applicable

The Company had no leasing arrangements during the reporting period.

2. Significant Guarantees

☒ Applicable ☐ Not applicable

Unit: RMB 10,000

Guarantees provided by the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of Guarantee Recipient	Guarantee Amount Date of Relevant Announcement Disclosure	Guarantee Amount	Actual Incurrence Date	Actual Guarantee Amount	Guarantee Type	Collateral (if applicable)	Counter-guarantee status (if applicable)	Guarantee Period	Fully Performed	Whether a Related Party Guarantee
Mortgage	2024 30 April	1,150,000		884,827.73	Joint and several liability guarantee			Each guarantee shall not exceed a term of 5 years	No	No
Financial leasing	2024 30 April	6,300,000		5,674,320.01	Joint and several liability guarantee			Each guarantee shall not exceed a term of 6 years	No	No
Supply Chain Finance	2024 30 April	1,200,000		1,186,157.28	Joint and several guarantee			Each guarantee shall not exceed 3 years	No	No
Total external guarantee amount approved during the reporting period (A1)		8,650,000		Total actual external guarantees incurred during the reporting period (A2)		6,531,369.13				
Total approved external guarantee limits at the end of the reporting period (A3)		8,650,000		Total actual external guarantee balance at the end of the reporting period (A4)		7,745,305.02				
Guarantees provided by the company to subsidiaries										

in Full										
Name of Guarant ee Recipien t	Guarant ee Amount Related Disclosure	Guara ntee Amou nt	Actual Incurr ence Date	Actual Guarant eed Amount	Guara ntee Type	Collateral (if appli cable)	Counte r-guaran tee status (if	Guarantee Period	Fully Perform ed	Whether a Related Party Guarante e
	Disclosure Date						Yes)			
Subsidiar ies	2024 30 April	12,000	2023 05 January	9,154.96	Joint and several guarante e			11 years	No	No
Subsidiar ies	2024 30 April	50,000	2024 21 August	4,212.4	Joint and several guarante e			8 years	No	No
Subsidiar ies	2024 30 April	25,000	2024 10 December	100	Joint and several liability guarante e			8 years	No	No
Subsidiar ies	2024 30 April	20,000	2023 06 September	7,742.63	Joint and several liability guarante e			5 years	No	No
Subsidiar ies	2024 30 April	10,800	2023 30 May	10,561.7 2	Joint and several guarante e			5 years	No	No
Subsidiar ies	2024 30 April	80,000	2023 25 August	32,416.2 3	Joint and several guarante e			5 years	No	No
Subsidiar ies	2024 30 April	36,000	2021 30 July	32,674.6 8	Joint and several guarante e			4 years	No	No
Subsidiar ies	2024 30 April	71,500	2022 30 September	64,272.6 8	Joint and several guarante e			4 years	No	No
Subsidiar ies	2024 30 April	32,000	2021 15 June	21,719.8 8	Joint and several liability guarante e			3 years	No	No
Subsidiar ies	2024 30 April	3,400	2022 30 September	2,998.9	Joint and several guarante e			3 years	No	No
Subsidiar ies	2024 30 April	9,000	2021 12 March	2,000	Joint and several liability guarante e			2 years	No	No
Subsidiar ies	2024 30 April	3,585.87 6.73		1,517.68 0.23	Joint and several guarante e			1 year	No	No

in Full										
Total guarantee amount approved for subsidiaries during the reporting period (B1)		3,935,576.73		Total actual guarantees provided to subsidiaries during the reporting period (B2)		2,115,727.3				
Total approved guarantee limits for subsidiaries at the end of the reporting period (B3)		3,935,576.73		Total actual guarantee balance for subsidiaries at the end of the reporting period (B4)		1,705,534.32				
Guarantees provided by subsidiaries to other subsidiaries										
Name of Guarantee Recipient	Guarantee Amount Date of Relevant Announcement Disclosure	Guarantee Amount	Actual Incurrence Date	Actual Guarantee Amount	Guarantee Type	Collateral (if applicable)	Counter-guarantee status (if applicable)	Guarantee Period	Whether Fully Performed	Whether Related Party Guarantee
Total Company Guarantees (i.e. sum of the top three items)										
Total Guarantee Amounts Approved During the Reporting Period (A1 + B1 + C1)		12,585,576.73		Total actual guarantees incurred during the reporting period (A2 + B2 + C2)		8,647,096.43				
Total approved guarantee amount at the end of the reporting period (A3 + B3 + C3)		12,585,576.73		Total actual guarantee balance at the end of the reporting period (A4 + B4 + C4)		9,450,839.34				
Actual total guarantees (i.e. A4+B4+C4) as a percentage of the company's net assets				159.35%						
Asset ratio										
Of which:										
Balance of guarantees provided to shareholders, actual controllers and their related parties (D)				0						
Outstanding debt guarantees provided directly or indirectly to guaranteed parties with a debt-to-asset ratio exceeding 70% (E)				7,038,339.42						
Amount exceeding 50% of net assets (F)				6,485,402.44						
Total of the above three guarantee amounts (D+E+F)				13,523,741.86						

3. Cash Asset Management Entrusted to Third Parties

(1) Entrustment of Financial Management

☐ Applicable ☒ Not applicable

The Company had no entrusted financial management during the reporting period.

(2) Entrusted loans

☐ Applicable ☒ Not applicable

The Company had no entrusted loans during the reporting period.

4. Other Significant Contracts

☐ Applicable ☒ Not applicable

The Company had no other significant contracts during the reporting period.

XVI. Explanation of Other Significant Matters

☐ Applicable ☒ Not applicable

There were no other significant matters requiring disclosure during the reporting period.

XVII. Significant Matters Concerning Company Subsidiaries

☐ Applicable: ☒ Not applicable

Section VII: Shareholding Changes and Shareholder Information

I. Shareholding Changes

1. Shareholding Changes

Unit: Shares

	Prior to this change		Increase/decrease in this change (+, -)					After this change	
	Quantity	Proportion	New share issuance	Bonus shares	Capital reserve conversion	Other	Subtotal	Quantity	Ratio
I. Restricted Shares	3,696,076,522	31.28%				-2,638	-2,638	3,696,073,884	31.28%
1. State holdings									
2. State-owned legal entity holdings	2,377,294,179	20.12%						2,377,294,179	20.12%
3. Other domestic holdings	1,317,915,683	11.15%				-2,638	-2,638	1,317,913,045	11.15%
Of which: Domestic legal entity holdings	1,199,005,175	10.15%						1,199,005,175	10.15%
Domestic natural person shareholding	118,910,508	1.01%				-2,638	-2,638	118,907,870	1.01%
4. Foreign Shareholding	866,660	0.01%						866,660	0.01%
Of which: Overseas corporate holdings									
Foreign natural person holdings	866,660	0.01%						866,660	0.01%
II. Shares without restrictions on transfer	8,120,089,571	68.72%				2,638	2,638	8,120,092,209	68.72%
1. Ordinary shares of Renminbi	8,120,089,571	68.72%				2,638	2,638	8,120,092,209	68.72%
2. Foreign shares listed domestically									
3. Foreign shares listed overseas									
4. Other									
III. Total Number of Shares	11,816,166,093	100.00%						11,816,166,093	100.00%

Reason for Share Movement

☒ Applicable ☐ Not applicable

During the reporting period, Mr. Fei Guangsheng reduced his shareholding by 2,713 locked-up shares, while Mr. Ma Jingya increased his shareholding by 75 locked-up shares. Approval Status of Share Changes

☐ Applicable ☒ Not applicable

Transfer status of share changes

☐ Applicable ☒ Not applicable

Impact of Share Changes on Financial Indicators Including Basic and Diluted Earnings Per Share, and Net Assets Per Share Attributable to Ordinary Shareholders

for the Most Recent Year and Period

☐ Applicable ☒ Not applicable

Other information deemed necessary by the Company or required for disclosure by securities regulators

☐ Applicable ☒ Not applicable

2. Changes in restricted shares

☐ Applicable ☒ Not applicable

II. Securities Issuance and Listing

1. Securities Issuance (Excluding Preference Shares) During the Reporting Period

☐ Applicable ☒ Not applicable

2. Explanation of Changes in Total Number of Company Shares, Shareholder Structure, and Assets and Liabilities Structure

☐ Applicable: ☒ Not applicable

3. Current status of existing employee shareholding schemes

☐ Applicable ☒ Not applicable

III. Shareholders and Controlling Interests

1. Number of Shareholders and Shareholding Situation

Unit: Shares

Total number of ordinary shareholders at the reporting period end	122,007	Total number of ordinary shareholders at the end of the month preceding the date of disclosure of the annual report	108,828	Total number of preference shareholders with restored voting rights at the end of the reporting period (if any) (See Note 8)	0	Total number of preferred shareholders with restored voting rights as at the end of the month preceding the date of disclosure of the annual report (if any)(see Note 8)	0	
Shareholding status of shareholders holding 5% or more of the shares or the top 10 shareholders (excluding shares lent through securities lending)								
Shareholder Name	Shareholder Category	Shareholding Ratio	Number of Shares Held at End of Reporting Period	Changes in Shareholding During the Reporting Period	Number of Shares Subject to Restrictions on Transfer	Number of shares held without restrictions on transfer	Pledged, marked or frozen status	
							Share status	Quantity
Xuzhou Construction Machinery Group Co., Ltd.	State-owned Legal Entity	20.83%	2,461,325.466	0	2,376,848,019	84,477,447	Not applicable	0
Tianjin Maoxin Enterprise Management Partnership (Limited Partnership)	Domestic Non-State Legal Person	6.17%	728,675.752	0	728,675,752	0	Pledged	728,675,752
Jiangsu Guoxin Group Co., Ltd. Limited	State-owned Legal Entity	5.00%	590,808.280	-63,690,900	0	590,808,280	Not applicable	0
Huzhou Yingcan	Domestic Non-State	3.11%	367,957,139	0	0	367,957,139	Not applicable	0

Investment Partnership	Legal Entity				in Full			
Company (Limited Partnership)								
Hong Kong Central Clearing Limited Company	Other	2.65%	313,285,870	-11,037,215	0	313,285,870	Not applicable	0
CCB Financial Asset Investment Co., Ltd.	State-owned Legal Entity	2.56%	302,206,049	-3,226,900	0	302,206,049	Not applicable	0
Zibo Jinshi Pengheng Equity Investment Partnership (Limited Partnership) Limited Partnership)	Domestic Non-State Legal Entity	2.32%	274,156.963	0	274,156.963	0	Not applicable	0
National Manufacturing Transformation and Upgrading Fund Co., Ltd. Company	State-owned Legal Entity	1.77%	209,114,505	0	0	209,114,505	Not applicable	0
Xuzhou Xugong Jinfan Leading Enterprise Management Consulting Partnership (Limited Partnership) Limited Partnership)	Domestic Non-State Legal Person	1.60%	189,477.510	0	189,477,510	0	Pledged	57,244,680
China Securities Finance Co., Ltd. Co., Ltd.	Domestic Non-State Legal Entities	1.41%	166,923,243	0	0	166,923,243	Not applicable	0
Strategic investors or general legal entities becoming top 10 shareholders through new share placements (if applicable) (see Note 3)	None							
Explanation of Related Party Relationships or Concerted Actions Among the Above Shareholders	Among the aforementioned shareholders, Xuzhou Construction Machinery Group Co., Ltd. has no affiliation with other shareholders and is not considered a concert party.							
Explanation of proxy voting arrangements or waiver of voting rights by the aforementioned shareholders	None							
Special note regarding repurchase special accounts among the top 10 shareholders (if applicable) (See Note 10)	None							
Top 10 Unrestricted Shareholders' Holdings (excluding shares lent through securities lending and lock-up shares held by senior executives)								
Shareholder Name	Number of Unrestricted Shares Held at End of Reporting Period					Share Type		
						Type of Shares	Quantity	
Jiangsu Guoxin Group Co., Ltd. Co.	590,808,280					RMB Ordinary Shares	590,808,280	

	in Full	Common Shares	
Huzhou Yingcan Investment Partnership (Limited Partnership)	367,957,139	RMB Common Common Shares	367,957,139
Hong Kong Securities Clearing Company Limited	313,285,870	RMB Ordinary Shares Ordinary Shares	313,285,870
CCB Financial Asset Investment Co., Ltd. Company	302,206,049	RMB Ordinary Shares Common Shares	302,206,049
National Manufacturing Transformation and Upgrading Base Co., Ltd.	209,114,505	RMB Ordinary Shares Ordinary Shares	209,114,505
China Securities Finance Corporation Limited Company	166,923,243	RMB Ordinary Shares Common Shares	166,923,243
Shanghai Guosheng Capital Management Co., Ltd. Company – Shanghai Shengchao Equity Investment Limited Partnership Partnership)	165,775,473	RMB Common Ordinary Shares	165,775,473
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-Traded Index Securities Securities Investment Fund	141,697,443	Renminbi Ordinary Shares	141,697,443
China-Singapore Rongchuang Capital Management Co., Ltd. – Ningbo Meishan Bonded Port Area Chuangji Asset Management Partnership Enterprise (Limited Partnership) (Limited Partnership)	116,539,169	Class A ordinary shares	116,539,169
China Construction Bank Corporation – E Fund CSI 300 Exchange-Traded Open-Ended Index Initiating Securities Investment Fund	98,514,026	Renminbi Ordinary Shares	98,514,026
Top 10 unrestricted tradable shares between the top 10 unrestricted circulating shareholders and the top 10 shareholders Restricted Circulation Shares and the Top 10 Shareholders	Among the aforementioned shareholders, Xuzhou Construction Machinery Group Co., Ltd. has no affiliation with other shareholders and is not considered a concert party.		
Statement on the participation of the top 10 ordinary shareholders in margin financing and securities lending activities (if applicable) (see Note 4)	None		

Shareholding situation of shareholders holding over 5%, the top 10 shareholders, and the top 10 unrestricted circulating shareholders participating in securities lending transactions

□ Applicable: ☒ Not applicable

Changes in the top 10 shareholders and top 10 unrestricted circulating shareholders due to lending/return of shares for securities lending and borrowing

compared to the previous period

☐ Applicable ☒ Not applicable

Whether the company's top 10 ordinary shareholders and top 10 unrestricted ordinary shareholders engaged in agreed repurchase transactions during the reporting period

☐ Yes ☒ No

The Company's top 10 ordinary shareholders and top 10 unrestricted ordinary shareholders did not engage in any agreed repurchase transactions during the reporting period.

2. Controlling Shareholder Status

Nature of Controlling Shareholder:

Local State-Owned Controlling

Shareholder Type: Legal Entity

Name of Controlling Shareholder	Legal Representative/ Head of Entity	Date of Establishment	Organisation Code	Principal Business Activities
Xuzhou Construction Machinery Group Co., Ltd.	Yang Dongsheng	1985 August 21 Year	913203011347852611	Research, development, manufacturing, sales, leasing, after-sales service, and related technical research and experimental development of lifting equipment, motor vehicles and modified vehicles, construction machinery, mining machinery, environmental sanitation machinery, power machinery, port-specific machinery, general-purpose foundations, pneumatic tools, complete sets of construction machinery equipment, and loose construction machinery components and parts; software development; information system integration services; Information technology consultancy services; data processing and storage services; property management; construction engineering survey and design, planning management services; warehousing services; conference and exhibition services; real estate development and operation; ordinary road freight transport; manufacture and sale of precast concrete components; self-operated or agency import and export of various commodities and technologies (excluding commodities and technologies restricted or prohibited by the state for enterprise operation) (Projects subject to approval in accordance with the law may only be conducted after obtaining approval from the relevant authorities)
Controlling Shareholder's Holdings and Participations in Other Domestic and Overseas Entities During the Reporting Period and participating interests in other domestic and overseas listed companies	None			
Equity holdings in other listed companies				

Changes in controlling shareholders during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the Company's controlling shareholder during the reporting period.

3. Actual Controlling Person and Persons Acting in Concert

Nature of Actual Controller: Local State-owned

Assets Management Authority Type of Actual

Controller: Legal Entity

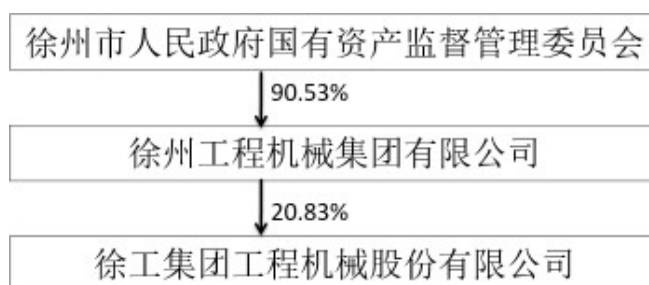
Name of Actual Controller	Legal Representative /Head of Entity	Date of Establishment	Organisation Code	Principal Business Activities
Xuzhou Construction Machinery Group Co., Ltd.	Yang Dongsheng	1985 21 August	913203011347852611	Research, development, manufacturing, sales, leasing, after-sales service, and related technical research and experimental development of lifting equipment, motor vehicles and modified vehicles, construction machinery, mining machinery, environmental sanitation machinery, power machinery, port-specific machinery, general-purpose foundations, pneumatic tools, complete sets of construction machinery equipment, and loose construction machinery components and parts; software development; information system integration services; Information technology consultancy services; data processing and storage services; property management; construction engineering survey and design, planning management services; warehousing services; conference and exhibition services; real estate development and operation; ordinary road freight transport; manufacture and sale of precast concrete components; self-operated or agency import and export of all types of goods and technologies (excluding goods and technologies restricted or prohibited by the state for enterprise operation) (Projects subject to approval in accordance with the law may only commence operations upon obtaining approval from the relevant authorities). may only be conducted upon obtaining approval from the relevant authorities)
Equity holdings in other domestic and overseas listed companies controlled by the actual controller during the reporting period	None			

Changes in the actual controller during the reporting period

☐ Applicable ☒ Not applicable

There was no change in the Company's actual controller during the reporting period.

Block diagram illustrating the ownership and control relationship between the company and its actual controller



The actual controller exercises control over the company through trusts or other asset management arrangements

☐ Applicable ☒ Not applicable

4. The cumulative number of shares pledged by the controlling shareholder or largest shareholder and their concerted parties reaches 80% of the total shares they hold in the company.

☐ Applicable ☒ Not applicable

5. Other corporate shareholders holding 10% or more of the shares

☐ Applicable ☒ Not applicable

6. Shareholding restrictions on the controlling shareholder, actual controller, restructuring party and other parties subject to commitments

☒ Applicable ☐ Not applicable

See the Announcement on Commitments by Related Parties Regarding the Absorption Merger of XCMG Group Construction Machinery Co., Ltd. and Related Party Transactions (No. 2022-87), published on the China Securities Information Network on 26 August 2022.

IV. Specific Implementation of Share Repurchases During the Reporting Period

Progress of Share Repurchase Implementation

☒ Applicable ☐ Not applicable

Disclosure Date of Scheme	Proposed Number of Shares to be Repurchased (shares)	Percentage of Total Share Capital	Proposed Repurchase Amount (RMB 10,000)	Proposed Repurchase Period	Purpose of Repurchase	Number of Shares Already Repurchased (shares)	Proportion of Repurchased Quantity to Total Shares Under Equity Incentive Plan (if applicable)
30 April 2024 30	Not applicable	Not applicable	Not exceeding RMB 600 million (inclusive), not less than ¥300 million (inclusive)	23 May 2024 23 to 22 May 2025 22 May 2025	To reduce the company's registered capital	56,515,180	0.00%

Progress of the implementation of the reduction of repurchased shares through centralised competitive bidding

☐ Applicable ☒ Not applicable

Section VIII: Matters Relating to Preference Shares

☐ Applicable ☒ Not applicable

The Company had no preference shares during the reporting period.

Section IX: Bond-Related Information

☒ Applicable ☐ Not applicable

I. Corporate Bonds

☐ Applicable ☒ Not applicable

The Company had no corporate bonds during the reporting period.

II. Corporate Bonds

☒ Applicable ☐ Not applicable

1. Corporate Bond Basic Information

Unit: Ten thousand yuan

Bond Name	Bond Abbreviation	Bond Code	Issue Date	Interest Commence ment Date	Maturity Date	Outstanding Amount	Interest Rate	Principal and Interest Repayme nt Method	Trading Venue
XCMG Constructio n Machinery Co., Ltd. 2023 Public Offering of Corporate Bonds to Professiona l Investors (Hilande) (Type I)	23 XCMG 01	148422.SZ	2023 11	2023 11 August	2026 10 August	200,000	2.93%	Interest shall be calculated on a simple annual basis without compoundi ng. Interest shall be paid annually, with the principal repaid in full upon maturity.	Shenzhen Stock Exchange
Investor Suitability Arrangements (if applicable)			Public offering to qualified investors/professional investors						
Applicable Trading Mechanism			Dual-listing on both the auction system and the integrated agreement trading platform, with trading restricted to qualified investors/professional investors						
Risk of Delisting (If applicable) and Mitigation Measures			Not applicable						

Overdue Bonds

☐ Applicable ☒ Not applicable

2. Triggering and execution of issuer or investor option clauses and investor protection clauses

☐ Applicable ☒ Not applicable

3. Intermediaries

Bond Project Name	Name of Intermediary	Business Address	Signing Accountant's Name	Intermediary Contact Person	Contact Telephone
XCMG Construction Machinery Co., Ltd. 2023 Public Offering of Corporate Bonds to Professional Investors (First Tranche) Issue)(Variety I)	Huatai United Securities Co., Ltd.	Room 401, Building B7, Qianhai Shenzhen-Hong Kong Fund Town, 128 Guiwan 5th Road, Nanshan Subdistrict, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen	Not applicable	Wang Jun	010-56839513

Were there any changes to the aforementioned institutions during the reporting period?

☐ Yes ☒ No

4. Use of Raised Funds

Unit: RMB 10,000

Bond Code	Bond Abbreviation	Total Amount of Raised Funds	Agreed Use of Raised Funds	Amount Utilised	Actual Utilisation of Raised Funds (Classified by purpose, excluding temporary working capital supplementation)	Actual Utilisation of Funds by Category	Unused Amount	Operation of dedicated fundraising accounts (if applicable)	Rectification Status of Improper Use of Raised Funds (if applicable)	Consistency with the intended purpose, usage plan, and other agreements stated in the prospectus
148422.SZ	23 XCMG 01	200,000	For repayment of the maturing corporate bond "20 XCMG 01"	200,000	For the repayment of corporate bonds	For the repayment of the maturing corporate bond "20 Xugong 01"	0	For the aforementioned entrusted bonds, the issuer has established a special account for the use of raised funds at the designated bank. This account operates normally, and the issuer strictly arranges the use of raised funds in accordance with the purposes and amounts committed in the prospectus. It is specifically designated for holding funds raised from bond issuance, implementing dedicated funds for dedicated purposes, and is supervised by the bank to ensure the issuer strictly adheres to the intended use of raised funds. for their intended purposes.	None	Yes

Proceeds allocated to construction projects

☐ Applicable ☒ Not applicable

Changes to the use of bond proceeds during the reporting period

☐ Applicable ☒ Not applicable

5. Adjustments to credit rating results during the reporting period

☐ Applicable ☒ Not applicable

6. Implementation and changes in guarantee arrangements, debt repayment plans and other debt repayment safeguards during the reporting period, and their impact on bond investors' rights

☐ Applicable ☒ Not applicable

III. Non-financial Enterprise Debt Financing Instruments

☒ Applicable ☐ Not applicable

1. Basic Information on Non-Financial Enterprise Debt Financing Instruments

Unit: RMB 10,000

Bond Name	Bond Abbreviation	Bond Code	Issue Date	Interest Commence ment Date	Maturity Date	Outstanding Amount	Interest Rate	Principal and Interest Repayme nt Method	Trading Venue
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Directed Commercial Paper Asset-Backed Commercial Paper	22 XCMG Machinery ABN001	0822002 52-0822002 55	2022 16 December December	2022 22	2027 26 November	93,014.48	-	Quarterly interest payments, amortisatio n on a pay-as-you-go basis	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2023 First Tranche of Directed Commercial Paper Asset-Backed Commercial Paper	23 XCMG Machinery ABN001	0823003 09-0823003 12	2023 15 June	2023 20 June	2027 17 December	103,200	-	Quarterly interest payments, amortisatio n on a pay-as-you-go basis	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2023 Second Tranche of Targeted Commercial Paper Asset-Backed Commercial Paper	23 XCMG Machinery ABN002	0823003 57-0823003 60	2023 18 September	2023 21 September	2028 23 February	109,990	-	Quarterly interest payments, amortisatio n upon transfer	Interbank Market
XCMG Construction Machinery Co., Ltd. Third Tranche of 2023 Private Placement Notes Support Bill	23 XCMG Machinery ABN003	0823003 91-0823003 94	2023 18 December December	2023 21	2028 18 December	92,132.5	-	Quarterly interest payments, amortisatio n on a pass-through basis	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2024 First Tranche of Directed Commercial Paper Asset-Backed Commercial Paper	24 XCMG Machinery ABN001	0824004 51-0824004 54	2024 21 2024	2024 26 March	2029 19 March	69,362.5	-	Quarterly interest payments, amortisatio n on a pass-through basis	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2024 Second Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Bond)	24 XCMG Machinery ABN002 (Science and Technology Innovation Bond)	0824005 05-0824005 08	2024 13 June 2024	2024 18 June 2029	2029 23 May	163,724.6	-	Quarterly interest payments, amortisatio n on a pay-as-you-go basis	Interbank Market

in Full									
)									
XCMG Construction Machinery Co., Ltd. 2024 Annual	24 XCMG Machinery ABN003 (Science and Technology Innovation Bond)	0824006 06-0824006 09	2024 12 September day	2024 19 September	2029 18 September	131,097	-	Quarterly interest payments, amortisation on a pay-as-you-go basis	Interbank Market
Three-term Targeted Asset-Backed Notes (Science and Technology Innovation Notes)									
XCMG Construction Machinery Co., Ltd. Fourth Tranche of Targeted Asset-Backed Notes for 2024 (Science and Technology Innovation Notes)	24 XCMG Machinery ABN004 (Science and Technology Innovation Bond)	0824007 90-0824007 93	2024 20 December	2024 25 December	2029 23 November	392,600	-	Quarterly interest payments, amortisation upon transfer	Interbank Market
XCMG Construction Machinery Co., Ltd. 2024 First Interim Notes (Science and Technology Innovation Notes)	24 XCMG Machinery MTN001 (Science and Technology Innovation Notes)	1024836 79	2024 21	2024 22 August	2034 22 August	120,000	2.42%	Interest paid annually, principal repaid in full at maturity	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2024 Second Medium-Term Notes (Science and Technology Innovation Notes)	24 XCMG Machinery MTN002 (Science and Technology Innovation Notes)	1024840 92	2024 12 September	2024 13 September	2029 13 September	150,000	2.18%	Interest paid annually, principal repaid in full at maturity	Interbank Market
XCMG Group Construction Machinery Co., Ltd. 2024 First Green Medium-Term Notes (Science and Technology Innovation Notes)	24 XCMG Machinery GN001 (Science and Technology Innovation Notes)	1324801 50	2024 November 07	2024 8 November Sun	2027 8 November November	50,000	2.14%	Interest paid annually, principal repaid in full at maturity	Interbank Market
Investor suitability arrangements (if applicable)			Not applicable.						
Applicable Trading Mechanism			Asset-backed notes are issued to qualified institutional investors within the territory (except where otherwise stipulated by national laws and regulations) When processing registration and custody procedures, relevant regulations of the bond custodian institution must be followed. Asset-backed notes may be circulated and transferred in the national interbank bond market on the first working day following the debt registration date. in accordance with the relevant regulations promulgated by the National Interbank Funding Centre.						

Risk of Delisting (if applicable) and Mitigation Measures	Not applicable.
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Note: The subordinated tranche of the ABN is held by XCMG Group (including its controlled subsidiaries) and third parties.

☐ Applicable ☒ Not applicable

2. Triggering and execution of issuer or investor option clauses and investor protection clauses

☐ Applicable ☒ Not applicable

3. Intermediary circumstances

Bond Project Name	Name of Intermediary	Business Address	Signing Accountant's Name	Intermediary Contact	Contact Telephone
XCMG Construction Machinery Co., Ltd. 2022 First Tranche Private Placement Support Bill	Issuing Vehicle Management Institution: Zijin Trust Co., Ltd.	Zijin Trust Building, 30th Floor 30th Floor	Not applicable	Sui Xin	025-66776739
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Targeted Financing Support Bill	Lead Manager/Bookrunner: CITIC Securities Co., Ltd. Company	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Private Placement Notes Support Bill	Law Firm: Jiangsu Century Tongren Law Firm	4th Floor, Block C, Jiangdao Zhili Cube, Xiankun Road, Jianye District, Nanjing City, Jiangsu Province	Not applicable	Shen Yicheng	025-83308731
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Directed Asset-Backed Notes	Accounting Firm/Cash Flow Forecasting Institution: Suyu Jincheng Certified Public Accountants (Special Special General Partnership)	14th-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road, Jianye District Nanjing, Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Private Placement Notes Asset-Backed Notes	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd. Company	Anji Building, 760 South Tibet Road, Huangpu District, Shanghai 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988
XCMG Construction Machinery Co., Ltd. 2023 First Tranche of Directed Commercial Paper Support Bill	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	Sunshine Building, 5th Floor	Not applicable	Zhao Qichao	010-68292135
XCMG Construction Machinery Co., Ltd. 2023 First Tranche of Private Placement Notes Support Bill	Lead Underwriter/Bookrunner: CITIC Securities Co., Ltd. Company	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572
XCMG Construction Machinery Co., Ltd. 2023 First Tranche of Private Placement Notes Support Bill	Law Firm: Dacheng Law Offices	Zhaotai International Centre B, 10 Chaoyangmen South Street Floors 16-21	Not applicable	Zhang Lina	010-58137011
XCMG Construction Machinery Co., Ltd. 2023 First Tranche of Directed Asset-Backed Notes	Accounting Firm/Cash Flow Forecaster: Suyu Jincheng Certified Public Accountants (Special Special General Partnership)	14-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road, Jianye District Nanjing, Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003

in Full						
XCMG Construction Machinery Co., Ltd. 2023 First Tranche Private Placement Bill Asset-Backed Notes	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd. Company	12th Floor, Anji Building 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988	
XCMG Construction Machinery Co., Ltd. 2023 Second Tranche of Targeted Financing Asset-Backed Notes	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	Sunshine Building, 5th Floor, 112 Auxiliary Road, Xizhimenwai Avenue, Xicheng District, Beijing	Not applicable	Zhao Qichao	010-68292135	
XCMG Construction Machinery Co., Ltd. 2023 Second Tranche of Targeted Financing Support Bill	Lead Manager/Bookrunner: CITIC Securities Co., Ltd. Company	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572	
XCMG Construction Machinery Co., Ltd. 2023 Second Tranche Private Placement Notes Support Bill	Law Firm: Dacheng Law Offices	10 Chaoyangmen South Street, Chaoyang District, Beijing Floors 16-21	Not applicable	Zhang Lina	010-58137011	
XCMG Construction Machinery Co., Ltd. 2023 Second Tranche of Targeted Asset-Backed Notes	Accounting Firm/Cash Flow Forecasting Institution: Suyu Jincheng Certified Public Accountants (Special General Partnership)	14th-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road, Jianye District Nanjing, Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003	
XCMG Construction Machinery Co., Ltd. Second Tranche of the 2023	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd.	Anji Building, 760 South Tibet Road 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988	
Supporting Notes	Company					
XCMG Construction Machinery Co., Ltd. 2023 Third Issue of Private Placement Notes Asset-Backed Notes	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	Sunshine Building, 5th Floor, 112 Auxiliary Road, Xizhimenwai Avenue, Xicheng District, Beijing	Not applicable	Zhao Qichao	010-68292135	
XCMG Construction Machinery Co., Ltd. 2023 Third Tranche of Targeted Financing Support Bill	Lead Manager/Bookrunner: China CITIC Bank Co., Ltd. Company	Building 1, No. 10 Guanghua Road, Chaoyang District, Beijing	Not applicable	Xue Xiangwen	0516-81009998	
XCMG Construction Machinery Co., Ltd. 2023 Third Tranche Private Placement Notes Support Bill	Law Firm: Dacheng Law Offices	16-21/F, Block B, Zhaotai International Centre 16th-21st Floors	Not applicable	Zhang Lina	010-58137011	
XCMG Construction Machinery Co., Ltd. 2023 Third Issue of Directed Asset-Backed Notes	Accounting Firm/Cash Flow Forecaster: Suyu Jincheng Certified Public Accountants (Special General Partnership)	14-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road, Jianye District Nanjing, Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003	
XCMG Construction Machinery Co., Ltd. 2023 Third Issue of Targeted Financing Asset-Backed Notes	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd. Company	Anji Building, 760 South Tibet Road, Huangpu District, Shanghai 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988	
XCMG Construction Machinery Co., Ltd. 2024 First Tranche of Targeted Financing Asset-Backed Notes	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	Sunshine Building, 5th Floor, 112 Auxiliary Road, Xizhimenwai Avenue	Not applicable	Zhao Qichao	010-68292135	
XCMG Construction Machinery Co., Ltd. 2024 First Tranche of Targeted Financing Support Bill	Lead Manager/Bookrunner: CITIC Securities Co., Ltd. Company	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572	

in Full					
XCMG Construction Machinery Co., Ltd. 2024 First Tranche Private Placement Notes Asset-Backed Notes	Law Firm: Dacheng Law Offices	10 Chaoyangmen South Street, Chaoyang District, Beijing 16th-21st Floors	Not applicable	Zhang Lina	010-58137011
XCMG Construction Machinery Co., Ltd. 2024 First Tranche of Directed Asset-Backed Notes	Accounting Firm/Cash Flow Forecaster: Suyu Jincheng Certified Public Accountants (Special General Partnership) Special General Partnership)	14th-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road Jianye District Nanjing City Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003
XCMG Construction Machinery Co., Ltd. 2024 First Tranche of Targeted Financing Asset-Backed Notes	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd. Company	Anji Building, 760 South Tibet Road, Huangpu District, Shanghai 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988
XCMG Construction Machinery Co., Ltd. 2024 Second Tranche of Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	5th Floor, Sunshine Building, 112 Auxiliary Road, Xizhimenwai Avenue, Xicheng District, Beijing	Not applicable	Zhao Qichao	010-68292135
XCMG Construction Machinery Co., Ltd. 2024 Second Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Note)	Lead Manager/Bookrunner: CITIC Securities Co., Ltd.	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572
Xugong Group Construction Machinery Co., Ltd. 2024 Second Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Notes)	Law Firm: Beijing Dacheng Law Offices	16th-21st Floors, Tower B, Zhaotai International Centre, 10 Chaoyangmen South Street, Chaoyang District, Beijing	Not applicable	Zhang Lina	010-58137011
XCMG Construction Machinery Co., Ltd. 2024 Second Tranche of Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Accounting Firm/Cash Flow Forecasting Institution: Suyu Jincheng Certified Public Accountants (Special General Partnership)	14-16th Floors, Tower A, Zhengtai Centre Building 159 Taishan Road, Jianye District Nanjing, Jiangsu Province	Zhou Jiawen, Hu Wenhui	Zhou Jiawen	025-83235003
XCMG Construction Machinery Co., Ltd. 2024 Second Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Note)	Credit Rating Agency: China Chengxin International Credit Rating Co., Ltd.	12th Floor, An Da Building 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988
XCMG Construction Machinery Co., Ltd. 2024 Third-Phase Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	5th Floor, Sunshine Building, 112 Auxiliary Road, Xizhimenwai Avenue, Xicheng District, Beijing	Not applicable	Zhao Qichao	010-68292135
XCMG Construction Machinery Co., Ltd. 2024 Third Issue of Directed Asset-Backed Notes (Science and Technology Innovation Note)	Lead Underwriter/Bookrunner: CITIC Securities Co., Ltd.	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572
XCMG Construction Machinery Co., Ltd. 2024 Third Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Notes)	Law Firm: Dacheng Law Offices	16th-21st Floors, Tower B, Zhaotai International Centre, 10 Chaoyangmen South Street, Chaoyang District, Beijing	Not applicable	Zhang Lina	010-58137011

in Full						
Xugong Group Construction Machinery Co., Ltd. 2024 Third Issue of Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Accounting Firm/Cash Flow Forecasting Institution: Zhongxinghua Accounting Firm (Special General Partnership)	Kangzhihui Port, 19th Floor Yuan Zhihui Port, 19th Floor	Ren Huagui, Xu Shang	Yang Rui	025-83206116	
XCMG Construction Machinery Co., Ltd. 2024 Third-Phase Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Credit Rating Agency: Chengxin International Credit Rating Co., Ltd.	12th Floor, Anji Building 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988	
XCMG Construction Machinery Co., Ltd. 2024 Fourth Issue of Targeted Asset-Backed Notes (Science and Technology Innovation) (Bill)	Issuing Vehicle Management Institution: Huaneng Guicheng Trust Co., Ltd.	5th Floor, Sunshine Building, 112 Auxiliary Road, Xizhimenwai Street, Xicheng District, Beijing	Not applicable	Zhao Qichao	010-68292135	
XCMG Construction Machinery Co., Ltd. 2024 Fourth Issue of Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Lead Underwriter/Bookrunner: CITIC Securities Co., Ltd.	CITIC Securities Tower, 48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Zhou Sijie	010-60834572	
XCMG Construction Machinery Co., Ltd. 2024 Fourth Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Note)	Law Firm: Beijing Dacheng Law Offices	16th-21st Floors, Tower B, Zhaotai International Centre, 10 Chaoyangmen South Street, Chaoyang District, Beijing	Not applicable	Zhang Lina	010-58137011	
XCMG Construction Machinery Co., Ltd. 2024 Fourth Issue of Targeted Asset-Backed Notes (Science and Technology Innovation Note)	Accounting Firm/Cash Flow Forecasting Institution: Zhongxinghua Accounting Firm (Special General Partnership)	Kangzhi Hui Port, 50 Jialingjiang East Street, Jianye District, Nanjing Yuan Zhihui Port, 19th Floor	Ren Huagui, Xu Shang	Yang Rui	025-83206116	
XCMG Construction Machinery Co., Ltd. 2024 Fourth Issue of Targeted Financing (Science and Technology Innovation)	Credit Rating Agency: Chengxin International Credit Rating Co., Ltd. Company	Anji Building, 760 South Tibet Road, Huangpu District, Shanghai 12th Floor, Anji Building	Not applicable	Lin Haiyi	021-60330988	
Bill)						
XCMG Construction Machinery Co., Ltd. 2024 First Interim Medium-Term Note (Science and Technology Innovation Board Notes)	Lead Manager/Bookrunner: China Securities Co., Ltd.	Building 1, No. 16 Jinghui Street, Chaoyang District, Beijing	Not applicable	Song Zhiqing	010-56051871	
XCMG Construction Machinery Co., Ltd. 2024 Second Interim Notes (STAR Market Notes)	Lead Manager/Bookrunner: Industrial and Commercial Bank of China Limited Co., Ltd.	55 Fuxingmennei Street, Xicheng District, Beijing	Not applicable	Ren Dong	010-81011843	
XCMG Group Construction Machinery Co., Ltd. 2024 First Green Medium-Term Notes (Science and Technology Innovation Notes)	Lead Manager/Bookrunner: China Construction Bank Corporation	25 Financial Street, Xicheng District, Beijing	Not applicable	Lu Tong	025-85526582	

Changes in the above institutions during the reporting period

☐ Yes ☒ No

4. Utilisation of Raised Funds

Unit: RMB 10,000

in Full							
Bond Project Name	Total Amount of Raised Funds	Agreed Use of Raised Funds	Amount Utilised	Unused Amount	Operation Status of Dedicated Fund Account (if applicable)	Rectification Status of Improper Use of Raised Funds (if applicable)	Consistency with the Use, Utilisation Plan and Other Agreements Stated in the Prospectus
XCMG Construction Machinery Co., Ltd. 2022 First Tranche of Private Placement Notes Supported Commercial Paper	511,600	Supplementin g working capital	511,600	0	None	None	Yes
XCMG Construction Machinery Co., Ltd. 2023 First Tranche of Private Placement Notes Asset-Backed Note	339,800	Supplementar y Working Capital	339,800	0	None	None	Yes
XCMG Construction Machinery Co., Ltd. 2023 Second Tranche of Private Placement Notes Asset-Backed Notes	342,600	Supplementar y Working Capital	342,600	0	None	None	Yes
XCMG Construction Machinery Co., Ltd. Third Tranche of 2023 Targeted Financing Asset-Backed Notes	273,000	Supplementar y Working Capital	273,000	0	None	None	Yes
XCMG Construction Machinery Co., Ltd. 2024 First Tranche of Private Placement Notes Asset-Backed Note	131,500	Supplementar y Working Capital	131,500	0	None	None	Yes
XCMG Group	234,800	Supplemental operating capital	234,800	0	None	None	Yes
Cheng Machinery Co., Ltd. 2024 Second Tranche of Targeted Asset-Backed Notes (Science and Technology Innovation Bond)		Gold					

in Full							
XCMG Construction Machinery Co., Ltd. 2024 Third Tranche of Directed Asset-Backed Notes (Science and Technology Innovation Bond)	165,600	Supplementary Working Capital	165,600	0	None	None	Yes
XCMG Group Construction Machinery Co., Ltd. Fourth Tranche of Directed Asset-Backed Notes for 2024 (Science and Technology Innovation Bond)	392,600	Supplementary Working Capital	392,600	0	None	None	Yes
XCMG Group Construction Machinery Co., Ltd. 2024 First Interim Medium-Term Notes (Science and Technology Innovation Notes)	120,000	Repayment of Interest-Bearing Debts and Supplementati on of Working Capital	120,000	0	None	None	Yes
XCMG Group Construction Machinery Co., Ltd. 2024 Second Interim Medium-Term Notes (Science and Technology Innovation Notes)	150,000	Repayment of Interest-Bearing Debts and Supplementati on of Working Capital	150,000	0	None	None	Yes
XCMG Group Construction Machinery Co., Ltd. 2024 First Issue of Green Medium-Term Notes (Science and Technology Innovation Notes)	50,000	New Energy Vehicles (Partly for Water Pollution Prevention Equipment) and Key Component Procurement, New Energy Vehicle Production Project Construction, and Repayment of New Energy Vehicle Project Construction and Production Working Capital Loans Operating Loans	26,519.21	23,480.79	Normal	None	Yes

Proceeds allocated to construction projects

☐ Applicable ☒ Not applicable

The company changed the use of the bond proceeds during the reporting period

☐ Applicable ☒ Not applicable

5. Adjustments to credit rating results during the reporting period

☐ Applicable ☒ Not applicable

6. Implementation and changes in guarantee arrangements, debt repayment plans and other debt repayment safeguards during the reporting period, and their impact on bond investors' rights and interests

☐ Applicable ☒ Not applicable

IV. Convertible Corporate Bonds

☐ Applicable ☒ Not applicable

The Company had no convertible bonds during the reporting period.

V. Losses within the scope of consolidated financial statements during the reporting period exceeding 10% of net assets at the end of the previous year

☐ Applicable ☒ Not applicable

VI. Overdue Interest-Bearing Debt (Excluding Bonds) at the End of the Reporting Period

☐ Applicable ☒ Not applicable

VII. Occurrence of violations of regulations and rules during the reporting period

☐ Applicable ☒ Not applicable

VIII. Key accounting data and financial indicators for the two years ending at the reporting period

Unit: RMB 10,000

Item	End of Current Reporting Period	End of Previous Year	Change from Previous Year-End
Current Ratio	1.355	1.286	5.37%
Gearing Ratio	62.44%	64.51%	Decreased by 2.07 percentage points
Quick ratio	0.95	0.91	4.40%
	Current reporting period	Previous Year	Change from the same period last year
Net profit after deducting non-recurring gains and losses	576,221	449,683.4	28.14%
EBITDA Total debt ratio	12.00%	10.81%	Increase of 1.19 percentage points
Interest coverage ratio	5.48	4.34	26.27%
Cash interest coverage ratio	6.37	3.99	59.65%
EBITDA interest coverage ratio	8.31	6.68	24.40%
Loan Repayment Ratio	100.00%	100.00%	0.00%
Interest Service Ratio	100.00%	100.00%	0.00%

Section X Financial Statements

I. Audit Report

Type of Audit Opinion	Standard Unqualified Opinion
Date of Audit Report Signing	26 April 2025
Name of Audit Institution	Zhongxinghua Certified Public Accountants LLP
Audit Report Reference Number	Zhongxinghua Audit No. (2025) 020407
Name of Certified Public Accountant	Ren Huagui, Wang Jun, Yang Rui

Audit Report

To the Shareholders of XCMG Group Construction

Machinery Co., Ltd.: I. Audit Opinion

We have audited the financial statements of XCMG Group Construction Machinery Co., Ltd. (hereinafter referred to as "XCMG Machinery" or "the Company"), comprising the consolidated and parent company balance sheets as at 31 December 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, consolidated and parent company statements of changes in equity for the year ended 31 December 2024, and the related notes to the financial statements. In our opinion, the accompanying financial statements have been prepared in all material respects in accordance with the Enterprise Accounting Standards and fairly present the consolidated and parent company financial position of XCMG Machinery as at 31 December 2024, and the consolidated and parent company results of operations and cash flows for the year then ended.

II. Basis for the Audit Opinion

We conducted our audit in accordance with the China Auditing Standards for Certified Public Accountants. The section of the audit report entitled "Responsibility of the Certified Public Accountant for the Audit of Financial Statements" further elaborates on our responsibilities under these standards. In accordance with the China Code of Professional Ethics for Certified Public Accountants, we are independent of XCMG Machinery and have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the current period. These matters are addressed in the context of our audit of the financial statements as a whole and the formation of our opinion; we do not express a separate opinion on these matters. We have determined that the following matters are key audit matters to be communicated in the audit report.

1. Revenue Recognition in the Construction Machinery Segment	
Please refer to the accounting policy described in Note 29 to Note V "Significant Accounting Policies and Accounting Estimates" to the financial statements and Note 54 to Note VII, "Notes to Significant Items in the Consolidated Financial Statements".	
Key Audit Matters	How this matter was addressed in the audit

<p>XCMG Machinery's principal business revenue primarily comprises sales income from construction machinery products. In 2024, principal business revenue reached RMB 89.66 billion, representing an increase of RMB 1.378 billion compared to 2023.</p> <p>Given that revenue constitutes one of XCMG Machinery's key performance indicators, presenting an inherent risk of material misstatement, we designated revenue recognition within the construction machinery segment as a key audit matter.</p>	<p>Our principal audit procedures concerning revenue recognition for the construction machinery segment included:</p> <p>(1) Understanding and evaluating the design effectiveness of key internal controls related to revenue recognition from construction machinery equipment sales, and testing the operational effectiveness of critical controls such as customer acceptance and revenue recognition;</p> <p>(2) Reviewing contracts with major customers to identify all performance obligations contained therein, determining and evaluating the timing of fulfilment for such obligations, identifying clauses relating to the transfer of control over goods and return rights, and assessing whether XCMG Machinery's revenue recognition policy complies with the requirements of the Accounting Standards for Business Enterprises;</p> <p>(3) Selecting samples to examine sales contracts, accounting records, customer acceptance records or export customs declarations to verify whether XCMG Machinery's revenue recognition aligns with disclosed accounting policies;</p> <p>(4) Perform analytical procedures on revenue and gross profit margin by machinery product type to assess the reasonableness of fluctuations in revenue and gross profit margin;</p> <p>(5) Select a portion of customers and send confirmation requests regarding their 2024 sales figures;</p> <p>(6) For revenue transactions recorded around the balance sheet date, examine a sample of customer acceptance records or export customs declarations and reconcile with sales contracts to confirm whether XCMG Machinery's revenue recognition is recorded in the appropriate accounting period.</p>
2. Provision for Bad Debts on Accounts Receivable	
<p>Please refer to the accounting policy described in Note XII of Note V "Significant Accounting Policies and Estimates" to the financial statements and Note 5 of Note VII "Notes to the Consolidated Financial Statements – Key Items".</p> <p>Note 5 to Note VII, "Notes to Significant Items in the Consolidated Financial Statements".</p>	
Key Audit Matters	How this matter was addressed during the audit

<p>As at 31 December 2024, XCMG had an accounts receivable balance of RMB 45.142 billion, with an allowance for doubtful debts of RMB 5.366 billion. The carrying amount of accounts receivable book value of RMB 39.776 billion, representing 24.71% of total assets.</p> <p>As management requires significant accounting estimates and judgements when determining the allowance for doubtful accounts, based on consideration of past events, current conditions and forecasts of future economic conditions, we have identified the allowance for doubtful accounts as a key audit matter.</p>	<p>Our principal audit procedures concerning the provision for bad debts on trade receivables included:</p> <p>(1) Understanding and evaluating the effectiveness of the design of key internal controls related to customer credit management, and testing the effectiveness of the implementation of key controls such as XCMG Machinery's credit policy, accounts receivable tracking and collection, and the provision for bad debts;</p> <p>(2) Obtaining information on the ageing of various accounts receivable and the provision for bad debts, and evaluating whether the calculation method for the provision for bad debts on accounts receivable is correct;</p> <p>(3) Selecting samples to examine sales contracts, sales invoices, and acknowledgement records related to accounts receivable balances, and evaluating the appropriateness of the ageing classification for accounts receivable for which bad debt provisions are made based on ageing categories; Analysing the reasonableness of the accounting estimate for bad debt provisions on accounts receivable and reviewing the accuracy of the ageing classification;</p> <p>(4) For individually assessed bad debt provisions, select samples to verify the basis for management's estimation of the expected future recoverable amount including customer credit history, status of collateral or pledged assets,</p>
	<p>records of default or delayed payments, and subsequent actual repayment performance;</p> <p>(5) Select a portion of customers to examine post-period collection outcomes, thereby validating the reasonableness of management's accounting estimates for bad debt provisions on accounts receivable.</p>

IV. Other Information

XCMG Machinery's management (hereinafter referred to as "Management") is responsible for the Other Information.

The Other Information comprises information covered in XCMG Machinery's 2024

Annual Report, but excludes the financial statements and our audit report.

Our audit opinion on the financial statements does not cover the Other Information, and we do not express any form of assurance conclusion on the Other Information.

In conjunction with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any material misstatement identified in our audit, or otherwise appears to be materially misstated.

Based on the work we have performed, if we determine that the Other Information contains a material misstatement, we are required to report that fact. In this regard, we have no matter to report.

V. Management and Governance Responsibilities for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the Enterprise Accounting Standards, so that they present a fair view, and for designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing XCMG Machinery's ability to continue as a going concern, disclosing matters related to going concern (if applicable), and using the going concern

assumption unless management intends to liquidate XCMG Machinery, cease operations, or has no realistic alternative.

The governance body is responsible for overseeing

XCMG Machinery's financial reporting process. **VI. The**

Auditor's Responsibilities for the Audit of the

Financial Statements

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report containing an audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error. A misstatement is generally considered material if it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements, either individually or in the aggregate.

In conducting the audit in accordance with auditing standards, we exercised professional judgement and maintained professional scepticism. We also performed the following work:

(1) Identifying and assessing the risks of material misstatement in the financial statements, whether due to fraud or error; designing and performing audit procedures responsive to those risks; and obtaining sufficient appropriate audit evidence to provide a basis for the audit opinion. As fraud

may involve collusion, falsification, deliberate omission, misstatement or circumvention of internal controls, the risk of failing to detect material misstatements due to fraud is higher than the risk of failing to detect material misstatements due to error.

- (2) Understanding internal control relevant to the audit to design appropriate audit procedures.
- (3) Evaluate the appropriateness of management's choice of accounting policies and the reasonableness of accounting estimates and related disclosures.

(4) Form a conclusion on the appropriateness of management's use of the going concern assumption. Concurrently, based on the audit evidence obtained, form a conclusion on whether there exists significant uncertainty regarding matters or circumstances that may cast doubt on XCMG Machinery's ability to continue as a going concern. Should we conclude that significant uncertainty exists, auditing standards require us to draw users' attention to the relevant disclosures in the financial statements within our audit report; if such disclosures are inadequate, we shall issue a non-unqualified opinion. Our conclusion is based on information available up to the date of the audit report. However, future events or circumstances may result in XCMG Machinery being unable to continue as a going concern.

(5) Evaluate the overall presentation, structure and content of the financial statements, and assess whether the financial statements fairly present the relevant transactions and events.

(6) Obtaining sufficient and appropriate audit evidence concerning the financial information of XCMG's entities or business activities to express an opinion on the financial statements. We are responsible for directing, supervising and performing the group audit. We bear overall responsibility for the audit opinion. We communicated with governance regarding matters including the planned scope and timing of the audit and significant audit findings, including

Communication of internal control deficiencies identified during the audit that warrant attention.

We also provide a statement to governance regarding compliance with ethical requirements relevant to independence and communicate with governance all relationships and other matters that might reasonably be thought to influence our independence, along with related safeguards.

From the matters communicated with governance, we determine which are most significant to the audit of the current period's financial statements, thereby constituting key audit matters. We describe these matters in the audit report unless legal or regulatory requirements prohibit their public disclosure, or in rare circumstances where we determine that communicating a matter in the audit report would reasonably be expected to cause more detriment than benefit to the public interest.

Zhongxinghua Certified Public Accountants LLP

China Beijing

PRC Certified Public Accountant: Ren Huagui
(Project Partner)

PRC CPA: Wang Jun PRC CPA:
Yang rui

26 April 2025

II. Financial Statements

The currency unit for the financial statements in the notes is: Yuan

1. Consolidated Balance Sheet

Prepared by: XCMG Group Construction Machinery Co.,

31 December 2024

Unit: Yuan

Ltd.

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and Cash Equivalents	20,205,080,632.37	23,371,004,907.94
Settlement reserves		
Funds placed		
Trading financial assets	39,632,267.75	39,222,840.98
Derivative financial assets	14,266,759.77	
Notes receivable	2,611,852,490.80	3,659,950,480.68
Accounts receivable	39,776,168,014.49	39,997,581,445.27
Financing of receivables	2,590,563,655.41	1,407,799,250.97
Prepayments	1,939,842,928.89	1,676,812,847.23
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Other receivables	2,971,607,667.68	2,071,515,158.89
Of which: Interest receivable		
Dividends receivable	124,480,341.13	148,033,144.71
Financial assets under purchase and resale agreements		
Inventories	32,543,459,789.62	32,378,420,106.53
Of which: Data resources		
Contract assets	81,268,486.48	57,698,599.31
Assets held for sale		
Non-current assets due within one year	1,729,108,705.08	2,664,970,447.28
Other current assets	3,584,578,971.71	3,734,910,862.87
Total current assets	108,087,430,370.05	111,059,886,947.95
Non-current assets:		
Loans and advances	988,817,503.38	1,329,325,928.22
Debt investments		
Other debt investments		
Long-term receivables	4,739,053,972.02	4,379,384,821.20
Long-term equity investments	3,903,864,130.97	4,509,957,503.79
Other equity instruments	3,062,025,508.41	3,521,013,121.72
Other non-current financial assets	103,990,000.00	180,962,867.40
Investment property	4,231,728.27	4,535,792.91

in Full		
Fixed assets	24,431,435,392.14	22,510,294,100.61
Construction in progress	2,017,674,968.34	2,923,092,323.17
Productive biological assets		
Oil and gas assets		
Right-of-use assets	292,314,682.46	198,885,745.98
Intangible assets	8,622,529,271.06	7,373,707,452.98
Of which: Data resources		
Development expenditure	958,421,120.57	620,699,964.15
Of which: Data resources		
Goodwill		
Deferred expenses	72,376,097.50	44,794,761.10
Deferred tax assets	3,353,905,059.04	2,710,649,070.81
Other non-current assets	331,741,805.21	627,417,210.64
Total non-current assets	52,882,381,239.37	50,934,720,664.68
Total assets	160,969,811,609.42	161,994,607,612.63
Current liabilities:		
Short-term borrowings	13,685,563,657.97	13,526,319,245.36
Loans from the Central Bank		
Funds received under repo agreements	442,327,336.38	446,042,817.98
Financial liabilities held for trading		
Derivative financial liabilities	86,977,859.51	64,722,417.37
Notes payable	19,141,840,727.40	20,880,422,016.39
Accounts payable	22,224,137,143.09	20,963,548,541.39
Advance receipts		
Contract liabilities	4,922,815,645.06	4,707,968,211.50
Financial assets under sale and repurchase agreements		
Deposits and interbank placements		
Securities Agency Trading Funds		
Securities underwriting agency		
Employee compensation payable	416,509,256.81	436,660,580.97
Taxes payable	861,969,650.85	672,979,379.22
Other payables	5,568,664,577.77	7,035,706,612.47
Of which: Interest payable		
Dividends payable	12,888,679.65	12,888,679.65
Fees and commissions payable		
Reinsurance payables		
Liabilities held for sale		
Non-current liabilities due within one year	11,517,154,818.15	15,600,837,730.61
Other current liabilities	927,096,484.19	2,030,829,775.48
Total current liabilities	79,795,057,157.18	86,366,037,328.74

in Full

Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	12,634,533,215.41	12,515,226,028.45
Bonds payable	5,196,791,251.21	1,998,050,314.46
Of which: Preference shares		
Perpetual bonds		
Lease liabilities	271,957,927.73	96,111,857.88
Long-term payables	615,462,778.16	1,337,839,917.79
Long-term employee benefits payable		
Provision for liabilities	505,972,937.44	395,443,864.07
Deferred income	553,175,193.21	519,129,653.96
Deferred income tax liabilities	648,466,752.92	595,232,181.83
Other non-current liabilities	286,651,343.06	684,551,222.28
Total non-current liabilities	20,713,011,399.14	18,141,585,040.72
Total liabilities	100,508,068,556.32	104,507,622,369.46
Equity:		
Share capital	11,816,166,093.00	11,816,166,093.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	16,367,186,168.37	16,395,287,579.45
Less: Treasury shares	737,085,256.91	364,120,077.22
Other comprehensive income	-325,902,008.89	-43,822,254.50
Special reserve	80,770,131.82	117,949,245.28
Surplus reserve	2,732,985,276.84	2,425,940,729.29
General risk reserve		
Undistributed profits	29,374,617,671.02	25,797,269,064.80
Total equity attributable to owners of the parent company	59,308,738,075.25	56,144,670,380.10
Minority interests	1,153,004,977.85	1,342,314,863.07
Total equity	60,461,743,053.10	57,486,985,243.17
Total liabilities and shareholders' equity	160,969,811,609.42	161,994,607,612.63

Legal Representative: Yang Dongsheng

Person in Charge of Accounting: Yu Hongyu

Head of Accounting Department: Feng
Mingfeng

2. Parent Company Balance Sheet

Unit: Yuan

Item	Closing Balance	Opening Balance
Current Assets:		
Cash and Cash Equivalents	15,820,363,513.62	20,034,137,243.61
Financial Assets Held for Trading		
Derivative financial assets	14,266,759.77	
Notes receivable	344,450,726.34	505,448,760.04
Accounts receivable	7,745,735,050.08	6,168,094,930.65
Accounts receivable financing	343,488,288.81	379,147,781.97
Prepayments	372,067,989.33	186,148,727.46
Other receivables	9,259,036,472.42	4,160,126,130.63
Of which: Interest receivable		

	in Full	
Dividends receivable	597,163,559.02	450,352,632.61
Inventories	3,056,361,500.36	3,029,650,409.12
Of which: Data resources		
Contract assets	31,426,006.67	
Assets held for sale		
Non-current assets due within one year	32,962,977.97	8,148,786.47
Other current assets	58,369,050.09	12,297,877.35
Total current assets	37,078,528,335.46	34,483,200,647.30
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables	97,143,244.51	90,681,301.59
Long-term equity investments	30,710,241,517.45	29,924,477,869.30
Other equity instruments	3,000,000.00	3,000,000.00
Other non-current financial assets	30,000,000.00	30,000,000.00
Investment property		
Fixed assets	3,135,613,823.52	3,200,089,285.87
Construction in progress	246,866,350.31	270,044,297.69
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	1,677,819,914.73	1,537,246,628.77
Of which: Data resources		
Development expenditure	128,642,048.97	105,645,543.12
Of which: Data resources		
Goodwill		
Deferred expenses	5,588,902.81	5,708,206.50
Deferred tax assets	355,688,291.76	323,096,931.12
Other non-current assets	32,906,074.72	23,934,032.75
Total Non-current Assets	36,423,510,168.78	35,513,924,096.71
Total Assets	73,502,038,504.24	69,997,124,744.01
Current liabilities:		
Short-term borrowings	1,295,896,187.49	1,495,528,767.12
Financial liabilities held for trading		
Derivative financial liabilities	45,901,952.63	
Notes payable	3,567,963,428.65	3,656,752,229.13
Accounts payable	3,464,289,079.03	2,561,773,371.04
Advance receipts		
Contract liabilities	474,266,192.63	701,906,410.28
Employee benefits payable	34,754,231.53	54,155,329.57
Taxes payable	28,422,826.90	26,642,981.29

in Full		
Other payables	1,335,813,117.83	1,005,373,482.84
Of which: Interest payable		
Dividends payable	12,888,679.65	12,888,679.65
Liabilities held for sale		
Non-current liabilities due within one year	5,846,869,878.23	8,015,813,414.40
Other current liabilities	59,731,193.26	92,230,836.30
Total current liabilities	16,153,908,088.18	17,610,176,821.97
Non-current liabilities:		
Long-term borrowings	7,462,860,000.00	6,320,427,996.73
Bonds payable	5,196,791,251.21	1,998,050,314.46
Of which: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provision	287,671,926.74	269,961,991.63
Deferred income	13,231,250.00	
Deferred income tax liabilities	5,215,368.87	14,514,048.37
Other non-current liabilities	480,000.00	6,296,832.47
Total non-current liabilities	12,966,249,796.82	8,609,251,183.66
Total liabilities	29,120,157,885.00	26,219,428,005.63
Shareholders' equity:		
Share capital	11,816,166,093.00	11,816,166,093.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserves	18,377,301,738.51	18,348,934,544.51
Less: Treasury shares	737,085,256.91	364,120,077.22
Other comprehensive income	-39,165,100.44	-39,371,524.97
Special Reserve	3,906,234.85	8,917,588.07
Surplus reserve	2,732,985,276.84	2,425,940,729.29
Retained earnings	12,227,771,633.39	11,581,229,385.70
Total equity	44,381,880,619.24	43,777,696,738.38
Total liabilities and equity	73,502,038,504.24	69,997,124,744.01

3. Consolidated Profit and Loss Account

Unit: Yuan

Item	2024	2023
I. Total Operating Revenue	91,659,763,823.82	92,848,220,501.93
Of which: Operating Revenue	91,659,763,823.82	92,848,220,501.93
Interest income		
Premiums earned		
Fees and commission income		
II. Total operating expenses	85,205,215,071.38	86,639,767,704.85
Of which: Operating Costs	70,990,780,894.90	73,532,949,275.39

in Full		
Interest Expense		
Commission and agency fees		
Surrender value		
Net claims paid		
Net provision for insurance liability contracts		
Amount		
Policy bonus payments		
Reinsurance Expenses		
Taxes and surcharges	415,173,940.31	441,523,828.37
Sales expenses	5,309,453,470.17	5,233,817,313.62
Administrative expenses	2,817,154,557.61	2,705,843,684.35
Research and Development Expenses	3,738,106,335.58	3,999,625,444.40
Financial expenses	1,934,545,872.81	726,008,158.72
Of which: Interest expense	1,369,543,105.61	1,653,489,976.46
Interest income	440,475,624.98	634,862,083.47
Plus: Other income	928,141,378.27	723,671,578.66
Investment income (losses to be entered with a "-" sign)	-56,612,637.49	-3,772,225.52
Of which: Investment income from associates and joint ventures	239,287,560.07	246,002,581.90
Gain on derecognition of financial assets measured at amortised cost	-452,624,136.99	-487,129,748.32
Foreign exchange gains (losses reported with a "-" sign)		
Net exposure hedge gains (losses shown with a "-" sign)		
Gains (losses) on fair value changes (losses indicated with "-")	-2,061,401.08	178,615,121.06
Credit impairment loss (losses to be recorded with a "-" sign)	-202,979,168.49	-779,116,565.00
Asset impairment loss (losses to be entered with a "-" sign)	-581,674,997.06	-692,343,900.51
Gain on disposal of assets (losses indicated with a "-" sign)	-10,032,014.50	4,992,256.93
III. Operating profit (losses to be entered with a "-" sign)	6,529,329,912.09	5,640,499,062.70
Plus: Non-operating income	94,132,451.23	96,134,567.34
Less: Non-operating expenses	41,235,712.40	59,000,284.75
IV. Total Profit (Total Loss to be entered with a "-" sign)	6,582,226,650.92	5,677,633,345.29
Less: Income tax expense	598,772,618.33	441,536,860.27

	in Full	
V. Net Profit (Net Loss to be entered with a "-" sign)	5,983,454,032.59	5,236,096,485.02
(i) Classified by Going Concern Basis		
1. Net profit from continuing operations (net loss to be entered with a "-" sign)	5,983,454,032.59	5,236,096,485.02
2. Net profit from discontinued operations (net loss to be recorded with a "-")		
(b) By ownership classification		
1. Profit attributable to shareholders of the parent company	5,976,118,332.51	5,326,470,288.96
2. Minority interests	7,335,700.08	-90,373,803.94
VI. Net comprehensive income, net of tax	-240,484,450.02	64,731,663.96
Net comprehensive income attributable to owners of the parent company	-256,946,252.84	66,582,670.61
Net amount after tax		
(I) Other comprehensive income not reclassifiable to profit or loss	73,737,802.76	41,462,614.75
Comprehensive income		
1. Remeasurement of defined benefit plan changes		
Amount		
2. Other comprehensive income not available for reclassification to profit or loss under the equity method		
3. Fair value changes on other equity instruments		
3. Fair value changes on other equity instruments	73,737,802.76	41,462,614.75
73,737,802.76		
4. Fair value changes on own credit risk of the enterprise's own credit risk		
5. Other		
(b) Other comprehensive income reclassified to profit or loss	-330,684,055.60	25,120,055.86
-330,684,055.6		
1. Other comprehensive income attributable to equity in investees accounted for using the equity method	407,833.52	105,342.08
Combined income		
2. Fair value changes on other debt investments		
3. Amounts reclassified from financial assets to other comprehensive income		
4. Credit impairment allowance for other debt investments		
4. Credit impairment provisions for other debt investments		
5. Cash flow hedge reserve		
6. Foreign currency translation differences	-331,091,889.12	25,014,713.78
7. Other		
Other comprehensive income attributable to minority interests	16,461,802.82	-1,851,006.65
Net amount after tax		
VII. Total Comprehensive Income	5,742,969,582.57	5,300,828,148.98
Total comprehensive income attributable to owners of the parent company	5,719,172,079.67	5,393,052,959.57
Total		

Total comprehensive income attributable to minority interests	in Full 23,797,502.90	-92,224,810.59
VIII. Earnings per Share		
(i) Basic earnings per share	0.51	0.45
(b) Diluted earnings per share	0.51	0.45

Legal Representative: Yang Dongsheng

Person in Charge of Accounting: Yu Hongyu

Head of Accounting Department: Feng Mingfeng

4. Parent Company Profit and Loss Account

Unit: Yuan

Item	2024	2023
I. Operating Revenue	13,700,842,073.27	14,002,245,062.97
Less: Cost of Sales	11,709,476,918.91	11,960,427,889.65
Taxes and surcharges	56,463,298.43	76,679,789.27
Selling expenses	293,740,386.94	216,008,571.51
Administrative expenses	562,112,860.53	538,749,665.47
Research and Development Expenses	1,030,626,879.28	1,164,868,962.54
Financial expenses	308,002,442.60	270,588,897.79
Of which: Interest expense	615,455,490.18	672,054,566.49
Interest income	311,870,246.16	397,952,851.31
Plus: Other income	152,115,064.19	87,412,291.42
Investment income (losses to be entered with a "-" sign)	3,175,700,009.35	3,165,694,896.29
Of which: Investment income from associates and joint ventures	180,108,176.26	210,521,566.97
Gain (loss) on derecognition of financial assets measured at amortised cost (enter negative figures with a "-" sign)	-35,838,020.31	-27,148,855.22
Net exposure hedge gains (losses to be entered with a "-" sign)		
Fair value gains (losses) entered with a "-" sign)	-31,635,192.86	93,972,977.48
Credit impairment loss (losses to be entered with a "-" sign)	31,539,726.04	212,596,206.80
Asset impairment loss (losses indicated with a "-" sign)	-38,543,965.95	-81,309,513.50
Gain on disposal of assets (losses indicated with a "-" sign)	-366,638.59	4,773,530.31
II. Operating profit (losses to be entered with a "-" sign)	3,029,228,288.76	3,258,061,675.54
Add: Non-operating income	22,629,785.70	34,446,490.26
Less: Non-operating expenses	15,085,423.17	11,021,965.63
III. Total Profit (Total Loss to be entered with a "-" sign)	3,036,772,651.29	3,281,486,200.17
Less: Income tax expense	-33,672,824.24	-78,404,961.11

	in Full	
IV. Net Profit (Net Loss to be entered with a "-" sign)	3,070,445,475.53	3,359,891,161.28
(i) Net profit from continuing operations (net loss to be entered with a "-" sign) indicated with a "-" sign)	3,070,445,475.53	3,359,891,161.28
(b) Net profit from discontinued operations (net loss to be indicated by a "-" sign)		
V. Net comprehensive income, net of tax	206,424.53	126,555.98
(i) Other comprehensive income not reclassifiable to profit or loss		
Comprehensive Income		
1. Remeasurement of defined benefit plan changes		
2. Other comprehensive income not reclassifiable to profit or		
2. Other comprehensive income not reclassifiable to profit or loss under the equity method		
Comprehensive Income		
3. Fair value changes on other equity instruments		
4. Fair value of the entity's own credit risk		
4. Fair value changes attributable to the entity's own credit risk		
Changes		
5. Other		
(b) Other comprehensive income reclassified to profit or loss	206,424.53	126,555.98
206,424.53		
1. Other comprehensive income available for reclassification to profit or loss under the equity method	206,424.53	126,555.98
206,424.53		
2. Fair value changes on other debt investments		
3. Amounts reclassified from financial assets to other comprehensive income		
4. Credit impairment allowance for other debt investments		
4. Credit impairment provisions for other debt investments		
5. Cash Flow Hedge Reserve		
6. Foreign currency translation differences		
7. Other		
VI. Total Comprehensive Income	3,070,651,900.06	3,360,017,717.26
VII. Earnings Per Share		
(i) Basic Earnings per Share		
(ii) Diluted Earnings per Share		

5. Consolidated Cash Flow Statement

Unit: Yuan

Item	2024	2023
I. Cash Flows from Operating Activities:		
Cash received from sales of goods and provision of services	99,918,736,818.42	103,724,581,318.22
Net decrease in customer loans and advances	1,144,645,195.76	2,118,237,627.29

in Full		
Net increase in customer deposits and interbank placements		
Net increase in borrowings from the central bank		
Net increase in funds borrowed from other financial institutions		145,720,584.21
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance operations		
Net increase in policyholders' deposits and investments		
Cash received from interest, fees and commissions	339,511,523.21	457,743,201.15
Net increase in borrowed funds		
Net increase in repurchase agreement funds		
Net cash received from agency securities trading		
Tax refunds received	2,170,879,337.65	2,587,135,161.53
Other cash received relating to operating activities	1,634,802,043.71	12,848,904,417.57
Subtotal of cash inflows from operating activities	105,208,574,918.75	121,882,322,309.97
Cash paid for purchases of goods and services	81,150,011,931.80	99,212,792,721.89
Net increase in loans and advances to customers		
Net increase in deposits with the central bank and other financial institutions		
Cash paid for claims under original insurance contracts		
Net decrease in funds borrowed from other financial institutions	3,715,481.60	
Cash paid for interest, fees and commissions	80,935,568.58	78,888,400.12
Cash paid for policy dividends		
Cash paid to and on behalf of employees	7,118,932,231.48	6,616,446,566.98
Taxes and duties paid	3,220,742,923.93	3,575,898,369.12
Cash paid for other operating activities	7,914,349,749.64	8,827,382,827.24
Subtotal of cash outflows from operating activities	99,488,687,887.03	118,311,408,885.35
Net cash flow from operating activities	5,719,887,031.72	3,570,913,424.62
II. Cash flows from investing activities:		
Cash received from recovery of investments	678,096,754.71	16,046,248,635.70
Cash received from investment income	558,241,533.11	533,335,839.27
Disposal of fixed assets, intangible assets and other long-term assets	293,865,258.68	64,040,992.15
Assets		
Net cash received from disposal of subsidiaries and other business units	1,815,278.68	
1,815,278.68		
Cash received from other activities related to investing activities		1,509,111,402.80
Subtotal of cash inflows from investing activities	1,532,018,825.18	18,152,736,869.92
Cash paid for acquisition of property, plant and equipment, intangible assets and other	2,938,356,212.10	5,966,783,609.70

in Full		
non-current assets		
Assets		
Cash paid for investments	479,901,458.98	10,774,564,699.14
Net increase in pledged loans		
Cash paid for acquisition of subsidiaries and other business units	31,451,486.73	
Net cash		
Cash paid for other activities related to investing activities		
Subtotal of cash outflows from investing activities	3,449,709,157.81	16,741,348,308.84
Net cash flow from investing activities	-1,917,690,332.63	1,411,388,561.08
III. Cash Flows from Financing Activities:		
Cash received from investment activities	84,650,909.00	441,000,985.40
Of which: Cash received from minority shareholders' investment in subsidiaries from minority shareholders	84,650,909.00	
Cash received from borrowings	32,991,544,013.15	36,229,313,846.58
Cash received from issuing bonds	5,197,900,000.00	2,000,000,000.00
Other cash received relating to financing activities	6,570,889,009.42	806,723,930.67
Subtotal cash inflow from financing activities	44,844,983,931.57	39,477,038,762.65
Cash paid to repay debt	37,375,698,966.36	41,858,811,172.98
Cash paid for dividends, profits or interest	3,413,570,978.84	3,265,881,855.58
Of which: Dividends paid by subsidiaries to minority shareholders or profits	8,239,900.52	9,752,593.46
Cash paid for other financing activities	10,714,575,842.11	2,130,752,605.36
Subtotal of cash outflows from financing activities	51,503,845,787.31	47,255,445,633.92
Net cash flow from financing activities	-6,658,861,855.74	-7,778,406,871.27
IV. Effect of exchange rate changes on cash and cash equivalents	-101,509,319.19	-177,406,601.80
-101,509,319		
V. Net increase in cash and cash equivalents	-2,958,174,475.84	-2,973,511,487.37
Plus: Opening balance of cash and cash equivalents	18,421,163,777.11	21,394,675,264.48
VI. Closing balance of cash and cash equivalents	15,462,989,301.27	18,421,163,777.11

6. Parent Company Cash Flow Statement

Unit: Yuan

Item	2024	2023
I. Cash Flows from Operating Activities:		
Cash received from sales of goods and provision of services	13,856,531,190.52	18,302,960,390.09
Tax and duty refunds received		5,936,988.04
Other cash received in respect of operating activities	393,678,813.67	7,112,510,904.44
Subtotal cash inflows from operating activities	14,250,210,004.19	25,421,408,282.57
Cash paid for purchases of goods and services	13,396,648,635.45	11,956,561,966.19
Cash paid to employees and for employee benefits	869,498,706.42	929,411,916.88
Taxes and duties paid	162,584,665.23	275,468,220.06
Cash paid for other operating activities	305,973,995.35	3,940,031,988.79
Subtotal cash outflow from operating activities	14,734,706,002.45	17,101,474,091.92
Net cash flow from operating activities	-484,495,998.26	8,319,934,190.65
II. Cash Flows from Investing Activities:		
Cash received from disposal of investments	950,000,000.00	14,944,788,255.12
Cash received from investment income	2,970,170,306.92	3,247,156,030.80
Disposal of fixed assets, intangible assets and	18,946,237.66	5,251,925.13

	in Full	
Cash paid for investments	797,425,060.00	16,801,189,251.74
Cash paid for acquisition of subsidiaries and other business units	34,760,786.25	
Net cash		
Cash paid for other activities related to investing activities	5,392,826,485.84	685,075,702.72
Subtotal of cash outflows from investing activities	6,896,212,913.80	18,297,866,507.24
Net cash flow from investing activities	-2,922,047,054.78	966,294,965.21
III. Cash flows from financing activities:		
Cash received from investment activities		363,536,930.40
Cash received from borrowings	14,664,611,160.48	5,278,509,848.18
Cash received from issuing bonds	5,197,900,000.00	2,000,000,000.00
Other cash received relating to financing activities	3,702,101,358.87	
Subtotal of cash inflows from financing activities	23,564,612,519.35	7,642,046,778.58
Cash paid to repay debt	17,893,867,949.02	11,029,560,424.67
Cash paid for dividends, profits or interest	2,738,080,791.85	2,437,896,920.19
Cash		
Cash paid for other financing activities	3,765,778,054.82	855,698,527.56
Subtotal of cash outflows from financing activities	24,397,726,795.69	14,323,155,872.42
Net cash flow from financing activities	-833,114,276.34	-6,681,109,093.84
IV. Effect of exchange rate changes on cash and cash equivalents	-1,061,373.24	
-1,061,373.2		
V. Net increase in cash and cash equivalents	-4,240,718,702.62	2,605,120,062.02
Add: Opening balance of cash and cash equivalents	19,683,806,225.08	17,078,686,163.06
VI. Closing Balance of Cash and Cash Equivalents	15,443,087,522.46	19,683,806,225.08



7. Consolidated Statement of Changes in Equity

Amount for the Period

Unit: Yuan

Item	2024														
	Equity attributable to owners of the parent company													Minority Interests	Total equity
	Share capital	Other equity instruments			Capital reserv es	Less: Treasur y shares	Other compreh ensive income	Special reserv e	Retained earnin gs	General risk reserve	Retaine d earning s	Other	Subtotal		
		Preference shares	Perpetual Bonds	Other											
I. Balance at end of previous year	11,816.1 66,093.0 0				16,395.2 87,579.4 5	364,120, 077.22	-43,822, 254.50	117,949, 245.28	2,425.94 0,729.29		25,797.2 69,064.8 0		56,144.6 70,380.1 0	1,342.31 4,863.07	57,486.98 5,243.17
Add: Accounting policy change															
Prior period Errors corrected															
Other															
II. Opening Balance for Current Year	11,816.1 66,093.0 0				16,395.2 87,579.4 5	364,120, 077.22	-43,822, 254.50	117,949, 245.28	2,425.94 0,729.29		25,797.2 69,064.8 0		56,144.6 70,380.1 0	1,342.31 4,863.07	57,486.98 5,243.17
III. Amount of Increase/Decrease for the Period (Decreases to be entered with a "—" sign)					-28,101, 411.08	372,965, 179.69	-282.07 9,754.39	-37,179.1 13.46	307,044, 547.55		3,577.34 8,606.22		3,164.06 7,695.15	-189.30 9,885.22	2,974,757. 809.93
(1) Total comprehensive income							-256.94 6,252.84				5,976.11 8,332.51		5,719.17 2,079.67	23,797.5 02.90	5,742,969. 582.57
(2) Capital contributions and reductions by owners					-25,630, 186.60	372,965, 179.69							-398,595, 366.29	-204.13 7,359.75	-602,732.7 26.04
1. Common shares issued to owners					1,607.19 9.56								1,607.19 9.56	83,043.7 09.44	84,650.90 9.00
2. Other equity Equity instrument															



holders' investment						in Full									
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in Full

Contributions to capital															
3. Share-based payments recognised in equity					123,524,295.61								123,524,295.61	3,437,374.04	126,961,669.65
4. Other					-150,761,681.77	372,965,179.69							-523,726,861.46	-290,618,443.23	-814,345,304.69
(3) Profit Distribution									307,044,547.55		-2,423.903,227.84		-2,116.858,680.29	-8,239.900.52	-2,125,098,580.81
1. Transfer to retained earnings									307,044,547.55		-307,044,547.55				
2. General risk reserve															
3. Distribution to owners (or shareholders)											-2,116.858,680.29		-2,116.858,680.29	-8,239.900.52	-2,125.098,580.81
4. Other															
(IV) Internal Transfer of Owners' Equity								-25,133.501.55			25,133.501.55				
1. Capital reserve transferred to capital (or share capital)															
2. Transfer of retained earnings to capital (or share capital)															
3. Use of retained earnings to offset losses															
4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other comprehensive income to								-25,133.501.55			25,133.501.55				



retained earnings						in Full									
6. Other															



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in Full

(V) Special Reserve								-37,179.1					-37,179.1	419,190.	-36,759.92
-37,179.1								13.46					13.46	67	2.79
1. Provision for the period								118,764.321.17					118,764.321.17	2,592.607.86	121,356.929.03
2. Current period usage								155,943.434.63					155,943.434.63	2,173.417.19	158,116.851.82
(VI) Other					-2,471.224.48								-2,471.224.48	-1,149.318.52	-3,620.543.00
IV. Closing Balance for the Period	11,816.166,093.00				16,367.186,168.37	737,085.256.91	-325.902,008.89	80,770.131.82	2,732.985,276.84		29,374.617,671.02		59,308.738,075.25	1,153.004,977.85	60,461.743,053.10

Previous period amount

Unit: Yuan

Item	2023 Annual														
	Equity attributable to owners of the parent company												Minority Interests	Total equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Retained earnings	General risk reserve	Retained earnings	Other			Subtotal
Preference shares		Perpetual Bonds	Other												
I. Balance at end of previous year	11,816.166,093.00				16,784.069,068.73		-106,698,098.68	101,728.687.22	2,089.951,613.16		22,574.158,603.59		53,259.375,967.02	1,402.324,636.84	54,661,700,603.86
Add: Accounting policy change															
Prior period Errors corrected															
Other															
II. Opening Balance for the Current Period	11,816.166,093.00				16,784.069,068.73		-106,698,098.68	101,728.687.22	2,089.951,613.16		22,574.158,603.59		53,259.375,967.02	1,402.324,636.84	54,661,700,603.86



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III. Amount of Increase/Decrease for the Current Period (Decreases to be entered with a "-" sign)					-388,781,489.28	in Full 364,120,077.22	62,875.844.18	16,220.558.06	335,989,116.13		3,223,110,461.21		2,885.294,413.08	-60,009,773.77	2,825,284.639.31
(I) Total comprehensive income							66,582,670.61				5,326,470,288.96		5,393.052,959.57	-92,224,810.59	5,300,828.148.98



in Full

(2) Capital contributions and reductions by owners					-388,781,489.28	364,120,077.22							-752,901,566.50	40,837.931.14	-712,063,635.36
1. Common stock contributed by owners					20,805.935.25	-363,536,930.40							384,342,865.65	56,658.119.75	441,000.985.40
2. Capital contributed by holders of other equity instruments															
3. Share-based payments recognised in equity					-403,859,057.48	-488,068,001.52							84,208.944.04	2,007.866.50	86,216,810.54
4. Other					-5,728.367.05	1,215,725,009.14							-1,221.453,376.19	-17,828.055.11	-1,239,281,431.30
(3) Profit Distribution									335,989,116.13		-2,107.066,654.18		-1,771,077,538.05	-9,752.593.46	-1,780,830,131.51
1. Transfer to retained earnings									335,989,116.13		-335.989,116.13				
2. Provision for general risk															
3. Distribution to Owners (or shareholders)											-1,771.077,538.05		-1,771.077,538.05	-9,752.593.46	-1,780,830,131.51
4. Other															
(IV) Internal Transfer of Owners' Equity								-3,706.826.43			3,706.826.43				
1. Capital reserve transferred to capital (or share capital)															
2. Transfer of retained earnings to capital (or share capital)															



3. Use of retained earnings to offset losses							in Full								
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in Full

4. Transfer of changes in defined benefit plans to retained earnings															
5. Transfer of other comprehensive income to retained earnings							-3,706.8 26.43				3,706.82 6.43				
6. Other															
(V) Special Reserves								16,220.5 58.06				16,220.5 58.06	1,129.69 9.14	17,350,257. 20	
1. Provision for the period								137,152, 367.25				137,152, 367.25	3,706,50 4.28	140,858.87 1.53	
2. Current period usage								120,931. 809.19				120,931, 809.19	2,576.80 5.14	123,508,61 4.33	
(VI) Other															
IV. Closing Balance for the Period	11,816.1 66,093.0 0				16,395.2 87,579.4 5	364,120, 077.22	-43,822, 254.50	117,949, 245.28	2,425,94 0,729.29		25,797.2 69,064.8 0		56,144.6 70,380.1 0	1,342.31 4,863.07	57,486,985, 243.17

8. Statement of Changes in Equity of the Parent Company

Amount for the Period

Unit: Yuan

Item	2024 Annual											
	Share Capital	Other Equity Instruments			Capital reserves	Less: Treasur y shares	Other compreh ensive income	Special reserve	Retained earnings	Retained earnings	Other	Total equity
		Preference shares	Perpetual debt	Other								
I. Balance at end of previous year	11,816.16 6,093.00				18,348.93 4,544.51	364,120.07 7.22	-39,371.52 4.97	8,917,588. 07	2,425,940. 729.29	11,581,229,385. 70		43,777,696,738.3 8
Add: Changes in accounting policies												
Prior Period Error Correction												



Other					in Full							
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in Full

II. Opening Balance for the Current Year	11,816.16 6,093.00				18,348.93 4,544.51	364,120.07 7.22	-39,371.52 4.97	8,917,588. 07	2,425,940. 729.29	11,581,229,385. 70		43,777,696,738.3 8
III. Changes in Amounts for the Current Period (Decreases to be entered with a "-" sign)					28,367.19 4.00	372,965.17 9.69	206,424.53	-5,011,353. 22	307,044.54 7.55	646,542,247.69		604,183,880.86
(I) Total comprehensive income							206,424.53			3,070,445,475. 53		3,070,651,900.06
(b) Capital contributions and reductions by owners					28,367.19 4.00	372,965.17 9.69						-344,597,985.69
1. Common shares contributed by owners												
2. Capital contributed by holders of other equity instruments												
3. Share-based payments recognised in equity					28,367.19 4.00							28,367,194.00
4. Other						372,965.17 9.69						-372,965,179.69
(3) Profit Distribution									307,044.54 7.55	-2,423,903,227. 84		-2,116,858,680.2 9
1. Transfer to retained earnings									307,044.54 7.55	-307,044,547.5 5		
2. Distribution to Owners (or Shareholders)										-2,116,858,680. 29		-2,116,858,680.2 9
3. Other												
(iv) Internal Transfer of Equity												
1. Capital reserve transferred to capital (or share capital)												
2. Capitalisation of retained earnings (or share capital)												
3. Use of Retained Earnings to Offset Losses												



4. Transfer of changes in defined benefit plans to retained earnings					in Full							
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in Full

5. Transfer of other comprehensive income to retained earnings												
6. Other												
(v) Special reserves								-5,011,353.22				-5,011,353.22
1. Current Period Allocation								14,748.875.40				14,748,875.40
2. Current period utilisation								19,760.228.62				19,760,228.62
(VI) Other												
IV. Closing Balance for the Current Period	11,816.16 6,093.00				18,377,30 1,738.51	737,085.25 6.91	-39,165.10 0.44	3,906,234.85	2,732,985.276.84	12,227,771.63 3.39		44,381,880,619.24

Previous period amount

Unit: Yuan

Item	2023 Annual											
	Share Capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserve	Retained earnings	Retained earnings	Other	Total equity
		Preference shares	Perpetual debt	Other								
I. Balance at the end of the previous year	11,816,166.093.00				18,988,540,211.29		-39,498,080.95	4,572,637.65	2,089,951.613.16	10,328,404.878.60		43,188,137,352.75
Add: Change in accounting policy												
Prior Period Error Correction												
Other												
II. Opening Balance for the Current Year	11,816,166.093.00				18,988,540,211.29		-39,498,080.95	4,572,637.65	2,089,951.613.16	10,328,404.878.60		43,188,137,352.75
III. Changes in Amounts for the Current Period (Decreases to be entered with a "—" sign)					-639,605,666.78	364,120,077.22	126,555.98	4,344,950.42	335,989.116.13	1,252,824.507.10		589,559,385.63



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(I) Total comprehensive income					in Full		126,555.98			3,359,891.1 61.28		3,360,017.7 17.26
(II) Owners' contributions and reductions in capital					-639,605,66 6.78	364,120,07 7.22						-1,003,725, 744.00



in Full

1. Common stock contributed by owners						-363,536.93 0.40						363,536.93 0.40
2. Capital contributed by holders of other equity instruments												
3. Amounts recognised in equity for share-based payments					-467,445.89 9.96	-488,068.00 1.52						20,622,101.56
4. Other					-172,159.76 6.82	1,215,725.0 09.14						-1,387,884,775.96
(3) Profit Distribution									335,989,11 6.13	-2,107,066, 654.18		-1,771,077, 538.05
1. Transfer to retained earnings									335,989,11 6.13	-335,989,11 6.13		
2. Distribution to Owners (or Shareholders)										-1,771,077, 538.05		-1,771,077, 538.05
3. Other												
(iv) Internal Transfer of Owners' Equity												
1. Capital reserve transferred to capital (or share capital)												
2. Transfer of Retained Earnings to Capital (or Share Capital)												
3. Use of Retained Earnings to Offset Losses												
4. Transfer of changes in defined benefit plans to retained earnings												
5. Transfer of other comprehensive income to retained earnings												
6. Other												
(v) Special reserves								4,344,950.4 2				4,344,950.4 2
1. Current Period Allocation								22,903,282. 74				22,903,282. 74
2. Current period utilisation								18,558,332. 32				18,558,332. 32



in Full

(vi) Other												
IV. Closing Balance for the Period	11,816,166.093.00				18,348,934,544.51	364,120,077.22	-39,371,524.97	8,917,588.07	2,425,940.729.29	11,581,229,385.70		43,777,696,738.38

III. Basic Information of the Company

1. Registered Location, Organisational Form and Head Office Address

XCMG Group Construction Machinery Co., Ltd. (hereinafter referred to as the "Company" or "XCMG Machinery") was established on "the Company" or "XCMG Machinery") was established as a non-publicly traded joint-stock company on 15 June 1993. Its formation was approved by Document No. Su Ti Gai Sheng (1993) 230 issued by the Jiangsu Provincial Economic System Reform Commission. The Company was incorporated through the contribution of net assets, as assessed and confirmed on 30 April 1993, from the construction machinery factory, loader factory, and marketing company under Xuzhou Construction Machinery Group Co., Ltd.

was formally registered on 15 December 1993 with a registered capital of RMB 95,946,600.00.

Subsequent changes to the share capital (including bonus shares and public and private placements of RMB ordinary A-) resulted in

the registered capital being adjusted to RMB

RMB 2,062,758,154.00. As at 6 February 2015, the original holders of convertible corporate bonds had converted a total of 298,671,080 shares, each with a par value of

RMB 1.00, increasing the share capital to RMB 2,361,429,234.00. On 15 September 2015, the extraordinary general meeting of the Company approved the 2015

The Company implemented a bonus share scheme of "10 for 20" based on the total share capital of 2,361,429,234.00 shares as at 30 June 2015

, the Company implemented a bonus share scheme of "10 for 20". Based on the total share capital of 2,361,429,234.00 shares as of 30 June 2015, the share capital was increased by RMB 4,722,858,468.00. Consequently, the Company's registered capital amounted to RMB 7,084,287,702.00.

Pursuant to resolutions passed by the Board of Directors and the Shareholders' Meeting, the Company repurchased 76,560,047 shares publicly traded shares, which were subsequently cancelled. Consequently, the Company's registered capital now stands at RMB 7,007,727,655.00.

Pursuant to resolutions of the Board of Directors and Shareholders' Meeting, and approved by the China Securities Regulatory Commission's "Approval for the Non-Public Issuance of Shares by XCMG Group Construction Machinery Co., Ltd." (CSRC Permit [2018] No. 182), the Company increased its registered capital by RMB 825,940,775.00 through a private placement of shares on 16 July 2018.

, thereby increasing the Company's registered capital by RMB 825,940,775.00. Consequently, the Company's registered capital now stands at RMB 7,833,668,430.00. Pursuant to resolutions passed by the Company's Board of Directors and Shareholders' Meeting, and in accordance with the China Securities Regulatory Commission's "Approval for the Non-Public Issuance of Shares by XCMG Group Construction Machinery Co., Ltd.

Issuing Shares to Xuzhou Construction Machinery Group Co., Ltd. and Others for the Absorption Merger of XCMG Construction Machinery Co., Ltd." (CSRC Approval Document No. [2022]1281), the Company issued shares to XCMG

[2022] No. 1281), the Company issued 6,970,483,397 shares to all shareholders of XCMG Group Construction Machinery Co., Ltd. (hereinafter referred to as XCMG Limited) on 19 August 2022, thereby absorbing and merging XCMG Limited.

to absorb and merge XCMG Limited. The 2,985,547,134 shares of XCMG Machinery previously held by XCMG Limited were cancelled.

2,985,547,134 shares held by XCMG Co., Ltd. were cancelled. Consequently, the Company's registered capital now stands at RMB 11,818,604,693.00.

Pursuant to resolutions passed by the Company's Board of Directors and Shareholders' Meeting, the Company cancelled all shares repurchased through the exercise of cash election rights on 14 September 2022

2,438,600 shares were cancelled on 14 September 2022. Consequently, the Company's registered capital now stands at RMB 11,816,166,093.00.

The Company's Unified Social Credit Code is 913203001347934993; Registered Capital: RMB 11,816,166,610.00; Business Address: No. 26 Tuolanshan Road, Xuzhou Economic and Technological Development Zone, Jiangsu Province; Legal Representative: Yang Dongsheng.

2. Principal business activities

The Company operates within the construction machinery sector, principally engaged in the research and development, manufacturing, sales, and servicing of earthmoving machinery, lifting machinery, piling machinery, concrete machinery, road machinery, aerial work machinery, mining machinery, environmental sanitation machinery, agricultural machinery, emergency rescue equipment, and other construction machinery and spare parts.

3. Approval and Submission of Financial Statements

These financial statements were approved for submission by the Company's Board of Directors on 26 April 2025.

IV. Basis of Preparation of Financial Statements

1. Basis of Preparation

The Company's financial statements are prepared on a going concern basis, reflecting transactions and events that have actually occurred. They comply with the "Enterprise Accounting Standards – Basic Standards" issued by the Ministry of Finance, along with specific accounting standards, application guidelines, interpretations, and other relevant provisions (hereinafter collectively referred to as the "Enterprise Accounting Standards"). Additionally, they adhere to the requirements of the China Securities Regulatory Commission's Rules for the Preparation and Disclosure of Information by Companies Issuing Securities No. 15 – General Provisions for Financial Reporting (2023 Revision).

In accordance with the relevant provisions of the Enterprise Accounting Standards, the Company's accounting records are maintained on an accrual basis. Except for certain financial instruments, these financial statements are measured at historical cost. Where impairment of assets occurs, corresponding impairment allowances are recognised in accordance with relevant regulations.

2. Going Concern

These financial statements are presented on a going concern basis, and the Company has the ability to continue as a going concern for at least 12 months from the end of the reporting period.

V. Significant Accounting Policies and Estimates

Specific accounting policies and estimates are highlighted as follows:

1. Statement of Compliance with Accounting Standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises and present fairly, in all material respects, the consolidated and parent company financial position as at 31 December 2024, and the consolidated and parent company operating results for the year ended 31 December 2024, as well as consolidated and parent company cash flows and other related information.

2. Accounting Periods

The Company's accounting periods comprise annual and interim periods, with an interim period denoting a reporting period shorter than a full financial year. The Company's financial year follows the calendar year, commencing 1 January and ending 31 December.

3. Business Cycle

The Company operates on a 12-month business cycle, which serves as the criterion for classifying the liquidity of assets and liabilities.

4. Functional Currency

The Renminbi (RMB) is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. The Company and its domestic subsidiaries maintain their accounts in Renminbi. The currency used in the preparation of these financial statements is Renminbi.

5. Methodology and Basis for Determining Materiality Thresholds

☒ Applicable ☐ Not applicable

Item	Materiality Threshold
Material write-offs of accounts receivable	Where the amount written off exceeds 3% of the total write-offs for all categories of receivables and is greater than ¥15 million
Significant prepayments	Prepayments with individual ageing exceeding one year account for over 3% of the total prepayments and amounts exceed RMB 50 million
Significant Construction in Progress	Individual project budgets exceeding RMB 200 million
Significant joint arrangements or associates	Long-term equity investments in a single investee entity with a carrying amount representing more than 1% of the Group's net assets and the amount exceeds ¥100 million
Significant cash flows from investing activities	A single investment activity accounts for more than 10% of the total cash inflows or outflows related to investment activities exceeds 10% of the total cash inflow or outflow from investment activities and the amount exceeds RMB 500 million

6. Accounting treatment for business combinations under common control and not under common control

A business combination refers to a transaction or event whereby two or more separate entities are merged to form a single reporting entity. Business combinations are categorised as either business combinations under common control or business combinations not under common control.

(1) Business combinations under common control

A business combination is classified as under common control when the participating entities are ultimately controlled by the same party or parties before and after the combination, and such control is not temporary. In a business combination under common control, the party acquiring control of the other participating entities on the acquisition date is the acquirer, while the other participating entities are the acquirees. The acquisition date refers to the date on which the acquirer actually obtains control of the acquiree.

Assets and liabilities acquired by the company in a business combination shall be measured at the carrying amounts of the acquiree's assets and liabilities (including goodwill arising from the ultimate controlling party's acquisition of the acquiree) in the ultimate controlling party's consolidated financial statements as at the acquisition date. The difference between the carrying amount of net assets acquired and the carrying amount of consideration paid (or the aggregate nominal value of shares issued) shall adjust the share premium within capital reserves. Should the share premium within capital reserves be insufficient to cover the difference, retained earnings shall be adjusted accordingly.

Direct costs incurred by the acquiring party in effecting the business combination shall be recognised in profit or loss in the period in which they are incurred.

(2) Business combinations not under common control

A business combination is classified as non-controlling interest when the entities involved are not ultimately controlled by the same party or parties before and after the combination. In a non-controlling interest business combination, the party acquiring control of the other participating entity on the acquisition date is the acquirer, and the other participating entity is the acquiree. The

acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

For non-controlling interest business combinations, the cost of the combination comprises the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer to obtain control of the acquiree on the acquisition date. Intermediary fees such as those for audit, legal services, valuation and consultancy, along with other administrative expenses incurred in connection with the business combination, are recognised in profit or loss for the period in which they are incurred. Transaction costs incurred by the acquirer in issuing equity or debt securities as consideration are included in the initial recognition amount of such securities. Contingent consideration is included in the cost of the acquisition at its fair value at the acquisition date. Should new or further evidence of circumstances existing at the acquisition date emerge within 12 months after the acquisition date, necessitating an adjustment to the contingent consideration, the resulting adjustment is recognised in goodwill arising on the acquisition. The acquirer's acquisition costs and the identifiable net assets acquired in the combination are measured at their fair values at the acquisition date. The excess of the acquisition costs over the fair value share of the acquiree's identifiable net assets acquired at the acquisition date is recognised as goodwill. Where the cost of the business combination is less than the fair value share of the acquiree's identifiable net assets acquired in the combination, the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities acquired, as well as the measurement of the cost of the business combination, shall first be reviewed. If, after such review, the cost of the business combination remains less than the fair value share of the acquiree's identifiable net assets acquired in the combination, the difference shall be recognised in profit or loss for the period.

Where the acquirer acquires deductible temporary differences of the acquiree that are not recognised as deferred tax assets at the acquisition date because they do not meet the recognition criteria, and within 12 months after the acquisition date, new or additional information is obtained indicating that the relevant circumstances existed at the acquisition date, and the economic benefits from the acquiree's deductible temporary differences at the acquisition date are expected to be realised, a related deferred tax asset shall be recognised. Concurrently, goodwill shall be reduced; if goodwill is insufficient to offset the amount, the excess shall be recognised in profit or loss for the period. In all other circumstances where a deferred tax asset related to a business combination is recognised, it shall be included in profit or loss for the period.

Non-controlling interest acquisitions achieved through multiple transactions constituting a "single transaction" shall be accounted for in accordance with the preceding paragraphs of this section and Note V.16 "Long-term Equity Investments". Transactions not constituting a "single transaction" shall be accounted for separately in the individual and consolidated financial statements:

In the separate financial statements, the initial investment cost shall be the sum of the carrying amount of the equity investment in the acquiree held prior to the acquisition date and the cost of the additional investment made on the acquisition date; Where the equity investment in the acquiree held prior to the acquisition date involves other comprehensive income, upon disposal of this investment, the related other comprehensive income shall be accounted for on the same basis as the disposal of the acquiree's assets or liabilities (i.e., except for the proportionate share of changes arising from the remeasurement of the acquiree's defined benefit plan net liability or net assets accounted for under the equity method, the remainder shall be transferred to current period investment income).

In the consolidated financial statements, equity interests in the acquiree held prior to the acquisition date shall be remeasured at their fair value at the acquisition date, with the difference between fair value and carrying amount recognised in investment income for the period. Where equity interests in the acquiree held prior to the acquisition date involve other comprehensive income, the related other comprehensive income shall be accounted for on the same basis as if the acquiree had directly disposed of the relevant assets or liabilities (i.e., except for the acquiree's share of changes arising from the remeasurement of net defined benefit plan liabilities or net assets under the equity method, the remainder shall be recognised as investment income for the period in which the acquisition date falls).

7. Criteria for Determining Control and Methodology for Preparing Consolidated Financial Statements

(1) Criteria for Determining Control

The scope of consolidation for consolidated financial statements is determined based on control. Control refers to the parent company possessing power over the investee, deriving variable returns through participation in the investee's activities, and having the ability to use its power over the investee to affect the amount of those returns. This typically includes investees in which the parent company holds more than half of the voting rights, and investees in which the parent company holds less than half of the voting rights but, through agreements with other investors, possesses more than half of the voting rights; investees in which the parent company has the power to determine the investee's financial and operating decisions; investees in which the parent company has the power to appoint a majority of the members of the investee's board of directors; and investees in which the parent company has the power to determine the investee's financial and

other investors; the right to determine the investee's financial and operating decisions pursuant to its articles of association or agreements; the right to appoint or remove a majority of the members of the investee's board of directors; or a majority of the voting rights on the investee's board of directors.

(2) Methodology for Preparing Consolidated Financial Statements

A subsidiary is included in the consolidation scope from the date the parent company acquires its net assets and actual control over its production and operational decisions; inclusion ceases from the date actual control is lost. For subsidiaries disposed of, their operating results and cash flows prior to the disposal date are appropriately included in the consolidated income statement and consolidated cash flow statement; for subsidiaries disposed of during the current period, the opening balance of the consolidated balance sheet is not adjusted. For subsidiaries added through business combinations not under common control, their operating results and cash flows after the acquisition date are appropriately included in the consolidated income statement and consolidated cash flow statement, without adjusting the opening balances or comparative figures of the consolidated financial statements. For subsidiaries added through a business combination under common control and entities acquired in an absorption merger, their operating results and cash flows from the beginning of the period of the merger to the merger date have been appropriately included in the consolidated income statement and consolidated cash flow statement, whilst the comparative figures in the consolidated financial statements are simultaneously adjusted.

When preparing consolidated financial statements, where the accounting policies or accounting periods adopted by subsidiaries differ from those of the parent company, the subsidiary's financial statements shall be adjusted as necessary in accordance with the parent company's accounting policies and accounting periods. For subsidiaries acquired in business combinations other than those under common control, their financial statements shall be adjusted based on the fair value of identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the preparation of the consolidated financial statements.

The portion of a subsidiary's shareholders' equity and net profit or loss for the period not attributable to the parent company shall be separately presented as minority interest and minority interest in profit or loss under shareholders' equity and net profit, respectively, in the consolidated financial statements. The portion of a subsidiary's net profit or loss for the period attributable to minority interest shall be presented under the net profit item in the consolidated income statement as "Minority interest in profit or loss". Where the share of losses borne by minority shareholders in a subsidiary exceeds their share of the subsidiary's opening equity, the excess is charged against minority interests.

Upon losing control of a subsidiary due to the disposal of part of the equity investment or other reasons, the remaining equity interest is remeasured at its fair value as at the date of loss of control. The difference between the aggregate of the consideration received for the disposal and the fair value of the remaining equity interest, and the share of the subsidiary's net assets calculated from the acquisition date onwards based on the original ownership percentage, is recognised as investment income in the period of loss of control. Other comprehensive income relating to the original equity investment in the subsidiary is accounted for upon loss of control on the same basis as if the acquiree had directly disposed of the related assets or liabilities (i.e., all such income is recognised in the current period's investment income, except for changes arising from the remeasurement of the net liability or net assets of a defined benefit plan in that original subsidiary). Subsequently, the remaining equity interest is measured in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 2 – Long-term Equity Investments or Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, as detailed in Note V.16 "Long-term Equity Investments" or Note V.16 "Long-term Equity Investments" respectively.

Long-term Equity Investments" or "ASB No. 22 – Financial Instruments: Recognition and Measurement". For further details, please refer to Note V.16 "Long-term Equity Investments" or Note V.11 "Financial Instruments" in this appendix.

Where an entity disposes of its equity investment in a subsidiary through multiple transactions until control is lost, it must determine whether the individual transactions to dispose of the equity investment constitute a single transaction. The terms, conditions, and economic effects of the transactions to dispose of the equity investment in the subsidiary meeting one or more of the following criteria typically indicate that the multiple transactions should be accounted for as a single transaction: ① These transactions were entered into simultaneously or with mutual consideration; ② These transactions collectively achieve a complete commercial outcome.

These transactions were entered into simultaneously or with mutual consideration; ② The transactions collectively achieve a complete commercial outcome;

③ The occurrence of one transaction depends on the occurrence of at least one other transaction; ④ A transaction is uneconomical when considered in isolation but becomes economical when considered together with other transactions. Where the transactions do not constitute a single transaction, each transaction shall be accounted for **separately**, as appropriate, in accordance with the principles applicable to "partial disposal of a long-term equity investment in a subsidiary without loss of control" or "loss of control over the original subsidiary due to disposal of part of the equity investment or other reasons". Where a series of transactions leading to the disposal of an equity investment in a subsidiary and the subsequent loss of control constitutes a single package transaction,

each transaction shall be accounted for as a single disposal of the subsidiary resulting in loss of control. However, the difference between the disposal proceeds from each transaction prior to loss of control and the corresponding share of the subsidiary's net assets shall be recognised in other comprehensive income in the consolidated financial statements, and transferred to profit or loss in the period when control is lost.

8. Classification of Joint Arrangements and Accounting for Joint Operations

A joint arrangement refers to an arrangement jointly controlled by two or more participants. The Company classifies joint arrangements as joint operations or joint ventures based on the rights and obligations it holds and assumes within the arrangement. A joint operation is a joint arrangement where the Company holds rights to the arrangement's relevant assets and assumes liabilities related to the arrangement. A joint venture is a joint arrangement where the Company holds rights only to the arrangement's net assets.

The Company accounts for its investments in joint ventures using the equity method, applying the accounting policies described in Note V.16(2)② "Long-term equity investments accounted for using the equity method".

As a venturer in a joint operation, the Company recognises assets held solely by it and liabilities incurred solely by it, as well as jointly held assets and jointly incurred liabilities in proportion to its interest. It recognises revenue arising from the sale of its share of the joint operation's outputs. It recognises revenue generated by the joint operation from the sale of outputs in proportion to its interest. It recognises expenses incurred solely by it and expenses incurred by the joint operation in proportion to its interest.

When the Company, as a venturer, contributes or disposes of assets to the joint operation (where such assets do not constitute a business, as hereinafter the same), or purchases assets from the joint operation, the Company shall only recognise the portion of the resulting profit or loss attributable to other participants in the joint operation until such assets are sold to a third party. Where such assets incur impairment losses in accordance with the provisions of Accounting Standard for Business Enterprises No. 8 – Impairment of Assets, etc., the Company shall recognise the full amount of the loss in respect of assets contributed to or sold by the Company to the joint operation; in respect of assets purchased by the Company from the joint operation, the Company shall recognise the loss in proportion to its share.

9. Criteria for Determining Cash and Cash Equivalents

The Company's cash and cash equivalents comprise cash on hand, deposits available for immediate payment, and short-term investments (generally maturing within three months of purchase date) held by the Company that are highly liquid, readily convertible into known amounts of cash, and subject to insignificant risk of changes in value.

10. Foreign currency transactions and translation of foreign currency financial statements

(1) Method of Translation for Foreign Currency Transactions

Foreign currency transactions incurred by the Company are initially recognised at the spot exchange rate prevailing on the transaction date (typically the mid-market rate published by the People's Bank of China on that day, hereinafter the same) and converted into the functional currency. However, foreign currency exchange transactions or transactions involving foreign currency exchange are converted into the functional currency at the actual exchange rate used.

(2) Methods for converting foreign currency monetary and non-monetary items

At the balance sheet date, monetary items denominated in foreign currencies shall be translated at the spot exchange rate prevailing on that date.

The resulting exchange differences shall be treated as follows:

① Exchange differences arising from foreign currency borrowings specifically incurred for the acquisition or construction of assets meeting capitalisation criteria, which are treated in accordance with the principle of capitalising borrowing costs; and ② Exchange differences arising from changes in the carrying amount of available-for-sale foreign currency monetary items, other than the amortised cost component, which are recognised in other comprehensive income.

Where consolidated financial statements involve foreign operations, exchange differences arising from foreign currency monetary items that constitute a net investment in the foreign operation are recognised in other comprehensive income. Upon disposal of the foreign operation, these differences are transferred to profit or loss for the period of disposal.

Foreign currency non-monetary items measured at historical cost shall continue to be measured at the amount in the functional currency determined by converting at the spot exchange rate prevailing on the transaction date. Foreign currency non-monetary items measured at fair value shall be translated using the spot exchange rate prevailing on the date of fair value determination. The difference between the translated amount in the functional currency and the original amount in the functional currency shall be treated as a change in fair value (including exchange rate changes) and recognised in profit or loss for the period or recognised in other comprehensive income.

(3) Methods for Translating Foreign Currency Financial Statements

Where consolidated financial statements involve foreign operations, exchange differences arising from foreign currency monetary items that constitute a net investment in the foreign operation are recognised as "foreign currency translation differences" in other comprehensive income. Upon disposal of the foreign operation, such differences are included in profit or loss for the period of disposal.

Foreign currency financial statements of foreign operations shall be translated into renminbi statements as follows: Assets and liabilities in the balance sheet shall be translated at the spot exchange rate prevailing on the balance sheet date. Equity items, except for "retained earnings", shall be translated at the spot exchange rate prevailing at the date of transaction. Income and expense items in the income statement are translated using the spot exchange rate prevailing on the transaction date. Opening retained earnings represent the year-end retained earnings translated from the previous year; closing retained earnings are calculated and presented based on the translated profit distribution items. The difference between the translated total of asset items and the combined total of liability and equity items is recognised as foreign currency translation differences within other comprehensive income. Upon disposal of a foreign operation and loss of control, the foreign currency translation differences related to that foreign operation, previously presented under shareholders' equity in the balance sheet, are transferred in full or proportionately to the profit or loss for the period of disposal.

Foreign currency cash flows and cash flows of foreign subsidiaries shall be translated using the average exchange rate for the period in which the cash flow occurred. The effect of exchange rate changes on cash shall be presented separately in the cash flow statement as an adjusting item.

Opening balances and prior year actual figures shall be presented at amounts converted from the prior year's financial statements.

Upon disposal of the parent company's entire ownership interest in a foreign operation, or upon loss of control over the foreign operation due to partial disposal of equity investments or other reasons, the entire foreign currency translation difference attributable to the parent company's equity interest in the foreign operation, as shown under shareholders' equity in the balance sheet, shall be transferred to profit or loss for the period of disposal.

Where disposal of a portion of an equity investment or other reasons result in a reduction of the proportion of ownership interest held in a foreign operation without loss of control, the foreign currency translation differences attributable to the portion disposed of shall be allocated to minority interests and shall not be transferred to profit or loss for the period. Where a portion of an equity interest in a foreign operation classified as an associate or joint venture is disposed of, the foreign currency translation differences attributable to that foreign operation shall be transferred to profit or loss for the period of disposal in proportion to the disposal of the foreign operation.

11. Financial Instruments

A financial asset or financial liability is recognised when the Company becomes a party to the contractual provisions of the financial instrument.

(1) Classification, Recognition and Measurement of Financial Assets

The Company classifies financial assets based on its business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows: financial assets measured at amortised cost; financial assets measured at fair value with changes recognised in other comprehensive income; and financial assets measured at fair value with changes recognised in profit or loss.

Financial assets are initially recognised at fair value. For financial assets at fair value through profit or loss, transaction costs are recognised directly in profit or loss for the period. For other categories of financial assets, transaction costs are included in the initial recognition amount. For trade receivables or notes receivable arising from the sale of products or provision of services, which do not contain or consider significant financing components, the Company recognises the initial amount as the consideration it expects to be entitled to receive.

① Financial assets measured at amortised cost

The Company manages its business model for financial assets measured at amortised cost with the objective of collecting contractual cash flows. The contractual cash flow characteristics of such financial assets align with those of basic lending arrangements, namely cash flows arising on specific dates consisting solely of payments of principal and interest based on the outstanding principal amount. For such financial assets, the Company employs the effective interest method for subsequent measurement at amortised cost. Gains or losses arising from amortisation or impairment are recognised in profit or loss for the period.

② Financial assets at fair value through other comprehensive income

The Company's business model for managing these financial assets involves both collecting contractual cash flows and holding them for sale, with the contractual cash flow characteristics of such assets consistent with those of basic lending arrangements. These financial assets are measured at fair value with changes recognised in other comprehensive income, except for impairment losses or gains, exchange gains or losses, and interest income calculated using the effective interest method, which are recognised in profit or loss for the period.

Furthermore, the Company designates certain non-trading equity instruments as financial assets at fair value through other comprehensive income. Dividend income from such assets is recognised in profit or loss for the period, whilst changes in fair value are recorded in other comprehensive income. Upon derecognition of the financial asset, the cumulative gain or loss previously recognised in other comprehensive income is transferred from other comprehensive income to retained earnings, without affecting profit or loss for the period.

③ Financial assets at fair value through profit or loss

The Company classifies financial assets other than those measured at amortised cost and those measured at fair value with changes recognised in other comprehensive income as financial assets measured at fair value with changes recognised in profit or loss. Furthermore, upon initial recognition, the Company designates certain financial assets as financial assets at fair value through profit or loss to eliminate or substantially reduce accounting mismatches. For such financial assets, the Company subsequently measures them at fair value, with changes in fair value recognised in profit or loss.

(2) Classification, Recognition and Measurement of Financial Liabilities

Financial liabilities are classified upon initial recognition as either financial liabilities at fair value through profit or loss or other financial liabilities. For financial liabilities at fair value through profit or loss, related transaction costs are recognised directly in profit or loss for the period. Transaction costs associated with other financial liabilities are included in their initial recognition amount.

① Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include trading financial liabilities (including derivative instruments classified as financial liabilities) and financial liabilities designated at initial recognition as at fair value through profit or loss.

Financial liabilities held for trading (including derivative instruments classified as financial liabilities) are subsequently measured at fair value. Changes in fair value are recognised in profit or loss for the period, except where related to hedge accounting.

For financial liabilities designated at fair value through profit or loss, changes in fair value attributable to changes in the Company's own credit risk are recognised in other comprehensive income. Upon derecognition of such liabilities, the cumulative fair value changes attributable to changes in own credit risk previously recognised in other comprehensive income are transferred to retained earnings. All other changes in fair value are recognised in profit or loss. Where the above treatment of changes in the Company's own credit risk for such financial liabilities would create or increase an accounting mismatch in profit or loss, the Company recognises the entire gain or

If the treatment of the impact of changes in the entity's own credit risk on such financial liabilities would create or increase an accounting mismatch in profit or loss, the Company shall recognise the entire gain or loss on the financial liability (including the amount attributable to changes in the entity's own credit risk) in profit or loss for the period.

② Other financial liabilities

Other financial liabilities, excluding those arising from the transfer of financial assets that do not meet the criteria for derecognition or continued involvement in transferred financial assets, and financial guarantee contracts, are classified as financial liabilities measured at amortised cost. They are subsequently measured at amortised cost, with gains or losses arising from derecognition or amortisation recognised in profit or loss for the period.

(3) Basis for Recognition and Measurement Methods for Transferred Financial Assets

Financial assets shall be derecognised if any of the following conditions are met: ① The contractual rights to receive cash flows from the financial asset have terminated; ② The financial asset has been transferred, and substantially all the risks and rewards of ownership have been transferred to the transferee; ③ The financial asset has been transferred, and although the enterprise has neither transferred nor retained substantially all the risks and rewards of ownership, it has relinquished control over the financial asset.

Where an entity neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and has not relinquished control over that asset, it shall recognise the relevant financial asset and corresponding liability according to the extent of its continuing involvement in the transferred financial asset. The extent of continuing involvement refers to the level of risk to which the entity is exposed due to changes in the value of the financial asset.

Where a transfer of a financial asset in its entirety meets the derecognition criteria, the difference between the carrying amount of the transferred financial asset and the consideration received on transfer, and the cumulative amount of fair value changes previously recognised in other comprehensive income, is recognised in profit or loss for the period.

Where a partial transfer of a financial asset meets the criteria for derecognition, the carrying amount of the transferred financial asset shall be allocated between the derecognised and the retained portion based on their relative fair values. The difference between the consideration received on the transfer and the sum of the fair value changes previously recognised in other comprehensive income allocated to the derecognised portion and the aforementioned allocated carrying amount shall be recognised in profit or loss for the period.

The Company shall determine whether substantially all the risks and rewards of ownership of a financial asset have been transferred when selling a financial asset with recourse or endorsing a financial asset held. Where substantially all the risks and rewards of ownership of the financial asset have been transferred to the transferee, the financial asset is derecognised. Where substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset is not derecognised. Where substantially all the risks and rewards of ownership of the financial asset have neither been transferred nor retained, the entity shall continue to assess whether it retains control of the asset and account for it in accordance with the principles set out in the preceding paragraphs.

(4) Derecognition of Financial Liabilities

Where the present obligation of a financial liability (or part thereof) is discharged, the Company derecognises that financial liability (or that part thereof). Where the Company (the borrower) enters into an agreement with the lender to replace the original financial liability with a new financial liability, and the contractual terms of the new liability are substantially different from those of the original liability, the original liability is derecognised and a new financial liability is recognised. Where the Company makes a substantive modification to the contractual terms of the original financial liability (or part thereof), the original financial liability is derecognised and a new financial liability is recognised in accordance with the modified terms.

Where a financial liability (or part thereof) is derecognised, the Company shall recognise the difference between its carrying amount and the consideration paid (including non-cash assets transferred or liabilities assumed) in profit or loss for the period.

(5) Offsetting of Financial Assets and Financial Liabilities

Where the Company has a legally enforceable right to offset recognised amounts of a financial asset and a financial liability, and such right is currently exercisable, and the Company intends to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously, the financial asset and financial liability are presented on the balance sheet at their net amount after offsetting. Otherwise, financial assets and financial liabilities are presented separately on the balance sheet and are not offset **a g a i n s t** each other.

(6) Methods for determining the fair value of financial assets and liabilities

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where an active market exists for a financial instrument, the Company determines its fair value using quoted prices in that active market. Quoted prices in an active market are those readily obtainable from exchanges, brokers, industry associations, pricing services, etc., and represent prices actually occurring in market transactions under fair conditions. Where no active market exists for a financial instrument, the Company employs valuation techniques to determine its fair value. Such techniques include reference to prices used in recent market transactions between knowledgeable and willing parties, comparison with the current fair value of substantially identical financial instruments, discounted cash flow analysis, and option pricing models. When valuing assets or liabilities, the Company employs valuation techniques appropriate to the current circumstances and supported by sufficient available data and other information. Input values are selected to align with the characteristics of the asset or liability considered by market participants in transactions involving the relevant asset or liability, prioritising observable inputs where possible. Where relevant observable inputs are unavailable or impracticable to obtain, unobservable inputs are used.

12. Impairment of Financial Assets

Financial assets for which the Company recognises impairment losses are those measured at amortised cost and debt instrument investments measured at fair value through other comprehensive income, primarily including notes receivable, accounts receivable, contract assets, other receivables, debt investments, other debt investments, and long-term receivables. Furthermore, for certain financial guarantee contracts, impairment allowances are also recognised and credit impairment losses are recognised in accordance with the accounting policies described in this section.

(1) Methodology for Recognising Impairment Allowances

The Company recognises impairment provisions and credit impairment losses for the above items based on expected credit losses, applying the appropriate expected credit loss measurement method (general method or simplified method).

Credit loss refers to the present value of the total shortfall in cash flows, calculated as the difference between all contractual cash flows discounted at the original effective interest rate and all expected cash flows. For purchased or originated financial assets that are already credit-impaired, the Company discounts these assets using their credit-adjusted effective interest rate.

The general method for measuring expected credit losses entails the Company assessing at each balance sheet date whether the credit risk of a financial asset has increased significantly since initial recognition. If credit risk has increased significantly since initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit losses over the entire remaining life of **t h e a s s e t**. If credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equivalent to the expected credit losses over the next 12 months. In assessing expected credit losses, the Company considers all reasonable and supportable information, including forward-looking information.

For financial instruments with low credit risk at the balance sheet date, the Company assumes that their credit risk has not significantly increased since initial recognition and elects to measure the allowance for credit losses based on the expected credit losses over the next 12 months.

(2) Criteria for determining whether credit risk has increased significantly since initial recognition

If the probability of default for a financial asset over its expected remaining life determined at the balance sheet date is significantly higher than the probability of default over its expected remaining life determined at initial recognition, this indicates a significant increase in the credit risk of that financial asset. Except in special circumstances, the Company uses changes in the risk of default occurring over the next 12 months as a reasonable estimate of changes in the risk of default over the entire remaining life to determine whether credit risk has increased significantly since initial recognition.

Typically, if a financial instrument is past due by more than 30 days, the Company considers the credit risk to have increased significantly, unless there is conclusive evidence that the credit risk has not increased significantly since initial recognition.

In assessing whether credit risk has significantly increased, the Company considers the following factors:

- 1) whether there has been a significant actual or expected change in the debtor's operating results;
- 2) Whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor operates;
- 3) Whether there has been a significant change in the value of collateral securing the debt or in the quality of guarantees or credit enhancements provided by third parties, where such changes are expected to reduce the debtor's economic incentive to repay within the contractual timeframe or affect the probability of default;
- 4) Whether there has been a significant change in the debtor's expected performance and repayment behaviour;
- 5) Whether there has been a change in the Company's credit management approach for financial instruments.

At the balance sheet date, if the Company determines that a financial instrument carries only a low credit risk, it assumes that the credit risk of that instrument

has not significantly increased since initial recognition. A financial instrument is considered to have a low level of credit risk if the risk of default is low, the borrower has a high capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic conditions and operating environments over a longer period would not necessarily reduce the borrower's ability to meet its contractual cash obligations.

(3) Portfolio-based approach to assessing expected credit risk

The Company conducts individual credit risk assessments for financial assets exhibiting significantly differing credit risk profiles, such as: receivables from related parties; receivables subject to disputes or litigation/arbitration; and receivables where there are clear indications that the debtor is unlikely to fulfil repayment obligations.

In addition to financial assets assessed individually for credit risk, the Company categorises financial assets into different groups based on shared risk characteristics. The common credit risk characteristics employed by the Company include: type of financial instrument, credit risk rating, ageing portfolio, past due ageing portfolio, contractual settlement cycle, and industry sector of the debtor. Credit risk is assessed on a portfolio basis.

(4) Accounting treatment for impairment of financial assets

At the end of the period, the Company calculates the expected credit losses for each category of financial assets. If the expected credit loss exceeds the carrying amount of the current impairment allowance, the difference is recognised as an impairment loss. If the expected credit loss is less than the carrying amount of the current impairment allowance, the difference is recognised as an impairment gain.

(5) Methods for Determining Credit Losses for Various Financial Assets

Portfolio Name	Allocation Method
Bank Accepted Bills Portfolio, Commercial Accepted Bills Portfolio	For receivable notes classified into pools, bank-accepted bills and commercial-accepted bills respectively reference historical credit loss experience, combined with current conditions and forecasts of future economic conditions. Expected credit losses are calculated using default risk exposure and the expected credit loss rate over the entire remaining maturity. credit losses.
Past Due Ageing Portfolio	For trade receivables classified into ageing pools, the company prepares a table correlating the ageing of overdue receivables with the expected credit loss rates over the entire remaining life, based on historical credit loss experience, current conditions, and forecasts of future economic conditions, to calculate the expected credit losses. Method for calculating the ageing of overdue accounts receivable: The Company shall commence calculating the ageing of overdue accounts receivable from the customer's payment date stipulated in the sales agreement. Each 12-month period shall constitute one year, with any period less than one year still counted as one year.

Contract Asset Pooling	For contract assets grouped into portfolios, reference shall be made to historical credit loss experience, combined with current conditions and projections of future conditions. expected credit losses shall be calculated using the exposure at default and the lifetime expected credit loss rate.
Other Pool	The Company classifies receivables from subsidiaries within the consolidation scope, tax refund receivables, and withholding tax receivables, which carry no significant recovery risk, into the other portfolio. Expected credit losses are calculated based on historical credit loss experience, current conditions, and future projections, using default risk exposure and the expected credit loss rate over the next 12 months or the entire remaining life.

The Company recognises loss allowances or reversals in profit or loss for the period. For debt instruments held at fair value through other comprehensive income, the Company adjusts other comprehensive income while recognising impairment losses or gains in profit or loss for the period.

13. Contract Assets

Contract assets refer to rights to receive consideration for goods or services transferred to customers prior to the customer's actual payment of the contract consideration or the due date of such consideration (where such rights depend on factors other than the passage of time), which are recognised as contract assets. Upon subsequent acquisition of an unconditional right to receive payment, these are reclassified as accounts receivable.

The Company's methodology for determining expected credit losses on contract assets and the associated accounting treatment are detailed in Note V.12 "Impairment of Financial Assets".

14. Inventories

(1) Classification of Inventories

Inventories primarily comprise raw materials, work in progress and self-manufactured semi-finished goods, and finished goods.

(2) Valuation Method for Disbursements

When issued or withdrawn, they are valued using the weighted average method.

(3) Inventory is managed under a perpetual inventory system, with physical stocktaking conducted periodically.

(4) Amortisation Method for Low-Value Consumables and Packaging Materials

Low-value consumables are amortised using the straight-line method upon issue; packaging materials are amortised using the straight-line method upon issue.

(5) Criteria for recognising and method for accruing inventory impairment allowances

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. Where the net realisable value is lower than cost, an **i n v e n t o r y** impairment provision is recognised. For merchandise (finished goods) and materials held for sale – i.e., inventories directly intended for sale – the net realisable value is determined during normal production operations as the estimated selling price less estimated selling expenses and related taxes. For materials requiring further processing, the net realisable value is determined by estimating the selling price of the finished goods produced, less **t h e** estimated costs to completion, estimated selling expenses, and related taxes and duties incurred during normal production operations; For inventories held to fulfil sales or service contracts, the net realisable value is calculated based on the contract price; Where the quantity of inventory held by the company exceeds the quantity ordered under sales contracts, the net realisable value of the excess inventory shall be calculated based on the general selling price. Materials held for production purposes shall continue to be measured at cost if the net realisable value of the finished goods produced from them exceeds their cost. Where a decline in material prices indicates that the net realisable value of finished goods is below cost, such materials shall be measured at net realisable value.

Provisions for inventory impairment are typically recognised based on the difference between the cost and net realisable value of individual inventory items. For inventory items that are numerous and of low unit value, provisions are recognised by inventory category. For inventory items produced and sold in the same region that are part of a related product line, have the same or similar end use or purpose, and are difficult to measure separately from other items, provisions may be recognised collectively.

Where, after provisioning for inventory impairment, the factors previously affecting the reduction in inventory value cease to exist, resulting in the net realisable value of the inventory exceeding its carrying amount, the provision shall be reversed within the amount previously provided. The amount reversed shall be recognised in profit or loss for the period.

15. Assets held for sale

(1) Non-current assets and disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if the Company intends to recover substantially all of their carrying amount principally through a sale transaction (including a non-monetary exchange with commercial substance, hereinafter the same) rather than through continuing use. The specific criteria are that both of the following conditions are satisfied: The non-current asset or disposal group is readily available for immediate sale in its present condition, consistent with the practice for similar assets or disposal groups in comparable transactions; The Company has made a resolution regarding the disposal plan and obtained a firm commitment to purchase; The disposal is expected to be completed within one year. A disposal group refers to a group of assets that are disposed of together as a whole in a single transaction, whether by sale or otherwise, together with any liabilities directly associated with those assets that are transferred in that transaction. Where goodwill acquired in a business combination is allocated to an asset group or combination of asset groups to which a disposal group belongs, the disposal group shall include the goodwill allocated to it.

Where the carrying amount of a non-current asset or disposal group classified as held for sale exceeds its fair value less costs to sell upon initial measurement or remeasurement at the balance sheet date, the carrying amount shall be written down to fair value less costs to sell. The amount of the write-down shall be recognised as an impairment loss on assets, included in profit or loss for the period, whilst simultaneously recognising an impairment provision for assets held for sale. For disposal groups, the recognised impairment loss on assets is first applied to reduce the carrying amount of goodwill within the disposal group, followed by a proportional reduction of the carrying amounts of other non-current assets within the disposal group that are subject to the measurement requirements of Accounting Standard for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations (hereinafter referred to as the "Held-for-Sale Standard"). Subsequent to the balance sheet date, where the net fair value less costs to sell of a disposal group held for sale increases, the previously written-down amount shall be reversed. This reversal shall be recognised within the impairment loss recognised for non-current assets that were subject to the measurement requirements of the Disposal for Sale Standard upon classification as held for sale. The reversal amount shall be included in profit or loss for the period and shall proportionally increase the carrying amount of each non-current asset within the disposal group, other than goodwill, that was subject to the measurement requirements of the Disposal for Sale Standard, based on its proportion of the carrying amount of all such assets within the disposal group. The carrying amount of goodwill that has been written down, and the impairment losses recognised on non-current assets subject to the disposal group's fair value less costs to sell measurement before classification as held for sale, shall not be reversed.

Non-current assets held for sale or non-current assets within disposal groups are not depreciated or amortised. Interest and other expenses relating to liabilities within disposal groups held for sale continue to be recognised.

When a non-current asset or disposal group ceases to meet the criteria for classification as held for sale, the Company shall cease classifying it as held for sale or remove the non-current asset from the disposal group held for sale, and measure it at the lower of: (1) its carrying amount prior to classification as held for sale, adjusted for depreciation, amortisation or impairment that would have been recognised had it not been classified as held for sale; (2) its recoverable amount.

(2) Criteria for Identifying and Presentation of Discontinued Operations

A discontinued operation refers to a separately identifiable component that meets one of the following criteria and has been disposed of or classified as held for sale: (1) the component represents an independent major line of business or a separate primary geographical area of operations; (2) the component is

part of a plan to dispose of an independent major line of business or a separate major geographical area of operations; (3) the component is a subsidiary acquired principally for resale.

The Company reports the profit or loss from discontinued operations in the income statement and discloses the impact of discontinued operations in the notes.

16. Long-term equity investments

Long-term equity investments referred to in this section denote those in which the Company exercises control, joint control or significant influence over the investee. Long-term equity investments in which the Company does not exercise control, joint control or significant influence over the investee are accounted for as financial assets at fair value through profit or loss. Where such investments are non-trading, the Company may elect upon initial recognition to designate them as financial assets at fair value through other comprehensive income. The accounting policies are detailed in Note V.11 "Financial Instruments". Joint control refers to the Company's shared control over an arrangement in accordance with relevant agreements, where the activities of such arrangement require decisions to be made with the unanimous consent of all parties sharing control. Significant influence denotes the Company's power to participate in the financial and operating policy decisions of the investee. Significant influence refers to the Company's power to participate in the decision-making of the financial and operating policies of the investee, but without being able to control or jointly control the formulation of these policies with other parties.

(1) Determination of Investment Cost

For long-term equity investments acquired through business combinations under common control, the initial investment cost is determined at the acquisition date based on the proportionate share of the book value of the investee's equity in the acquiring entity's consolidated financial statements. The difference between the initial investment cost and the sum of cash paid, non-cash assets transferred, and the book value of liabilities assumed shall adjust capital reserves; if capital reserves are insufficient, retained earnings shall be adjusted. Where the consideration for the business combination consists of the issue of equity securities, the initial investment cost of the long-term equity investment shall be determined at the acquisition date as the proportionate share of the book value of the acquiree's shareholders' equity in the consolidated financial statements of the ultimate controlling party. The total par value of the shares issued shall be recognised as share capital. The difference between the initial investment cost of the long-term equity investment and the total par value of the shares issued shall be adjusted against capital reserves; if capital reserves are insufficient, retained earnings shall be adjusted. Where equity in a combinee under common control is acquired in multiple transactions over time, ultimately forming a business combination under common control, treatment shall be determined based on whether the transactions constitute a "single transaction package": if they do, each transaction shall be accounted for as a single transaction to obtain control. For transactions not constituting a "single transaction", the initial investment cost of the long-term equity investment shall be determined on the consolidation date based on the proportionate share of the carrying amount of the acquiree's equity attributable to the ultimate controlling party in the consolidated financial statements. The difference between the initial investment cost of the long-term equity investment and the sum of the pre-consolidation carrying amount of the long-term equity investment and the carrying amount of the additional consideration paid for shares acquired on the consolidation date shall be recognised in capital reserves; Where capital reserves are insufficient to cover the adjustment, retained earnings shall be adjusted accordingly. Other comprehensive income recognised prior to the merger date from equity investments accounted for using the equity method or classified as financial assets at fair value through other comprehensive income shall not be subject to immediate accounting treatment.

For long-term equity investments acquired in a non-controlling interest business combination, the acquisition cost shall be recognised as the initial investment cost of the long-term equity investment at the acquisition date. The acquisition cost comprises the aggregate fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the acquirer. Where equity interests in the acquiree are acquired in multiple transactions leading to a non-controlling interest business combination, the following distinctions shall apply:

If the acquisition constitutes a "single transaction", all transactions shall be accounted for as a single transaction to obtain control. If the acquisition does not constitute a "single transaction", the initial investment cost of the long-term equity investment subsequently accounted for under the cost method shall be the sum of the carrying amount of the previously held equity investment in the acquiree and the cost of the additional investment. Where the previously held equity investment was accounted for using the equity method, the related other comprehensive income shall not be accounted for at this stage.

Intermediary fees incurred by the consolidating party or acquirer for the business combination, such as audit, legal services, valuation and consultancy fees, along with other related administrative expenses, shall be recognised in profit or loss for the period in which they are incurred.

Long-term equity investments other than those arising from business combinations shall be initially measured at cost. This cost shall be determined based on the method of acquisition, including: the cash purchase price actually paid by the company; the fair value of equity securities issued by the company; the value stipulated in the investment contract or agreement; the fair value or original carrying amount of assets transferred in a non-monetary asset exchange transaction; or the fair value of the long-term equity investment itself. Expenses, taxes and other necessary outlays directly attributable to acquiring the long-term equity investment are also included in the investment cost. Where additional investment enables the investor to exert significant influence or joint control over the investee without constituting control, the cost of the long-term equity investment is the sum of the fair value of the previously held equity investment (as determined in accordance with Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments) and the cost of the additional investment.

(2) Subsequent Measurement and Profit or Loss Recognition Method

Long-term equity investments over which joint control (excluding cases constituting joint operations) or significant influence is exercised over the investee entity shall be accounted for using the equity method. Furthermore, the Company's financial statements employ the cost method for accounting for long-term equity investments that confer control over the investee entity.

① Long-term equity investments accounted for using the cost method

When the cost method is applied, long-term equity investments are measured at initial investment cost, with subsequent investments or recoveries adjusting the cost of the investment. Except for cash dividends or profits declared but not yet distributed that are included in the consideration actually paid upon acquisition, **c u r r e n t i n v e s t m e n t i n c o m e** is recognised based on the cash dividends or profits declared and distributed by the investee.

② Long-term equity investments accounted for using the equity method

When the equity method is applied, if the initial investment cost of a long-term equity investment exceeds the investor's share of the investee's identifiable net assets at fair value at the time of investment, the initial investment cost is not adjusted. If the initial investment cost is less than the investor's share of the investee's identifiable net assets at fair value at the time of investment, the difference is recognised in profit or loss for the period and simultaneously adjusts the cost of the long-term equity investment.

When applying the equity method of accounting, investment income and other comprehensive income shall be recognised respectively based on the share of net profit or loss and other comprehensive income realised by the investee to which the investor is entitled or liable. Concurrently, the carrying amount of the long-term equity investment shall be adjusted. The portion of declared profits or cash dividends to which the investor is entitled shall be calculated based on the investee's declared distribution, and the carrying amount of the long-term equity investment shall be reduced accordingly. For all other changes in the investee's equity other than net profit or loss, **o t h e r c o m p r e h e n s i v e i n c o m e**, and profit distributions, the carrying amount of the long-term equity investment shall be adjusted and the amount recorded in capital reserves. When recognising the share of the investee's net profit or loss, adjustments shall be made to the investee's net profit based on the fair values of its identifiable assets at the time of investment acquisition. Where the investee's accounting policies or accounting period differ from those of the Company, the investee's financial statements shall be adjusted in accordance with the Company's accounting policies and period, upon which investment income and other comprehensive income shall be recognised. For transactions between the Company and its associates or joint ventures, where the assets contributed or sold do not constitute a business, unrealised gains or losses on internal transactions shall be offset by the proportion attributable to the Company, upon which investment gains or losses shall be recognised. However, unrealised internal transaction losses arising between the Company and the investee that represent impairment losses on transferred assets shall not be offset. Where assets contributed by the Company to a joint venture **o r** associate constitute a business, and the investor thereby acquires a long-term equity investment without obtaining control, the fair value of the contributed business shall be recognised as the initial investment cost of the newly acquired long-term equity investment. The difference between the initial investment cost and the carrying amount of the contributed business shall be recognised in full in profit or loss for the period. Where assets transferred by the Company to a joint venture or associate constitute a business, the difference between the consideration received and the carrying amount of the business shall be recognised in full in profit or loss for the period.

When assets acquired by the Company from an associate or joint venture constitute a business, accounting treatment shall be performed in accordance with the provisions of Accounting Standard for Business Enterprises No. 20 — Business Combinations, with the gain or loss related to the transaction recognised in full.

When recognising the share of net losses incurred by the investee, the Company shall limit the write-down to zero to the carrying amount of the long-term equity investment and other long-term interests that in substance constitute net investments in the investee. Furthermore, if the Company has an obligation to bear additional losses of the investee, it shall recognise a provision for the estimated obligation and include it in the current period's investment loss. Should the investee subsequently realise net profits, the Company shall resume recognising its share of profits after the profit share has offset the unrecognised loss share.

For long-term equity investments in associates and joint ventures held by the Company prior to initial adoption of the new accounting standards, any equity investment debit balance relating to such investments shall be recognised in profit or loss for the period at the amount amortised on a straight-line basis over the original remaining term.

③ Acquisition of Minority Interests

When preparing consolidated financial statements, the difference between the long-term equity investment newly added due to the purchase of minority interests and the share of the subsidiary's net assets calculated from the acquisition date (or consolidation date) based on the newly acquired shareholding percentage shall adjust capital reserves. Where capital reserves are insufficient to cover the difference, retained earnings shall be adjusted.

④ Disposal of Long-Term Equity Investments

In consolidated financial statements, where the parent company partially disposes of its long-term equity investment in a subsidiary without losing control, the difference between the disposal proceeds and the corresponding share of the subsidiary's net assets shall be recognised in shareholders' equity. Where the partial disposal results in the parent company losing control of the subsidiary, the relevant accounting policies described in Note V.7.(2) "Methods of Preparing Consolidated Financial Statements" shall apply.

For disposals of long-term equity investments in other circumstances, the difference between the carrying amount of the disposed equity interest and the actual proceeds received is recognised in profit or loss for the period.

For long-term equity investments accounted for using the equity method, where the residual equity interest continues to be accounted for using the equity method after disposal, the portion of other comprehensive income previously recognised in shareholders' equity shall be accounted for at the time of disposal on the same basis as the direct disposal of related assets or liabilities of the investee. Any equity recognised due to changes in the investee's equity other than net profit or loss, other comprehensive income, and profit distributions shall be transferred proportionately to profit or loss for the period.

For long-term equity investments accounted for using the cost method, where the residual equity interest is subsequently accounted for using the cost method, the other comprehensive income recognised prior to obtaining control of the investee entity through the application of the equity method or the Financial Instruments Recognition and Measurement Standard shall be accounted for on the same basis as the direct disposal of related assets or liabilities of the investee entity. Such amounts shall be transferred proportionately to profit or loss for the period. Changes in the investee's net assets recognised under the equity method, excluding net profit or loss, other comprehensive income, and profit distributions, shall be transferred proportionately to profit or loss for the period.

Where the Company loses control of an investee due to the disposal of part of its equity investment, in preparing separate financial statements: Where the residual equity interest after disposal cannot confer joint control or significant influence over the investee, accounting treatment shall be changed to comply with the relevant provisions of the Financial Instruments Recognition and Measurement Standard. The difference between the fair value and carrying amount at the date of loss of control shall be recognised in profit or loss for the period. For other comprehensive income recognised prior to the Company obtaining control of the investee entity, whether through the equity method or the Financial Instruments Recognition and Measurement Standard, accounting shall be conducted on the same basis as the direct disposal of related assets

or liabilities. Changes in the investee's net equity attributable to non-controlling interests, other than net profit or loss, other comprehensive income, and profit distributions, recognised under the equity method shall be transferred to profit or loss for the period when control over the investee is lost. Where the residual equity interest after disposal continues to be accounted for using the equity method, other comprehensive income and other equity components shall be transferred proportionally. Where the residual equity interest after disposal is reclassified for accounting treatment under the Financial Instruments Recognition and Measurement Standard, all other comprehensive income and other equity components shall be transferred in full.

Where the Company loses joint control or significant influence over an investee due to the disposal of part of its equity investment, the remaining equity interest shall be accounted for under the Financial Instruments Recognition and Measurement Standard. The difference between its fair value and carrying amount at the date of loss of joint control or significant influence shall be recognised in profit or loss for the period. Other comprehensive income recognised under the equity method for the original equity investment shall be accounted for on the same basis as the direct disposal of related assets or liabilities of the investee when discontinuing the equity method. Equity recognised due to changes in the investee's other comprehensive income other than net profit, other comprehensive income, and profit distributions shall be transferred in full to current period investment income upon discontinuation of the equity method.

Where the Company disposes of its equity investment in a subsidiary through multiple transactions in stages until control is lost, if such transactions constitute a single package transaction, each transaction shall be accounted for as a single disposal of the equity investment in the subsidiary and loss of control. The difference between the disposal proceeds from each **t r a n s a c t i o n** prior to loss of control and the carrying amount of the long-term equity investment corresponding to the disposed equity interest shall be initially recognised in other comprehensive income. Upon loss of control, these amounts are collectively transferred to profit or loss for the period in which control is lost.

17. Investment Property

Investment property
measurement model: Cost
method

Depreciation or Amortisation Method

Investment property refers to property held to earn rental income or for capital appreciation, or both. This includes leased land use rights, land use rights held for value appreciation and subsequent sale, and leased buildings. Furthermore, vacant buildings held by the Company for operational leasing purposes shall be reported as investment property if the Board of Directors (or equivalent body) issues a written resolution explicitly designating them for operational leasing and confirming that the holding intention will not change in the near term.

Investment property is initially measured at cost. Subsequent expenditures relating to investment property are capitalised if it is probable that the economic benefits associated with the asset will flow to the entity and the cost can be measured reliably. Other subsequent expenditures are recognised in profit or loss when incurred.

The Company employs the cost model for subsequent measurement of investment property, applying depreciation or amortisation policies consistent with those for buildings or land use rights.

The impairment testing methodology and provision calculation method for investment property are detailed in Note V.22 "Impairment of Non-current Assets".

When property held for own use or inventory is converted to investment property, or when investment property is converted to property held for own use, the carrying amount prior to conversion is used as the carrying amount after conversion.

Where investment property is converted to owner-occupied use, it is reclassified as a fixed asset or intangible asset from the date of conversion. Where owner-occupied property is converted to generate rental income or capital appreciation, the fixed asset or intangible asset is reclassified as **i n v e s t m e n t** property from the date of conversion. Upon conversion, if the property is converted to investment property measured at cost, its carrying amount shall be the carrying amount prior to conversion; if converted to investment property measured at fair value, its carrying amount shall be its fair value at the date of conversion.

Investment property is derecognised upon disposal or when permanently withdrawn from use and no future economic benefits are expected from its disposal. Disposal proceeds from the sale, transfer, scrapping or destruction of investment property, net of its carrying amount and related taxes, are recognised in profit or loss for the period.

18. Fixed Assets

(1) Recognition Criteria

Fixed assets refer to tangible assets held for the production of goods, provision of services, leasing, or operational management, with a useful life exceeding one accounting period. Fixed assets are recognised only when it is probable that the associated economic benefits will flow to the Company and their cost can be measured reliably. Fixed assets are initially measured at cost, taking into account the estimated disposal costs.

(2) Depreciation Method

Classification	Depreciation Method	Depreciation Period	Residual Value Rate	Annual depreciation rate
Buildings and Structures	Straight-line method	20~44	4%~5%	2.16%~4.80%
Machinery and Equipment	Straight-line method	5~20	4%~5%	4.75%~19.20%
Transportation Equipment	Straight-line method	4~8	4%~5%	11.875%~24.00%
Other Equipment	Straight-line method	3~10	4%~5%	9.50%~32.00%

Fixed assets are depreciated using the straight-line method over their useful lives, commencing from the month following the month in which they are brought to a condition ready for their intended use. The useful lives, estimated residual values and annual depreciation rates for each category of fixed assets are as shown in the table above.

The estimated net residual value represents the amount currently expected to be realised from the disposal of the asset, net of estimated disposal costs, assuming the fixed asset has reached the end of its estimated useful life and is in its expected condition at that time.

(3) Impairment Testing Methodology and Provisioning Approach for Fixed Assets

The impairment testing method and provisioning method for fixed assets are detailed in Note V.22 "Impairment of Long-Term Assets".

(4) Other Notes

Subsequent expenditure relating to fixed assets is capitalised as part of the asset's cost if the economic benefits associated with the asset are likely to flow to the Company and the cost can be measured reliably. The carrying amount of the replaced component is derecognised. All other subsequent expenditure is recognised in profit or loss when incurred.

An item of property, plant and equipment is derecognised when it is disposed of or when no future economic benefits are expected to arise from its use or disposal. The net proceeds from the disposal of property, plant and equipment, arising from sale, transfer, scrapping or destruction, less its carrying amount and related taxes, are recognised in profit or loss for the period.

The Company reviews the useful life, estimated residual value and depreciation method of fixed assets at least annually. Any changes are treated as changes in accounting estimates.

19. Construction in Progress

The Company's construction in progress is categorised into self-constructed and outsourced projects. Construction in progress is transferred to fixed assets upon completion and attainment of its intended operational state. The criteria for determining intended operational state shall meet one of the following conditions:

) is complete or substantially complete; trial production or trial operation has commenced, with results indicating the asset can operate normally or stably produce qualified products, or trial operation results indicate it can operate normally or conduct business; expenditure on the construction of the fixed asset is minimal or virtually non-existent; or the purchased fixed asset meets design or contractual requirements, or is substantially in line with such requirements.

When construction in progress reaches its intended usable state, it shall be transferred to fixed assets at its actual cost. Where assets have reached their intended usable state but final settlement has not yet been completed, they shall first be transferred to fixed assets at estimated value. Upon completion of final settlement, the original provisional value shall be adjusted to actual cost, though previously accrued depreciation shall not be adjusted.

The impairment testing methodology and provision calculation approach for construction in progress are detailed in Note V.22 "Impairment of Long-Term Assets".

20. Borrowing Costs

Borrowing costs comprise interest on borrowings, amortisation of discounts or premiums, ancillary expenses, and exchange differences arising from foreign currency borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset qualifying for capitalisation shall be capitalised when the asset expenditure has been incurred, the borrowing costs have been incurred, and the acquisition, construction or **p r o d u c t i o n** activities necessary to bring the asset to its intended usable or saleable state have commenced. Capitalisation shall cease when the asset qualifying for capitalisation reaches its intended usable or saleable state. All other borrowing costs shall be recognised as an expense in the period incurred.

For specific borrowings, the actual interest expense incurred during the period, net of interest income earned on unused funds deposited in banks or investment income from temporary investments, is capitalised. For general borrowings, the capitalisation amount is determined by multiplying the weighted average of asset expenditures exceeding specific borrowings by the capitalisation rate applicable to the general borrowings utilised. The capitalisation rate is calculated based on the weighted average interest rate of the general borrowings.

During the capitalisation period, exchange differences arising from foreign currency specific borrowings are fully capitalised; exchange differences from foreign currency general borrowings are recognised in profit or loss for the period. Assets qualifying for capitalisation refer to fixed assets, investment properties, inventories, and similar assets that require a substantial period of construction, production, or accumulation to reach their intended usable or saleable state.

Should the construction or production of an asset qualifying for capitalisation be subject to an abnormal interruption exceeding ~~three~~ consecutive months, the capitalisation of borrowing costs shall be suspended until construction or production resumes.

Assets meeting the capitalisation criteria refer to fixed assets, investment properties, and inventories that require a substantial period of time for construction, acquisition, or production activities to reach their intended usable or saleable state.

21. Intangible Assets

(1) Useful life and basis for determination, estimation, amortisation method or review procedures

Intangible assets refer to identifiable non-monetary assets without physical substance that are owned or controlled by the Company.

Intangible assets are initially measured at cost. Expenditure relating to intangible assets is capitalised as part of their cost if it is probable that the associated economic benefits will flow to the Company and the cost can be measured reliably. Expenditure on other items is recognised in profit or loss when incurred.

Land use rights acquired are generally accounted for as intangible assets. Where buildings such as factories are self-developed and constructed, the related land use right expenditure and building construction costs are accounted for as intangible assets and fixed assets respectively. For purchased buildings and structures, the relevant consideration is allocated between land use rights and buildings; where such allocation is impracticable, the entire amount is treated as a fixed asset.

Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives, starting from the date they become available for use. The amortisation amount is calculated as the original value less any accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised.

The useful lives, basis of determination, and amortisation methods for intangible assets with finite useful lives are as follows:

Item	Useful Life	Basis for Determining Useful Life	Amortisation Method
Land use rights	35~ 50	Contract term	Straight-line method
Computer Software	5	Contract Term	Straight-line method
Proprietary Technology	10~ 20	Statutory Rights	Linear Method
Trademark Rights	20	Statutory Rights	Straight-line method
Other	5~ 10	Contract Term	Straight-line method

At the end of the period, review the useful lives and amortisation methods of intangible assets with finite useful lives. Any changes shall be treated as changes in accounting estimates. Additionally, review the useful lives of intangible assets with indefinite useful lives. Where there is evidence that the period over which the intangible asset is expected to generate future economic benefits is foreseeable, estimate its useful life and amortise it in accordance with the amortisation policy for intangible assets with finite useful lives.

(2) Scope of Aggregation and Related Accounting Treatment for Research and Development Expenditure

The Company categorises expenditures for internal research and development projects into research-stage expenditures and development-stage expenditures. Research-stage expenditures are recognised in profit or loss in the period incurred.

The scope of the Company's R&D expenditure includes personnel costs for R&D staff, direct input costs, depreciation and amortisation of intangible assets, and other expenses, encompassing both expensed R&D costs and capitalised development expenditure.

The Company's specific criteria for distinguishing between research-stage and development-stage expenditures within internal R&D projects are as follows:

The research phase constitutes the stage of original, planned investigation and research activities undertaken to acquire and understand new scientific or technical knowledge. The development phase constitutes the stage of applying research findings or other knowledge to a specific plan or design, prior to commercial production or use, to produce new or substantially improved materials, apparatus, products, etc.

Development stage expenditures meeting all the following conditions shall be recognised as intangible assets; those failing to meet these conditions shall be charged to profit or loss for the period:

- ① The completion of the intangible asset to render it technically feasible for use or sale;
- ② There exists an intention to complete the intangible asset for use or sale;
- ③ The manner in which the intangible asset will generate economic benefits, including evidence of a market for products incorporating the asset or a market for the asset itself; where the asset will be used internally, evidence of its usefulness;
- ④ Sufficient technical, financial and other resources are available to complete the development and to use or sell the intangible asset;

⑤ Expenditure attributable to the development stage of the intangible asset can be measured reliably.

Where expenditure cannot be distinguished between the research and development phases, all R&D expenditure shall be recognised in profit or loss for the period incurred.

(3) Impairment Testing Methodology and Impairment Provision Accrual Method for Intangible Assets

The impairment testing method and provision calculation method for intangible assets are detailed in Note V.22 "Impairment of Long-Term Assets".

22. Impairment of Non-current Assets

For non-current non-financial assets such as property, plant and equipment; construction in progress; intangible assets with finite useful lives; right-of-use assets; investment property measured at cost; and long-term equity investments in subsidiaries, joint ventures and associates, the Company assesses at each balance sheet date whether there is any indication of impairment. Where such indications exist, the recoverable amount is estimated and an impairment test is performed. Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there are indications of impairment.

Where impairment testing indicates an asset's recoverable amount is less than its carrying amount, an impairment provision is recognised for the difference and recorded as an impairment loss. The recoverable amount is the higher of the asset's fair value less costs to sell and the present value of its estimated future cash flows. The fair value of an asset is determined by the contract price in an arm's length transaction. Where no contract exists but an active market for the asset exists, *f a i r v a l u e* is determined by the highest bid received. Where neither a contract nor an active market exists, *f a i r v a l u e* i s estimated based on the best available information. Disposal costs include legal fees, relevant taxes, removal costs, and direct expenses incurred to prepare the asset for sale. The present value of an asset's estimated future cash flows is determined by discounting the projected future cash flows generated during the asset's continued use and upon its eventual disposal, using an appropriate discount rate. Impairment allowances are calculated and recognised on an individual asset basis. Where it is impracticable to estimate the recoverable amount of an individual asset, the recoverable amount is determined for the asset group to which the asset belongs. An asset group is the smallest group of assets that generates cash inflows independently of other assets.

For goodwill presented separately in the financial statements, during impairment testing, the carrying amount of goodwill is allocated to the asset group or combination of asset groups expected to benefit from the synergies of the business combination. If the impairment test indicates that the recoverable amount of the asset group or combination of asset groups, including the allocated goodwill, is less than its carrying amount, an impairment loss is recognised accordingly. The amount of the impairment loss is first deducted from the carrying amount of goodwill allocated to that asset group or combination of groups. Subsequently, the carrying amounts of other assets within the group or combination of groups, excluding goodwill, are proportionally reduced based on their respective proportions of the total carrying amount of the group or combination of groups.

Once recognised, such impairment losses on assets shall not be reversed in subsequent periods for any subsequent recovery in value.

23. Deferred expenses

Deferred expenses represent costs incurred but attributable to the reporting period and subsequent periods, with an amortisation period exceeding one year. The Company's deferred expenses primarily comprise renovation costs, expenditure on improvements to leased assets, and service fees. Deferred expenses are amortised using the straight-line method over the estimated period of benefit.

24. Contractual Liabilities

Contract liabilities represent the Company's obligation to transfer goods to customers in exchange for consideration already received or receivable. Where customers have paid the contract consideration or the Company has obtained an unconditional right to receive payment before transferring goods to customers, the Company shall present the received or receivable consideration as a contract liability at the earlier of the date of actual payment by the customer and the date on which the consideration falls due. Contract assets and liabilities arising from the same contract shall be presented on a net basis. Contract assets and liabilities arising from different

contracts shall be presented separately.

the due date of the payable, whichever occurs first. Contract assets and liabilities arising from the same contract are presented on a net basis; however, contract assets and liabilities arising from different contracts are not offset.

25. Employee Compensation

(1) Accounting treatment for short-term remuneration

Short-term remuneration principally comprises wages, bonuses, allowances and subsidies, staff welfare expenses, medical insurance contributions, maternity insurance contributions, work injury insurance contributions, housing provident fund contributions, trade union funds and staff education funds, as well as non-monetary benefits. The Company recognises actual short-term employee remuneration incurred during the accounting period in which employees render services to the Company as a liability, charging it to profit or loss for the period or to the cost of related assets. Non-monetary benefits are measured at fair value.

(2) Accounting treatment for post-employment benefits

Post-employment benefits principally comprise basic pension insurance, unemployment insurance, and annuities. Post-employment benefit schemes include defined contribution plans. Where defined contribution plans are adopted, the corresponding contributions are recognised as part of the cost of related assets or in profit or loss for the period in which they arise.

(3) Accounting treatment for termination benefits

Where the employment relationship with an employee is terminated before the expiry of their employment contract, or where compensation is offered to encourage voluntary redundancy, and the Company cannot unilaterally withdraw the termination benefits offered under the termination plan or redundancy proposal, the employee benefit liability arising from the termination benefits shall be recognised and included in profit or loss for the period in which it is confirmed, whichever is earlier, along with the costs confirmed by the Company relating to the restructuring associated with the payment of termination benefits. However, if the termination benefits are not expected to be paid in full within twelve months after the end of the reporting period, they shall be treated as other long-term employee benefits.

Internal retirement schemes for employees shall be treated in accordance with the same principles as the aforementioned redundancy benefits. The Company shall recognise as current period profit or loss the wages payable to internally retired personnel and social insurance contributions made during the period from the date the employee ceases to provide services until the normal retirement date, provided that the conditions for recognising a provision are met.

(termination benefits).

(4) Accounting treatment for other long-term employee benefits

Other long-term employee benefits provided by the Company shall be accounted for as defined contribution plans where applicable, and as defined benefit plans in all other cases.

26. Contingent Liabilities

The Company recognises a provision for contingent liabilities when an obligation arising from contingent events such as guarantees provided to external parties, litigation matters, product quality guarantees, or loss-making contracts becomes a present obligation of the Company, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

The Company initially measures the contingent liability at the best estimate of the expenditure required to settle the present obligation and reviews the carrying amount of the contingent liability at each balance sheet date.

Where the expenditure required to settle the provision is wholly or partially expected to be reimbursed by a third party, the reimbursement amount is recognised separately as an asset when it is virtually certain to be received, provided that the recognised amount does not exceed the carrying amount of the provision.

27. Share-based payments

(1) Accounting treatment of share-based payments

Share-based payments are transactions in which an entity grants equity instruments or incurs liabilities determined on the basis of equity instruments to obtain services from employees or other parties. Share-based payments are classified as equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled share-based payments

Share-based payments settled in equity, granted in exchange for services rendered by employees, shall be measured at the fair value of the equity instruments granted on the grant date. Where such fair value represents an amount immediately exercisable after grant, it shall be recognised as an expense on the grant date, with a corresponding increase in capital reserves.

At each balance sheet date during the vesting period, the Company revises its estimate of the number of equity instruments expected to vest based on the best estimate derived from the latest available information, such as changes in the number of eligible employees. The impact of such estimates is recognised in the relevant costs or expenses for the period, with a corresponding adjustment to capital reserves.

Equity-settled share-based payments, where the fair value of the other party's services can be reliably measured, are recognised at the fair value of those services on the date they are received. Where the fair value of the other party's services cannot be reliably measured, but the fair value of the equity instruments can be reliably measured, the equity instruments are recognised at their fair value on the date the services are received. This amount is charged to the relevant costs or expenses, with a corresponding increase in shareholders' equity.

② Cash-settled share-based payments

Cash-settled share-based payments shall be measured at the fair value of the liability determined on the basis of shares or other equity instruments assumed by the Company. If the grant is immediately exercisable, it shall be recognised as an expense or cost at the grant date, with a corresponding increase in the liability. If the grant is exercisable only after completion of services during a vesting period or fulfilment of specified performance conditions, the services received during each balance sheet date of the vesting period shall be recognised as an expense or cost based on the best estimate of the exercisability, at the fair value of the liability assumed by the Company, with a corresponding increase in the liability.

The fair value of the liability is remeasured at each balance sheet date prior to settlement and on the settlement date, with any changes recognised in profit or loss for the period.

(2) Accounting treatment for amendments and termination of share-based payment schemes

Where amendments to share-based payment plans increase the fair value of the equity instruments granted, the increase in services received is recognised in accordance with the increase in the fair value of the equity instruments. The increase in the fair value of the equity instruments refers to the difference between the fair values of the instruments before and after the modification at the modification date. If the modification reduces the aggregate fair value of the share-based payment or adopts other arrangements disadvantageous to employees, the accounting for services received continues as if the modification had not occurred, unless the Company cancels part or all of the granted equity instruments.

During the vesting period, if granted equity instruments are cancelled, the Company shall treat the cancellation as accelerated vesting. The amount that would have been recognised over the remaining vesting period shall be recognised immediately in profit or loss for the period, with a corresponding recognition in capital reserves. Where an employee or other party could have satisfied non-vesting conditions but failed to do so within the vesting period, the Company shall treat this as a cancellation of the granted equity instruments.

(3) Accounting treatment for share-based payment transactions involving the Company and its shareholders or actual controllers

Where a share-based payment transaction involves the Company and its shareholders or actual controllers, and one of the settlement entity and the service recipient is within the Company's consolidated scope while the other is outside, the following accounting treatment shall be applied in the Company's consolidated financial statements:

① Where the settling entity settles using its own equity instruments, the share-based payment transaction shall be accounted for as an equity-settled share-based payment; otherwise, it shall be accounted for as a cash-settled share-based payment.

Where the settling entity is an investor in the service recipient, the transaction shall be recognised as a long-term equity investment in the service recipient at the fair value of the equity instruments granted or the fair value of the liability to be assumed on the grant date, with a corresponding recognition in capital reserves (other capital reserves) or liabilities.

② Where the service recipient has no settlement obligation or grants its own equity instruments to its employees, the share-based payment transaction shall be accounted for as an equity-settled share-based payment. Where the service recipient has a settlement obligation and grants instruments that are not its own equity instruments to its employees, the share-based payment transaction shall be accounted for as a cash-settled share-based payment.

For share-based payment transactions occurring between entities within the Company's consolidation scope where the service recipient and the settlement entity are not the same entity, the recognition and measurement of such transactions in the respective individual financial statements of the service recipient and settlement entity shall be handled in accordance with the principles outlined above.

28. Other Financial Instruments such as Preference Shares and Perpetual Bonds

(1) Distinction between Perpetual Bonds and Preference Shares

Financial instruments such as perpetual debt and preference shares issued by the Company shall be classified as equity instruments if they simultaneously meet the following conditions:

① The financial instrument does not include a contractual obligation to deliver cash or other financial assets to another party, or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable;

② Where settlement of the instrument may or must occur in the entity's own equity instruments, the instrument shall not include a contractual obligation to deliver a variable number of the entity's own equity instruments if it is a non-derivative; if it is a derivative, the entity may only settle the instrument by exchanging a fixed number of its own equity instruments for a fixed amount of cash or other financial assets.

Except for financial instruments that may be classified as equity instruments under the above conditions, other financial instruments issued by the Company shall be classified as financial liabilities. Where a financial instrument issued by the Company is a compound financial instrument, it shall be recognised as a liability at the fair value of the liability component, and the amount actually received

from the fair value of the liability component shall be recognised as "other equity instruments". Transaction costs incurred in issuing compound financial instruments shall be allocated between the liability and equity components in proportion to their respective shares of the total issue proceeds.

(2) Accounting treatment for perpetual bonds and preference shares

For perpetual bonds, preference shares and similar financial instruments classified as financial liabilities, related interest, dividends (or distributions), gains or losses, and gains or losses arising from redemption or refinancing are recognised in profit or loss for the period, except for borrowing costs meeting capitalisation criteria (see Note V.20 "Borrowing Costs").

For perpetual bonds and preference shares classified as equity instruments, their issuance (including refinancing), repurchase, sale or cancellation is treated as a change in equity by the Company, with related transaction costs also deducted from equity. Distributions to holders of equity instruments are treated as profit distributions.

The Company recognises changes in the fair value of equity instruments.

29. Revenue

Accounting policies for revenue recognition and measurement disclosed by business segment

(1) Revenue recognition and measurement methods

④ Revenue recognition

The Company recognises revenue when it has satisfied its performance obligations under the contract, i.e. when the customer obtains control of the relevant goods. At the commencement date of the contract, the Company evaluates the contract, identifies the individual performance obligations it contains, and determines whether each individual performance obligation is satisfied over a period of time or at a point in time. Revenue is then recognised separately upon satisfaction of each individual performance obligation.

In determining whether the customer has obtained control of the goods, the Company considers the following indicators:

- 1) The Company holds a present entitlement to receive payment for the goods, meaning the customer has a present obligation to pay for them.
- 2) The Company has transferred legal title of the goods to the customer, meaning the customer has legal ownership of the goods.
- 3) The Company has transferred physical possession of the goods to the customer, meaning the customer has physical possession of the goods.
- 4) The Company has transferred the significant risks and rewards of ownership of the goods to the customer, meaning the customer has assumed the significant risks and rewards of ownership of the goods.
- 5) The customer has accepted the goods.
- 6) Other indications that the customer has obtained control of the goods.

② Measurement of Revenue

Where a contract contains two or more performance obligations, the Company allocates the transaction price to each performance obligation at the contract commencement date in proportion to the relative proportion of the standalone selling price of the goods or services promised under each performance obligation. Revenue is measured based on the transaction price allocated to each performance obligation. In determining the transaction price, the company shall consider the impact of variable consideration, significant financing components within the contract, non-cash consideration, and consideration payable to the customer, assuming that the goods will be transferred to the customer as per the existing contract terms and that the contract will not be cancelled, renewed, or amended.

1) Variable consideration

The Company determines the best estimate of variable consideration based on expected values or the most probable amount. However, the transaction price incorporating variable consideration shall not exceed the amount for which it is highly probable that no significant reversal of the cumulative revenue recognised to date will occur once the relevant uncertainty is resolved. When assessing whether it is highly probable that no significant reversal of the cumulative revenue recognised to date will occur, an entity shall consider both the possibility of revenue reversal and its proportion.

2) Significant financing component

Where a contract contains a significant financing component, the Company shall determine the transaction price based on the amount payable if the customer had paid in cash at the point of obtaining control of the goods. The difference between this transaction price and the contract consideration shall be amortised over the contract period using the effective interest method.

3) Non-cash consideration

Where the customer provides non-cash consideration, the Company shall determine the transaction price based on the fair value of the non-cash consideration. Where the fair value of the non-cash consideration cannot be reasonably estimated, the Company shall indirectly determine the transaction price by reference to the separate selling price of the goods promised to the customer.

4) Consideration Payable to Customers

For consideration payable to customers, such consideration payable shall be deducted from the transaction price and shall reduce current period revenue at the later of the recognition of related revenue and the payment (or commitment to pay) of consideration to the customer, except where the consideration payable is for the purpose of obtaining other clearly distinguishable goods from the customer.

(2) Specific policies for revenue recognition

④ Recognition of Revenue from Goods Sales

Domestic sales revenue: Revenue is recognised upon dispatch of goods and confirmation of receipt by the purchaser.

Export sales revenue: Revenue is recognised upon the transfer of control, as evidenced by customs clearance formalities and supporting documentation such as export bills of lading or logistics acceptance notes, in accordance with the transaction price of the performance obligation.

② Recognition of Revenue from Services Provided

For services rendered, the Company determines performance progress using the input method. This involves recognising progress based on the proportion of costs incurred relative to estimated total costs, with service revenue recognised accordingly.

Situations where similar business activities employ different operating models involving distinct revenue recognition approaches and measurement methods

30. Contract Costs

Contract costs are categorised as contract fulfilment costs and contract acquisition costs.

Costs incurred by the Company in fulfilling a contract shall be recognised as an asset when they meet the following conditions:

- (1) The cost is directly attributable to a current or expected contract, including direct labour, direct materials, manufacturing overheads (or similar charges), costs explicitly borne by the customer, and other costs incurred solely for that contract;
- (2) The cost increases the entity's resources available for future fulfilment of the performance obligation;
- (3) The costs are expected to be recoverable.

Incremental costs incurred by the Company to secure a contract are recognised as an asset when their recovery is probable; however, such an asset may be charged to profit or loss in the period incurred if its amortisation period does not exceed one year.

Assets related to contract costs are amortised on the same basis as the revenue from the related goods or services.

Where the carrying amount of an asset related to contract costs exceeds the difference between the following two items, the Company shall recognise an impairment loss on the asset for the excess amount:

- (1) The residual consideration expected to be received from the transfer of the goods or services associated with the asset;
- (2) The estimated costs to be incurred in transferring the related goods or services.

Where an impairment loss on the aforementioned assets is subsequently reversed, the carrying amount of the asset after reversal shall not exceed the carrying amount that would have been determined for the asset on the reversal date had no impairment loss been recognised.

31. Government Grants

Government grants refer to monetary and non-monetary assets received by the Company from government entities without consideration, excluding capital contributions made by government entities in their capacity as investors with corresponding ownership interests. Government grants are categorised as asset-related government grants and income-related government grants. Government grants received by the Company for the acquisition, construction, or other formation of long-term assets are classified as asset-related government grants; all other government grants are classified as income-related government grants. Where government documentation does not explicitly designate the recipient of the grant, the grant is allocated between income-related and asset-related government grants as follows: (1) Where government documentation specifies a particular project for which the grant is intended, the grant is allocated based on the relative proportion of expenditure within the project's budget that will form assets versus expenditure that will be expensed. This allocation ratio is reviewed at each balance sheet date and adjusted if necessary; (2) Where government documentation provides only general guidance on the grant's purpose without specifying a particular project, the grant is treated as income-related.

Government grants received in the form of monetary assets shall be measured at the amount received or receivable. Government grants received in the form of non-monetary assets shall be measured at fair value; where fair value cannot be reliably determined, they shall be measured at nominal value. Government grants measured at nominal value shall be recognised directly in profit or loss for the period.

Government grants related to assets shall be recognised as deferred income and allocated over the useful life of the related asset using a reasonable and systematic basis to reduce the carrying amount of the asset or to reduce profit or loss in the periods in which the related costs, expenses or losses are incurred. Government grants related to income, when used to compensate for future costs, expenses or losses, shall be recognised as deferred income and recognised in profit or loss or offset against related costs and expenses in the period when the related costs, expenses or losses are recognised. When used to compensate for costs, expenses or losses that have already been incurred, they shall be recognised directly in profit or loss or offset against related costs and expenses.

Government grants comprising both asset-related and income-related components shall be accounted for separately. Where such separation is impracticable, the grant shall be classified in its entirety as income-related.

Government grants related to the Company's ordinary activities shall be recognised in other income or offset against related costs and expenses according to the substance of the economic transaction. Government grants unrelated to ordinary activities shall be recognised in non-operating income or expenses.

Where recognised government grants are required to be returned, if there is a related deferred income balance, it shall be offset against the carrying amount of the deferred income; any excess shall be recognised in profit or loss for the period or (for asset-related government grants initially recognised by reducing the carrying amount of the related asset) adjust the carrying amount of the asset. In other circumstances, it shall be recognised directly in profit or loss for the period.

32. Deferred Tax Assets/Deferred Tax Liabilities

Deferred tax assets or liabilities are recognised based on the difference between the carrying amount of an asset or liability and its tax base (or, for items not recognised as assets or liabilities, the difference between their tax base as determined under tax law and their carrying amount), calculated using the applicable tax rate for the period in which the asset is expected to be recovered or the liability settled.

Recognition of a deferred tax asset is limited to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised. At the balance sheet date, if there is conclusive evidence that it is probable that sufficient taxable income will be available in future periods to utilise the deductible temporary differences, a deferred tax asset is recognised for the amount not recognised in prior accounting periods.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed. Where it is probable that sufficient taxable income will not be available in future periods to utilise the benefit of the deferred tax asset, the carrying amount of the deferred tax asset is written down. Where it becomes probable that sufficient taxable income will be available, the amount written down is reversed.

The Company recognises current and deferred income tax as income tax expense or income in profit or loss for the period, except for income tax arising from: business combinations; transactions or events recognised directly in equity.

Where the Company has a legal right to net settlement and intends to settle on a net basis or to acquire assets and settle liabilities simultaneously, its current tax assets and current tax liabilities are reported on a net basis after offsetting.

33. Leases

(1) Accounting treatment for leases as a lessee

At the commencement date of the lease term, the Company recognises a right-of-use asset and a lease liability for leases other than short-term leases and leases of low-value assets, and recognises depreciation expense and interest expense over the lease term.

The Company uses the straight-line method to allocate lease payments for short-term leases and leases of low-value assets over the lease term.

① Right-of-use assets

A right-of-use asset represents the lessee's right to use the leased asset during the lease term. At the commencement date of the lease term, the right-of-use asset is initially measured at cost. This cost comprises: ① the initial measurement amount of the lease liability; ② lease payments made on or before the commencement date of the lease term, less the amount of any lease incentives received; ③ initial direct costs incurred by the lessee; ④ Costs the lessee expects to incur to dismantle and remove the leased asset, restore the site where the leased asset is located, or return the leased asset to the condition required by the lease terms.

The Company depreciates right-of-use assets using the straight-line method on a classified basis. Where it can be reasonably determined that ownership of the leased asset will be obtained at the end of the lease term, depreciation is charged over the expected remaining useful life of the asset. Where it cannot be reasonably determined that ownership will be obtained at the end of the lease term, depreciation is charged over the shorter of the lease term and the remaining useful life of the asset.

The Company determines whether right-of-use assets are impaired and accounts for such impairment in accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 8 – Impairment of Assets.

② Lease liabilities

Lease liabilities are initially measured at the present value of lease payments outstanding at the commencement date of the lease term. Lease payments comprise: ① Fixed payments (including payments that are effectively fixed), less any lease incentives where applicable; ② Variable lease payments dependent on indices or ratios; ③ estimated payments based on residual values secured by guarantees provided by the lessee; ④ the exercise price of a purchase option, provided the lessee reasonably determines to exercise that option; ⑤ payments required to exercise a termination option, provided the lease term reflects the lessee's intention to exercise that option;

The Company employs the implicit interest rate within the lease as the discount rate; where the implicit interest rate cannot be reasonably determined, the Company's incremental borrowing rate is used as the discount rate. The Company calculates interest expense on the lease liability for each period within the lease term at a fixed periodic rate, recognising this within finance costs. This periodic rate refers to the discount rate or revised discount rate adopted by the Company.

Variable lease payments not included in the measurement of the lease liability are recognised in profit or loss when incurred.

Where the Company's assessment of renewal options, termination options or purchase options changes, the lease liability is remeasured at the present value calculated using the revised lease payments and revised discount rate, with corresponding adjustments to the carrying amount of the right-of-use asset. Where the

operating lease payments, the estimated amount payable on the residual value guarantee, or variable lease payments determined by an index or rate, the lease liability is remeasured at the present value of the revised lease payments using the original discount rate, and the carrying amount of the right-of-use asset is adjusted accordingly.

③ Short-term leases and leases of low-value assets

For short-term leases (those with a lease term not exceeding 12 months at the commencement date) and leases of low-value assets, the Company adopts a simplified approach. It does not recognise a right-of-use asset or a lease liability, instead allocating the lease payments over the lease term using the straight-line method or another systematic and consistent method to the relevant asset cost or profit or loss for the period.

(2) Accounting treatment for leases as lessor

① Operating leases

The Company recognises lease income from operating leases as rental income over the lease term using the straight-line method or another systematic and reasonable amortisation method. Variable lease payments related to operating leases that are not included in the lease income are recognised in profit or loss when incurred.

② Finance leases

At the commencement date of the lease term, the Company recognises a finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at the net investment in the lease (the sum of the unguaranteed residual value and the present value of lease payments not received at the commencement date, discounted at the implicit interest rate of the lease). Interest income for the lease term is calculated and recognised using a fixed periodic interest rate. Variable lease payments received by the Company that are not included in the measurement of the net investment in the lease are recognised in profit or loss when incurred.

34. Special Reserve

Safety production fees accrued by the Company in accordance with national regulations are included in the cost of relevant products or current period profit or loss, whilst simultaneously being recorded as special reserves. When utilising special reserves, expenditure classified as expenses is directly deducted from the special reserves. Where such expenditure results in the formation of fixed assets, the special reserves are reversed upon the relevant assets reaching their intended operational state. reaches its intended operational state, the special reserve is reduced by the cost of the fixed asset formed, and an equivalent amount of accumulated depreciation is recognised. No further depreciation is charged on this fixed asset in subsequent periods.

35. Other Significant Accounting Policies and Estimates

None

36. Significant Changes in Accounting Policies and Estimates

(1) Changes to Significant Accounting Policies

☒ Applicable ☐ Not applicable

During the 2024 financial year, the Company implemented relevant provisions and guidance issued by the Ministry of Finance concerning enterprise accounting standards in recent years, primarily including:

Enterprise Accounting Standards Interpretation No. 18 (Cai Kui [2024] No. 24) (hereinafter referred to as "Interpretation No. 18") stipulates regarding the accounting treatment for warranty-type quality guarantees that do not constitute a single performance obligation:

Pursuant to Interpretation No. 18, the Company has classified warranty-related quality assurance expenses as "Cost of Main Business Operations" rather than "Selling Expenses".

The Company has applied the retrospective adjustment method to amend the financial statement data for the comparable period. The impact of the aforementioned adjustments on relevant items in the Company's financial statements is presented in the table below:

1) Impact on the consolidated financial statements:

Consolidated Income Statement Items (2024)	Impact Amount
Cost of sales	1,490,493,175.59
Selling Expenses	-1,490,493,175.59

Continued from above table:

Consolidated Income Statement Items (2023)	Before Adjustments	After Adjustment	Impact Amount
Cost of sales	72,064,271,966.44	73,532,949,275.39	1,468,677,308.95
Selling Expenses	6,702,494,622.57	5,233,817,313.62	-1,468,677,308.95

2) Impact on Parent Company Financial Statements:

Income Statement Items (2024 Financial Year)	Impact Amount
Cost of sales	244,731,632.23
Selling Expenses	-244,731,632.23

Continued from above table:

Income Statement Items (2023 Financial Year)	Before Adjustment	After Adjustment	Impact Amount
Cost of sales	11,763,343,961.14	11,960,427,889.65	197,083,928.51
Selling Expenses	413,092,500.02	216,008,571.51	-197,083,928.51

(2) Significant changes in accounting estimates

☐ Applicable ☒ Not applicable

(3) Adjustments to relevant items in the opening financial statements of the year of initial application of the new accounting standards, effective from 2024

☒ Applicable ☐ Not applicable

VI. Taxation

1. Principal Tax Categories and Rates

Tax Category	Tax Base	Tax Rate
Value Added Tax	Taxable Revenue	6%, 9%, 13% <small>Note</small>
Urban Maintenance and Construction Tax	Tax payable on turnover	1%, 5%, 7% (applicable to domestic subsidiaries)
Corporate Income Tax	Taxable Income	(1) Domestic enterprises are subject to corporate income tax at rates of 15% or 25% on taxable income. Except for subsidiaries qualifying for tax incentives under Note 6.2, all other subsidiaries are subject to a 25% corporate income tax rate; (2) Overseas subsidiaries are subject to local income tax rates.
Education Surcharge	Taxable Turnover Tax Amount	5% (Applicable to domestic subsidiaries)

Note: The VAT rates in the table refer to those applicable to domestic enterprises. Subsidiaries of XCMG Hong Kong operate subsidiaries in various countries, each subject to different VAT rates: 0.7% (∼), 1.5%, 5%, 7%, 16%, 18% (∼), and 21%.

Disclosure of entities subject to different corporate income tax rates

Name of Taxable Entity	Income Tax Rate
XCMG Brazil Bank, XCMG Group Brazil Manufacturing Co., Ltd., XCMG Group São Paulo Sales & Service Co., Ltd. Sales and Service Co., Ltd.	Statutory basic tax 15%, social contribution tax 9% (20% for financial institutions), tax 10% (annual income exceeding R\$240,000.00)
XCMG Group (Hong Kong) International Trading Co., Ltd.	Corporate income tax rate: 16.50%
XCMG Group American Research Centre	Federal corporate income tax 21%, Minnesota corporate income tax 9.8%, Illinois 9.5%
XCMG (Hong Kong) International Development Limited	16.50%
Xuzhou Construction Machinery Manufacturing (India) Co., Ltd.	25.00%
Flui tronics GmbH	31.625%
XCMG Europe GmbH	31.625%
XCMG European Research Centre GmbH	31.625%
XS Holding GmbH	32.50%
Schwing GmbH	32.50%
Stetter GmbH	27.60%
Schwing GmbH St. Stefan	25.00%
Schwing-Stetter S.A.S.	25.00%
Schwing-Stetter-Ibérica S.L.	25.00%
Schwing Stetter (UK) Ltd.	25.00%
Schwing-Stetter Construction Machinery GmbH	25.00%
Schwing-Stetter Ostrava S.R.O	19.00%
OOO Schwing-Stetter Russia	20.00%
Schwing America Inc.	30.80%
Schwing Mexico S.A. de C.V.	30.00%
Schwing Properties Inc.	30.80%
Schwing Properties Ltda.	30.80%
Schwing Bioset Technologies Inc.	30.80%
Concrete Pump Repair, North Branch	30.80%
Schwing Equipamentos Industriais Ltda	34.00%
Schwing Stetter (India) Pvt. Ltd.	30.00%
Schwing-Stetter d.o.o.	15.00%

2. Tax incentives

(1) Value Added Tax

Pursuant to the Notice on Value Added Tax Policies for Software Products (Cai Shui [2011] No. 100) issued by the Ministry of Finance and the State Administration of Taxation on 13 October 2011, companies selling embedded software products (software products integrated into machinery and equipment and sold together with them, constituting an integral part of the machinery and equipment) are subject to a 13% VAT rate. For the portion of the actual VAT burden exceeding 3%, an immediate tax rebate policy is implemented.

(2) Income Tax

Company Name	Applicable Tax Rate	Remarks
XCMG Construction Machinery Co., Ltd.	15%	On 6 November 2023, obtained High-Tech Enterprise Certificate No. GR202332007989 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. Certificate, and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou Heavy Machinery Co., Ltd.	15%	On 13 December 2023, obtained the High-Tech Enterprise Certificate (No. GR202332017259) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Road Construction Machinery Co., Ltd.	15%	On 16 December 2024, obtained the High-Tech Enterprise Certificate (No. GR202432011853) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall pay corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou XCMG Truck Crane Co., Ltd.	15%	On 6 November 2023, the company obtained the High-Tech Enterprise Certificate issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province, bearing the serial number: GR202332004633. Certificate, and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Foundation Construction Machinery Co., Ltd.	15%	On 13 December 2023, the company obtained the High-Tech Enterprise Certificate (No. GR202332018429) issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the Jiangsu Provincial Taxation Bureau of the State Taxation Administration. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Hydraulic Components Co., Ltd.	15%	On 19 November 2024, the company obtained the High-Tech Enterprise Certificate (No. GR202432003131) issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Environmental Technology Co., Ltd.	15%	On 18 November 2022, the company obtained the High-Tech Enterprise Certificate (No. GR202232005358) issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
XCMG Fire Safety Equipment Co., Ltd.	15%	On 6 November 2023, obtained the High-Tech Enterprise Certificate (No. GR202332003996) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. Certificate No. GR202332003996, and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Transmission Technology Co., Ltd.	15%	On 13 December 2023, obtained the High-Tech Enterprise Certificate No. GR202332015074 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Tracked Chassis Co., Ltd.	15%	On 19 November 2024, obtained High-Tech Enterprise Certificate No. GR202432003144 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. and shall be subject to corporate income tax at a rate of 15% for the 2024 fiscal year.
XCMG Hubei Environmental Protection Technology Co., Ltd.	15%	On 27 November 2024, the company obtained the High-Tech Enterprise Certificate issued by the Hubei Provincial Department of Science and Technology, the Hubei Provincial Department of Finance, and the State Taxation Administration of Hubei Province, bearing the serial number: GR202442002125. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
XCMG HanClouds Technology Co., Ltd.	15%	On 12 December 2022, the company obtained the High-Tech Enterprise Certificate No. GR202232016407 issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
XCMG Chongqing Construction Machinery Co., Ltd.	15%	On 12 October 2022, obtained High-Tech Enterprise Certificate No. GR202251101038 issued by the Chongqing Municipal Science and Technology Department, Chongqing Municipal Finance Bureau, and State Taxation Administration of Chongqing Municipal Taxation Bureau. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Excavator Co., Ltd.	15%	On 6 November 2023, obtained the High-Tech Enterprise Certificate (No. GR202332003994) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. and shall pay corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou XCMG Schwing Machinery Co., Ltd.	15%	On 18 November 2022, obtained the High-Tech Enterprise Certificate issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province, with certificate number: GR202232006308.

Company Name	Applicable Tax Rate	Remarks
Xuzhou Jianji Construction Machinery Co., Ltd.	15%	On 19 November 2024, obtained the High-Tech Enterprise Certificate (No. GR202432005415) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. Enterprise income tax for the 2024 fiscal year shall be calculated at a rate of 15%.
Xuzhou XCMG Mining Machinery Co., Ltd.	15%	On 13 December 2023, obtained the High-Tech Enterprise Certificate issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province, with certificate number: GR202332014209. and shall be subject to corporate income tax at a rate of 15% for the 2024 fiscal year.
XCMG Chongqing Construction Machinery Engineering Co., Ltd.	15%	On 28 November 2022, obtained the High-Tech Enterprise Certificate No. GR202251101699 issued by the Chongqing Municipal Science and Technology Department, Chongqing Municipal Finance Bureau, and State Taxation Administration of Chongqing Municipal Taxation Bureau. and shall pay corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou XCMG Special Construction Machinery Co., Ltd.	15%	On 6 November 2023, obtained High-Tech Enterprise Certificate No. GR202332005122 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province Certificate No. GR202332005122 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province.
Xuzhou XCMG Maintenance Machinery Co., Ltd.	15%	On 6 November 2023, obtained the High-Tech Enterprise Certificate issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province, with certificate number: GR202332000712. Certificate No. GR202332000712 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. For the
Xuzhou XCMG Port Machinery Co., Ltd.	15%	On 12 December 2022, the company obtained the High-Tech Enterprise Certificate (No. GR202232013945) issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the Jiangsu Provincial Taxation Bureau of the State Taxation Administration. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Agricultural Equipment Technology Co., Ltd.	15%	On 6 November 2023, the company obtained the High-Tech Enterprise Certificate issued by the Jiangsu Provincial Department of Science and Technology, the Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province, bearing the serial number: GR202332001539. Certificate, and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Jiangsu XCMG Construction Machinery Research Institute Co., Ltd.	15%	On 13 December 2023, obtained High-Tech Enterprise Certificate No. GR202332011016 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
Xuzhou XCMG Precision Industry Technology Co., Ltd.	15%	On 13 December 2023, obtained the High-Tech Enterprise Certificate and shall be subject to corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou Amacai Hydraulic Technology Co., Ltd.	15%	On 19 November 2024, obtained the High-Tech Enterprise Certificate and shall pay corporate income tax at a rate of 15% for the 2024 fiscal year.
Jiangsu Huizhi High-End Engineering Machinery Innovation Centre Co., Ltd.	15%	On 6 November 2023, obtained the High-Tech Enterprise Certificate No. GR202332003703 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province. and shall be subject to a 15% corporate income tax rate for the 2024 fiscal year.
XCMG (Liaoning) Machinery Co., Ltd.	15%	On 20 December 2023, obtained the High-Tech Enterprise Certificate and shall pay corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou XCMG Electric Technology Co., Ltd.	15%	On 18 November 2022, obtained the High-Tech Enterprise Certificate and shall be subject to corporate income tax at a rate of 15% for the 2024 fiscal year.
Xuzhou Xugong Energy Equipment Co., Ltd.	15%	On 19 November 2024, obtained the High-Tech Enterprise Certificate from the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province, with certificate number: GR202432005596 For the 2024 fiscal year, corporate income tax shall be calculated and paid at a rate of 15%.
Xuzhou Xugong Daojin Special Robot Technology Co., Ltd.	15%	On 16 December 2024, obtained the High-Tech Enterprise Certificate (No. GR202432015413) issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and the State Taxation Administration of Jiangsu Province.

		<p>Certificate No. GR202432015413 issued by the Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, and State Taxation Administration of Jiangsu Province on</p>
Certain subsidiaries and sub-subsidiaries of the company	20%	<p>Pursuant to the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (Announcement No. 12 [2023] of the Ministry of Finance and the State Taxation Administration), the policy allowing small low-profit enterprises to calculate taxable income at 25% and pay corporate income tax at a 20% rate</p> <p>This policy shall remain in effect until 31 December 2027.</p>

VII. Notes to Consolidated Financial Statements Items

1. Cash and Cash Equivalents

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Cash on Hand	2,026,719.53	£2,705,789.94
Bank deposits	15,460,962,581.74	18,445,262,238.91
Other monetary funds	4,742,091,331.10	4,923,036,879.09
Total	20,205,080,632.37	23,371,004,907.94
Of which: Total funds held overseas	3,542,443,427.70	1,734,390,681.35

Additional Notes:

The closing balance of other monetary funds comprises: Banker's acceptance deposit 1,767,425,096.43 yuan, Mortgage deposit 520,211,061.23 yuan, Performance bond (guarantee) deposit 95,407,060.14 yuan, Investment deposits (including securities margin) 5,196.90 yuan, other deposits of RMB 65,884,627.62, time deposits of RMB 734,537,663.42, and other monetary funds including statutory reserve deposits with the central bank 1,558,620,625.36 yuan.

2. Trading financial assets

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Financial assets at fair value through profit or loss	39,632,267.75	39,222,840.98
Financial assets at fair value through profit or loss		
Of which:		
Debt instrument investments	9,054,450.05	5,036,226.80
Wealth Management Products	30,577,817.70	34,186,614.18
Of which:		
Total	39,632,267.75	39,222,840.98

3. Derivative financial assets

Unit: Yuan

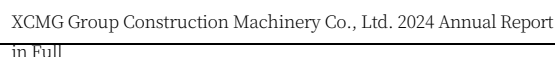
Item	Closing Balance	Opening Balance
Forward Foreign Exchange Contracts	14,266,759.77	
Total	14,266,759.77	

4. Notes receivable

(1) Classified presentation of notes receivable

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Commercial Accepted Notes	2,611,852,490.80	3,659,950,480.68
Total	2,611,852,490.80	3,659,950,480.68



Unit: Yuan

Unit: Yuan

Provisions for bad debts made during the current period:

Unit: Yuan

Of which significant amounts of bad debt provisions recovered or reversed during the period:

Unit: Yuan

(5) Notes receivable endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

Unit: Yuan

Item	Amount derecognised at period end	Amount not derecognised at end of period
Commercial paper		77,627,791.46
Total		77,627,791.46

(6) Notes transferred to accounts receivable at end of period due to issuer's non-performance

Unit: Yuan

Item	Amount transferred to accounts receivable at period-end
Commercial Acceptance Bills	96,591.94
Total	96,591.94

5. Accounts Receivable

(1) Disclosed by Age

Unit: Yuan

Accounts receivable ageing	Balance at End of Period	Opening Balance
Within 1 year (including 1 year)	31,601,463,442.00	31,959,902,007.13
1 to 2 years	8,337,063,514.81	8,250,211,982.06
2 to 3 years	3,171,105,190.62	2,935,968,257.65
Over 3 years	2,032,828,476.21	2,594,823,441.05
Total	45,142,460,623.64	45,740,905,687.89

(2) Disclosure by bad debt provisioning method

Unit: Yuan

Category	Closing Balance					Opening Balance				
	Book Balance		Bad Debt Allowance		Book Value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Provision Ratio		Amount	Ratio	Amount	Proportion of Provision	
Accounts receivable for which bad debt provisions are made on an individual basis	905,356,215.34	2.01%	861,666,912.31	95.17%	43,689.303.03	1,107,371,144.34	2.42%	1,052,008,516.69	95.00%	55,362.627.65
Of which:										
Accounts receivable for which bad debt provisions are calculated	44,237.104,408.30	97.99%	4,504.625,696.84	10.18%	39,732.478,711.46	44,633.534,543.55	97.58%	4,691.315,725.93	10.51%	39,942.218,817.62

d on a portfolio basis	in Full									
Of which:										
Ageing profile	44,237.1 04,408.3 0	97.99%	4,504.62 5,696.84	10.18%	39,732.4 78,711.4 6	44,633.5 34,543.5 5	97.58%	4,691.31 5,725.93	10.51%	39,942.2 18,817.6 2
Total	45,142.4 60,623.6 4	100.00%	5,366.29 2,609.15		39,776.1 68,014.4 9	45,740.9 05,687.8 9	100.00%	5,743.32 4,242.62		39,997.5 81,445.2 7

Provision for bad debts calculated on an individual basis:

Unit: Yuan

Name	Closing Balance			
	Book Balance	Bad Debt Allowance	Provision Ratio	Reason for Provision
Customer A	166,128,028.57	166,128,028.57	100.00%	Credit impairment, irrecoverable
Customer B	119,570,335.24	119,570,335.24	100.00%	Credit impairment, irrecoverable
Customer C	31,368,227.71	31,368,227.71	100.00%	Credit impairment, irrecoverable
Customer D	27,295,228.79	27,295,228.79	100.00%	Credit impairment, irrecoverable
Customer E	21,325,655.35	21,325,655.35	100.00%	Credit impairment, irrecoverable
Other	539,668,739.68	495,979,436.65	91.90%	Credit impairment, irrecoverable
Total	905,356,215.34	861,666,912.31		

Provision for bad debts by portfolio:

Unit: Yuan

Name	Closing Balance		
	Book Balance	Bad Debt Allowance	Provision Ratio
Within 1 year (including 1 year)	31,349,559,275.15	627,001,458.56	2.00%
1~ 2 years (inclusive)	8,264,374,016.13	826,437,403.01	10.00%
2~ 3 years (inclusive)	3,143,968,567.40	1,571,984,285.65	50.00%
Over 3 years	1,479,202,549.62	1,479,202,549.62	100.00%
Total	44,237,104,408.30	4,504,625,696.84	

Provision for bad debts on accounts receivable calculated using the expected credit loss general model:

☐ Applicable ☒ Not applicable

(3) Provisions for bad debts made, recovered or reversed during the period

Provisions for bad debts made during the current period:

Unit: Yuan

Category	Opening Balance	Current Period Adjustment Amount			Closing Balance
		Accrued or Reversed	Write-off or Write-down	Other Changes	
Accounts receivable	5,743,324,242.62	160,838,741.44	511,740,420.05	-26,129,954.86	5,366,292,609.15
Total	5,743,324,242.62	160,838,741.44	511,740,420.05	-26,129,954.86	5,366,292,609.15

(4) Actual Write-Off of Accounts Receivable for the Period

Unit: Yuan

Item	Amount Written Off
Actual Write-off of Accounts Receivable	587,598,456.49

Significant Write-offs of Accounts Receivable:

Unit: Yuan

Company Name	Nature of Receivable	Amount Written Off	Reason for Write-off	Write-off Procedure Followed	Whether the Amount Arises from Related Party Transactions
Entity A	Goods payment	73,034,017.82	Uncollectible	Internal control procedures	No
Unit B	Payment	61,795,962.42	Irrecoverable	Internal Control Procedures	No
Unit C	Goods payable	54,273,872.14	Uncollectible	Internal Control Procedures	No
Unit D	Goods payable	48,886,501.00	Uncollectible	Internal Control Procedures	No
Total		237,990,353.38			

(5) Top five accounts receivable and contract assets by debtor at the end of the period

Unit: Yuan

Entity Name	Balance of Accounts Receivable at End of Period	Contract Assets End-of-Period Balance	Balance of Accounts Receivable and Contract Assets at Period-End	Proportion of Total Balance of Accounts Receivable and Contract Assets	Balance of Bad Debt Provision for Accounts Receivable and Impairment Provision for Contract Assets at End of Period
Unit E	1,587,956,631.22		1,587,956,631.22	3.51%	229,264,833.76
Unit F	1,046,994,959.60		1,046,994,959.60	2.32%	20,939,899.20
Unit G	651,924,844.36		651,924,844.36	1.44%	24,665,764.51
Unit H	561,761,270.35		561,761,270.35	1.24%	31,939,003.34
Unit I	503,475,578.65		503,475,578.65	1.11%	27,661,647.70
Total	4,352,113,284.18		4,352,113,284.18	9.62%	334,471,148.51

6. Contract Assets

(1) Contract Assets

Unit: Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Allowance	Book value	Book balance	Bad debt provision	Book value
Retention	82,927,027.03	1,658,540.55	81,268,486.48	58,968,770.70	1,270,171.39	57,698,599.31
Total	82,927,027.03	1,658,540.55	81,268,486.48	58,968,770.70	1,270,171.39	57,698,599.31

(2) Classified disclosure by bad debt provisioning method

Unit: Yuan

Category	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Allowance	Book Value	Book balance	Bad Debt Allowance	Book value

in Full										
	Amount	Proportion	Amount	Proportion of Accrual		Amount	Ratio	Amount	Accrual Ratio	
Of which:										
Provision for bad debts calculated by portfolio	82,927.027.03	100.00%	1,658.540.55	2.00%	81,268.486.48	58,968.770.70	100.00%	1,270,171.39	2.15%	57,698.599.31
Of which:										
Total	82,927.027.03	100.00%	1,658.540.55	2.00%	81,268.486.48	58,968.770.70	100.00%	1,270,171.39	2.15%	57,698.599.31

Provision for bad debts calculated using the expected credit loss general model

☐ Applicable☒ Not applicable

(3) Provisions for bad debts made, recovered or reversed during the period

Unit: Yuan

Item	Provision for the current period	Recoveries or reversals for the period	Write-offs/Write-downs for the Period	Other Changes
Warranty deposits receivable	430,764.38			-42,395.22
Total	430,764.38			-42,395.22

(4) Contract assets by top five debtors at period-end

Unit: Yuan

Debtor Name	Contract Assets Ending Balance	Proportion of Total Contract Assets at End of Period (%)	Balance of Bad Debt Allowance at End of Period
Debtor A	10,160,007.66	12.25	203,200.15
Debtor B	8,747,500.00	10.55	174,950.00
Debtor C	5,981,749.14	7.21	119,634.98
Debtor D	3,955,918.00	4.77	79,118.36
Debtor E	2,948,000.00	3.55	58,960.00
Total	31,793,174.80	38.33	635,863.49

7. Receivables Financing

(1) Classification of Accounts Receivable Financing

Unit: Yuan

Item	Closing Balance	Opening Balance
Bankers' Acceptance	1,277,640,635.18	1,162,211,756.20
Accounts receivable securitisation instruments	411,081,303.92	245,587,494.77
Letters of credit	901,841,716.31	
Total	2,590,563,655.41	1,407,799,250.97

(2) Financing of Accounts Receivable Pledged by the Company at the End of the Period

Unit: Yuan

Item	Amount pledged at period-end
Banker's Acceptance	46,414,210.22
Accounts receivable securitisation instruments	59,376,554.58
Total	105,790,764.80

(3) Financing of accounts receivable endorsed or discounted by the company at the end of the period and not yet due on the balance sheet date

Unit: Yuan

Item	Amount derecognised at period end	Amount not derecognised at period-end
Bankers' Acceptances	7,051,111,882.40	
Accounts receivable securitisation instruments	289,184,095.72	
Total	7,340,295,978.12	

(4) Changes in Financing Receivables and Fair Value Movements for the Period

Unit: Yuan

Item	Opening Balance		Current Period Change		Closing Balance	
	Cost	Fair Value Changes	Cost	Fair value changes	Cost	Fair value changes
Notes receivable	1,407,799,250.97		1,182,764,404.44		2,590,563,655.41	
Accounts receivable						
Total	1,407,799,250.97		1,182,764,404.44		2,590,563,655.41	

8. Other receivables

Unit: Yuan

Item	Closing Balance	Opening Balance
Dividends receivable	124,480,341.13	148,033,144.71
Other receivables	2,847,127,326.55	1,923,482,014.18
Total	2,971,607,667.68	2,071,515,158.89

(1) Dividends receivable

1) Classification of Dividends Receivable

Unit: Yuan

Item (or investee entity)	Closing Balance	Opening Balance
Xuzhou Rotor Bearing Co., Ltd.	68,000,000.00	76,000,000.00
Xuzhou Weika Electronic Control Technology Co., Ltd.	27,441,005.22	61,793,979.26
Hongshuhui Gold (Shanghai) Asset Management Co., Ltd.	12,703,466.68	
Hongxin Construction Development Co., Ltd.	7,070,320.98	
XCMG Kaigong Heavy Industry Nanjing Co., Ltd.	6,392,653.80	
Xuzhou XCMG Equity Investment Co., Ltd.	1,672,894.45	1,672,894.45
Shanghai Jing Shi Investment Management Centre (Limited Partnership)	1,200,000.00	
Xuzhou Meritor Axle Co., Ltd.		8,566,271.00
Total	124,480,341.13	148,033,144.71

(2) Other receivables

1) Classification of Other Receivables by Nature of Funds

Unit: Yuan

Nature of Funds	Balance at End of Period	Opening Balance
Related Party Transactions	260,637,575.43	222,864,863.59
Non-related party transactions	2,907,462,530.47	1,892,829,755.56
Of which: Export tax rebate receivable	399,569,966.76	269,916,984.04
Business deposits and guarantees	610,972,488.42	616,735,699.08
Contingency funds	184,354,320.33	201,286,867.01
Other	1,712,565,754.96	804,890,205.43
Total	3,168,100,105.90	2,115,694,619.15

2) Disclosure by ageing

Unit: Yuan

Ageing	Balance at End of Period	Opening Balance
Within 1 year (including 1 year)	2,495,482,897.66	1,484,708,278.55
1 to 2 years	155,666,302.92	368,748,779.23
2 to 3 years	300,171,703.91	132,042,423.36
Over 3 years	216,779,201.41	130,195,138.01
Total	3,168,100,105.90	2,115,694,619.15

3) Provision for bad debts accrued, recovered or reversed during the period

Provision for bad debts made during the current period:

Unit: Yuan

Category	Opening balance	Current Period Adjustment Amount				Closing Balance
		Accrual	Recovered or Reversed	Write-off or Write-down	Other	
Other receivables	192,212,604.97	128,787,133.13			-26,958.75	320,972,779.35
Total	192,212,604.97	128,787,133.13			-26,958.75	320,972,779.35

4) Other receivables: Top five accounts receivable by outstanding balance at period-end

Unit: Yuan

Entity Name	Nature of the Amount	Balance at End of Period	Ageing	Proportion of Total Other Receivables at End of Period	Provision for Bad Debts - Ending Balance
Unit J	Other	747,704,723.09	Within one year	23.60%	
Unit K	Export tax rebate receivable	391,265,353.61	Within 1 year	12.35%	
Unit L	Transactions with Related Parties	162,844,080.83	0 to 2 years	5.14%	5,096,781.28
Unit M	Business Guarantee and Security Deposits	95,620,870.00	Within 1 year	3.02%	
Unit N	Other	85,846,953.22	2 to 3 years	2.71%	65,090,592.66
Total		1,483,281,980.75		46.82%	70,187,373.94

9. Prepayments

(1) Prepayments are presented by ageing

Unit: Yuan

Ageing	Balance at End of Period		Opening Balance	
	Amount	Ratio	Amount	Percentage
Within 1 year	1,816,514,816.83	93.64%	1,553,299,517.19	92.63%
1 to 2 years	106,850,809.07	5.51%	107,452,350.68	6.41%
2 to 3 years	10,520,130.59	0.54%	4,965,815.03	0.30%
Over 3 years	5,957,172.40	0.31%	11,095,164.33	0.66%
Total	1,939,842,928.89		1,676,812,847.23	

(2) Top five prepayments by payee at period-end

Unit: Yuan

Entity Name	Balance at End of Period	Percentage of Total Prepayments at End of Period (%)
Entity O	197,752,757.86	10.19
Unit P	65,560,192.20	3.38
Unit Q	61,486,500.00	3.17
Unit R	56,589,317.87	2.92
Unit S	54,608,416.11	2.82
Total	435,997,184.04	22.48

10. Inventories

Is the company required to comply with disclosure requirements for the real estate sector? No

(1) Inventory Classification

Unit: Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Provision for inventory impairment or provision for impairment of contract fulfilment costs	Book value	Book balance	Provision for inventory impairment or provision for impairment of contract fulfilment costs	Carrying amount
Raw materials	7,043,428,602.06	113,961,253.51	6,929,467,348.55	7,130,617,189.54	96,538,330.13	7,034,078,859.41
Work in progress	4,082,936,432.90	12,210,228.83	4,070,726,204.07	4,613,997,045.45	55,975,581.54	4,558,021,463.91
Inventory	22,017,003,040.62	473,736,803.62	21,543,266,237.00	21,309,080,990.81	522,761,207.60	20,786,319,783.21
Total	33,143,368,075.58	599,908,285.96	32,543,459,789.62	33,053,695,225.80	675,275,119.27	32,378,420,106.53

(2) Provision for inventory impairment and provision for impairment of contract fulfilment costs

Unit: Yuan

Item	Opening Balance	Increase for the Period		Current Period Decrease		Closing Balance
		Accrual	Other	Reversals or write-offs	Other	
Raw materials	96,538,330.13	64,948,288.46	-5,215,726.54	42,309,638.54		113,961,253.51
Work in progress	55,975,581.54	2,439,756.19	-691,769.94	45,513,338.96		12,210,228.83
Inventory	522,761,207.60	495,016,351.22	515,877.35	544,556,632.55		473,736,803.62
Total	675,275,119.27	562,404,395.87	-5,391,619.13	632,379,610.05		599,908,285.96

(3) Note on the Inclusion of Capitalised Borrowing Costs in the Closing Balance of Inventories

None

11. Non-current assets due within one year

Unit: Yuan

Item	Closing Balance	Opening Balance
Finance lease payments	37,295,022.09	88,997,867.88
Long-term loans receivable due within one year	306,462,427.85	640,855,612.18
Goods sold on deferred payment terms	1,385,351,255.14	1,935,116,967.22
Total	1,729,108,705.08	2,664,970,447.28

12. Other current assets

Unit: Yuan

Item	Closing Balance	Opening Balance
Input tax credit	2,920,852,968.09	2,834,227,029.46
Large-denomination certificates of deposit	532,625,948.69	392,069,856.19
Prepaid taxes and fees	107,746,499.41	50,641,453.42
Interest Accrued on Loans and Advances	3,551,179.33	4,253,560.68
Loans and advances due within one year		441,904,166.70
Other	19,802,376.19	11,814,796.42
Total	3,584,578,971.71	3,734,910,862.87

13. Loans and Advances Granted

(1) Loans and Advances Granted

Unit: Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Allowance	Book value	Book balance	Bad debt provision	Book value
Long-term loans granted	1,333,191,039.99	37,911,108.76	1,295,279,931.23	2,023,669,569.06	53,488,028.66	1,970,181,540.40
Less: Long-term loans due within one year	316,689,638.27	10,227,210.42	306,462,427.85	658,638,861.44	17,783,249.26	640,855,612.18
Long-term loans payable after one year	1,016,501,401.72	27,683,898.34	988,817,503.38	1,365,030,707.62	35,704,779.40	1,329,325,928.22

(2) Loan Credit Risk Status

Unit: Yuan

Item	Phase I	Stage Two	Stage Three	Total
	Expected credit losses for the next twelve months Expected Credit Losss	Expected Credit Losss Over the Entire Life (No credit impairment incurred)	Expected credit losses over the entire life of the exposure loss (no credit loss incurred)	
Total principal amount of loans and advances	1,327,420,574.29	529,161.68	5,241,304.02	1,333,191,039.99
Less: Loan loss provisions	32,469,582.45	200,222.29	5,241,304.02	37,911,108.76
Net principal amount of loans and advances granted	1,294,950,991.84	328,939.39		1,295,279,931.23

(3) Movement in impairment losses on loans and advances

Unit: Yuan

Impairment provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months	Expected credit losses over the entire life of the loan	Expected Credit Losss Over the Entire Life	

in Full				
	Expected Credit Loss	(No credit impairment incurred)	Losses (No Credit Impairment)	
Opening balance	47,205,537.46	763,938.21	5,518,552.99	53,488,028.66
Opening balance Current period:				
Impairment reserve	Stage One	Stage 2	Stage 3	Total
	Expected credit losses over the next 12 months Expected Credit Loss	Expected credit losses over the entire life of the loan (No credit impairment incurred)	Expected Credit Losss Over the Entire Life Losses (No Credit Impairment)	
---Transferred to Stage 2				
---Transferred to Stage 3				
---Reversal to Stage 2				
---Reversed to Stage 1				
Provision for the period	5,977,617.40	146,140.30	6,326,053.94	12,449,811.64
Reversal for the period	18,252,783.20	668,417.85	5,518,552.99	24,439,754.04
Write-offs for the period				
Other changes	-2,460,789.21	-41,438.37	-1,084,749.92	-3,586,977.50
Balance at End of Period	32,469,582.45	200,222.29	5,241,304.02	37,911,108.76

14. Other equity instruments investments

Unit: Yuan

Item Name	Balance at End of Period	Opening Balance	Gains recognised in other comprehensive income for the period	Losses recognised in other comprehensive income for the period	Cumulative Gains Recognised in Other Comprehensive Income at End of Period	Cumulative losses recognised in other comprehensive income at the end of the period	Dividend income recognised for the period	Reason for designation as at fair value through other comprehensive income
Shanghai Jing Shi Investment Management Centre (Limited Partnership) Limited Partnership)	2,389,000.00.00	2,850,000.00.00					376,213.153.82	Non-trading equity instrument investments
Huai Bei Jian Yuan Green Gold Carbon Valley Venture Capital Fund Partnershi p (Limited Partnership))	191,777.336.15	196,049.762.53						Non-trading equity instrument investments
Xuzhou Xugong No. 1 Industrial Investment Partnershi p (Limited Partnership) Limited Partnership)	69,529,441.26	137,755.788.32		68,226,347.06		30,470,558.74		Non-trading equity instrument investments

in Full							
Zhengzhou Sudar Industrial Machinery Service Co., Ltd. Co., Ltd.	227,886,000.00	96,159,450.00	131,726,550.00		131,726,550.00		Non-trading equity instruments investment
Hai'an Rubber Group Co., Ltd. Company	66,000,000.00	66,000,000.00					Non-trading equity instruments Investment
Chongqing Haorong Ruigong Investment Centre (Limited Partnership) Partnership)	63,000,000.00	63,000,000.00				10,000,000.00	Non-trading equity instrument investments
Hongyi Investment Management (Henan) Partnership Enterprise (Limited Partnership) Limited Partnership)		29,379,526.87	19,856,098.73		19,856,098.73	3,482,716.06	Non-trading equity instruments investment
Nanjing Chaomozhiyuan Equity Investment Partnership (Limited Partnership) Limited Partnership)	20,000,000.00	20,000,000.00					Non-trading equity instrument investments
Nanjing Omicron Robotics Technology Co., Ltd. Co., Ltd.	10,000,000.00	10,000,000.00					Non-trading equity instrument investments
Suzhou Huaqing Jingkun New Energy Technology Co., Ltd. Co., Ltd.	10,000,000.00	10,000,000.00					Non-trading equity instrument investments
Jiangsu Jicui Road Engineering Technology and Equipment Research Institute Co., Ltd. Co., Ltd.	3,000,000.00	3,000,000.00					Non-trading equity instrument investments
Xuzhou Daqi Leading Enterprise Management Consulting Partnership (Limited Partnership) Limited Partnership)	5,894,018.00	5,505,618.00					Non-trading equity instrument investments
Xuzhou Daren Dengfeng Enterprise Management Consulting Partnership (Limited Partnership) Limited Partnership)	1,932,555.00	1,665,455.00					Non-trading equity instrument investments

in Full								
Partnership))								
Xuzhou Avenue Interconnected Enterprise Management Consulting Partnership (Limited Partnership))	3,006,158.0 0	1,497,521.0 0						Non-trading equity instrument investments
Xuancheng High-Tech Industry Investment Development Partnership (Limited Partnership))	1,000,000.0 0	1,000,000.0 0						Non-trading equity instrument investments
ASIMCO Industrial Technology (Nanjing) Limited		30,000,000. 00	8,481,922.9 9		8,481,922.9 9		3,679,382.8 2	Non-trading equity instrument investments
XCMG Group Brazil Investment Limited						21,048,400. 00		Non-trading equity instrument s Investment
Shanghai University Science and Technology Innovation Investment Co., Ltd. Company						14,382,542. 05		Non-trading equity instruments investment
Qinghai Road & Bridge Construction Co., Ltd. Co., Ltd.						25,500,000. 00		Non-trading equity instrument s Investment
China Heavy Truck Industry Financial Company						94,350.00		Non-trading equity instrument s Investment
Total	3,062,025.5 08.41	3,521,013.1 21.72	160,064,57 1.72	68,226,347. 06	160,064,57 1.72	91,495,850. 79	393,375.25 2.70	

Discontinuing operations for the period

Unit: Yuan

Item Name	Accumulated gains transferred to retained earnings	Accumulated losses transferred to retained earnings	Reason for Derecognition
Hongyi Investment Management (Henan) Partnership Enterprise (Limited Partnership)	17,610,731.38		Disposal
ASIMCO Industrial Technology (Nanjing) Co., Ltd. Co., Ltd.	7,522,770.17		Disposal

15. Long-term receivables

(1) Long-Term Receivables

Unit: Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Bad Debt Allowance	Book value	Book balance	Bad debt provision	Book value
Finance lease receivables	1,725,030,012.77	36,126,272.32	1,688,903,740.45	806,877,733.47	17,348,417.98	789,529,315.49
Of which: unrealised financing income	75,627,665.06		75,627,665.06	28,737,793.44		28,737,793.44
Goods sold on deferred payment terms	3,117,565,573.92	67,415,342.35	3,050,150,231.57	3,705,515,952.04	115,660,446.33	3,589,855,505.71
Of which: unrealised financing income	253,201,542.69		253,201,542.69	265,558,983.97		265,558,983.97
Total	4,842,595,586.69	103,541,614.67	4,739,053,972.02	4,512,393,685.51	133,008,864.31	4,379,384,821.20

(2) Provisions for bad debts accrued, recovered or reversed during the period

Unit: Yuan

Category	Opening balance	Current Period Movement				Closing Balance
		Accrual	Recovered or Reversed	Write-off or Write-down	Other	
Long-term receivables	133,008,864.31		29,934,489.95		467,240.31	103,541,614.67
Total	133,008,864.31		29,934,489.95		467,240.31	103,541,614.67

16. Long-term equity investments

Unit: Yuan

Investee	Opening Balance (Carrying Amount)	Opening Balance of Impairment Reserve	Increases and decreases during the period								Closing Balance (Carrying Amount)	Impairment reserve - opening balance
			Additional investment	Reduction in Investment	Investment gains or losses recognised under the equity method	Adjustments to other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Other		

I. Joint Ventures											
Xuzhou Licensed Machinery Co., Ltd.	4,333.710.89				-1,678,529.04					2,655,181.85	
Inner Mongolia Yiji Xugong Special Equipment Co., Ltd. Equipment Co., Ltd.	16,185,868.72				-9,685,794.28					6,500,074.44	
Xuzhou Xugong Electric Technology Co., Ltd. Company	39,558,582.78		34,760,786.25		1,061,386.06					-75,380,755.09	
Xuzhou Vika Electronic Control Technology Co., Ltd.	246.067,132.06		680,680.00		42,567,797.69	206.424.53		27.441,005.22		262.081,029.06	
Jiangsu Guoxin New Energy Commercial Vehicle Co., Ltd.			2,500,000.00		-100.917.47					2,399,082.53	
Xuzhou XCMG Strategic Emerging Industries Investment Partnership (Limited Partnership)			76,000,000.00		7,854,82					76,007,854.82	
Subtotal	306,145,294.45		113,941,466.25		32,171,797.78	206.424.53		27.441,005.22		-75,380,755.09	349.643,222.70
II. Joint Ventures											
Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	1,582,082,632.73				59,205,623.98					1,641,288,256.71	
Hongxin Construction Development Co., Ltd.	658,389,535.21				43,202,720.40	295,080.40	-3,620,543.00	7,070,320.98		691,196,472.03	
Chongqing Haorong Investment Capital Co., Ltd.	6,592,139.12				289,639.04			6,881,778.16			
Hongshuhui Gold (Shanghai) Asset Management Co., Ltd. Company	2,673,569.96				16,762,415.50			16,691,400.00		2,744,585.46	
Xuzhou Meichi Axle Co., Ltd.	80,233,735.48				4,928,306.16			8,836,318.67		76,325,722.97	
Xuzhou Rotor-Aid Slewing Bearing Co., Ltd.	878.490,520.96		318.413.33		80.630,633.83			68.000,000.00		891,439,568.12	

in Full												
Xuzhou Tianyu Gas Power Generation Co., Ltd. Company	738,449,468.05			739,704,723.09	1,255,255.04							
XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	149,139,352.90		212,275.56		3,287,075.03			6,392,653.80			146,246,049.69	
Xingxian Xingjie Environmental Services Co., Ltd. Company	28,710,019.29				1,914.93						28,711,934.22	
Xuzhou Rongsheng Industrial Co., Ltd.	60,000,000.00				-2,095,442.99						57,904,557.01	
Xuzhou Xugong Equity Investment Co., Ltd. Company	4,042,264.91				-1,886,852.21						2,155,412.70	
Eberhard Becker & Partner GmbH, Gottingen	1,336,064.00									-56,695.00	1,279,369.00	
Stetter Arabia LLC	0	7,559,830.73		7,430,513.01						7,430,513.01		
Schwing Steiner Algeria SARL	6,288,413.53				448,411.66					-278,399.95	6,458,425.24	
Jiangsu Pengcheng Environmental Protection Hygiene Co., Ltd.	4,444,493.20				1,086,061.92						5,530,555.12	
Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd. Company	2,940,000.00										2,940,000.00	
Subtotal	4,203,812,209.34	7,559,830.73	530,688.89	747,135,236.10	207,115,762.29	295,080.40	-3,620,543.00	113,872,471.61		7,095,418.06	3,554,220,908.27	
Total	4,509,957,503.79	7,559,830.73	114,472,155.14	747,135,236.10	239,287,560.07	501,504.93	-3,620,543.00	141,313,476.83		-68,285,337.03	3,903,864,130.97	

Recoverable amount determined as fair value less costs to sell

☐ Applicable ☒ Not applicable

Recoverable amount determined based on the present value of estimated future cash flows

☐ Applicable ☒ Not applicable

17. Other non-current financial assets

Unit: Yuan

Item	Balance at end of period	Opening Balance
Classified as financial assets at fair value through profit or loss	103,990,000.00	180,962,867.40

	in Full	
Financial Assets at Fair Value through Profit or Loss		
Of which: Debt instrument investments	49,990,000.00	125,990,000.00
Equity instrument investments	24,000,000.00	24,000,000.00
Other	30,000,000.00	30,972,867.40
Total	103,990,000.00	180,962,867.40

18. Investment Property

(1) Investment property measured at cost

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	Buildings	Land use rights	Construction in Progress	Total
I. Original Carrying Amount				
1. Opening Balance	6,334,679.52			6,334,679.52
2. Increases during the period				
(1) Purchased				
(2) Transfers from inventories/fixed assets/construction in progress				
(3) Business combinations and Mergers				
3. Decreases for the Period				
(1) Disposals				
(2) Other transfers				
Disposals				
4. Closing balance	6,334,679.52			6,334,679.52
II. Accumulated Depreciation and Accumulated Amortisation				
1. Opening Balance	1,798,886.61			1,798,886.61
2. Increase for the Period	304,064.64			304,064.64
(1) Provision or Amortisation	304,064.64			304,064.64
3. Decrease for the period				
(1) Disposals				
(2) Other transfers				
Transfers				
4. Closing Balance	2,102,951.25			2,102,951.25
III. Impairment Reserve				
1. Opening Balance				
2. Increase for the Period				
(1) Provision made				
3. Current Period				

in Full				
Decreases				
(1) Disposals				
(2) Other transfers				
Disposals				
4. Closing balance				
IV. Carrying Amount				
1. Closing Book Value	4,231,728.27			4,231,728.27
2. Opening Book Value	4,535,792.91			4,535,792.91

Recoverable amount determined as fair value less costs to sell

☐ Applicable ☒ Not applicable

Recoverable amount determined based on the present value of estimated future cash flows

☐ Applicable ☒ Not applicable

19. Fixed Assets

Unit: Yuan

Item	Closing Balance	Opening Balance
Fixed Assets	24,431,435,392.14	22,510,294,100.61
Disposal of Fixed Assets		
Total	24,431,435,392.14	22,510,294,100.61

(1) Fixed Assets

Unit: Yuan

Item	Buildings and Structures	Machinery and Equipment	Transportation Equipment	Other Equipment	Total
I. Original Book Value:					
1. Opening Balance	16,747,811,079.78	19,668,263,291.03	582,511,266.80	1,781,922,638.81	38,780,508,276.42
2. Increase for the period	1,382,777,023.35	4,370,529,412.12	125,593,060.56	205,329,293.14	6,084,228,789.17
(1) Purchase Acquisition	223,037,929.91	2,719,369,747.71	133,367,281.25	121,585,673.61	3,197,360,632.48
(2) Transfer from construction in progress	1,256,777,146.57	1,725,149,342.33	23,182,588.18	94,013,205.59	3,099,122,282.67
(3) Increase from business combinations		9,611,630.24	2,739,404.81	4,729,120.55	17,080,155.60
(4) Exchange rate fluctuations	-97,038,053.13	-83,601,308.16	-33,696,213.68	-14,998,706.61	-229,334,281.58
3. Decrease for the period	91,267,244.79	2,158,136,227.71	68,946,900.74	75,168,945.58	2,393,519,318.82
(1) Disposal or scrapping	62,573,558.31	2,136,908,185.23	68,946,900.74	75,168,945.58	2,343,597,589.86

in Full					
(2) Its other	28,693,686.48	21,228,042.48			49,921,728.96
4. Closing Balance	18,039,320,858.34	21,880,656,475.44	639,157,426.62	1,912,082,986.37	42,471,217,746.77
II. Accumulated Depreciation					
1. Opening Balance	5,271,365,067.55	9,313,381,171.03	265,895,116.66	1,265,433,552.95	16,116,074,908.19
2. Increase for the period	724,105,214.00	2,162,448,092.56	114,962,784.66	171,837,844.31	3,173,353,935.53
(1) Calculated Provision	785,435,613.24	2,208,880,736.87	156,622,269.72	179,890,361.40	3,330,828,981.23
(2) Exchange rate rate fluctuations	-61,330,399.24	-52,473,568.58	-42,676,739.21	-11,165,068.71	-167,645,775.74
(3) Increase from business combinations		6,040,924.27	1,017,254.15	3,112,551.62	10,170,730.04
3. Decrease for the period	33,088,554.23	1,277,005,682.51	45,600,310.70	40,824,351.54	1,396,518,898.98
(1) Disposal or scrapping	15,662,118.72	1,266,699,243.18	45,600,310.70	40,824,351.54	1,368,786,024.14
(2) Its other	17,426,435.51	10,306,439.33			27,732,874.84
4. Closing Balance	5,962,381,727.32	10,198,823,581.08	335,257,590.62	1,396,447,045.72	17,892,909,944.74
III. Impairment Reserve					
1. Opening Balance	902,307.16	152,086,690.75	1,150,269.71		154,139,267.62
2. Increases during the period		15,605,379.81			15,605,379.81
(1) Calculated Accrued		15,605,379.81			15,605,379.81
3. Reduction for the period		22,872,237.54			22,872,237.54
(1) Disposal or scrapping		22,872,237.54			22,872,237.54
4. Closing balance	902,307.16	144,819,833.02	1,150,269.71		146,872,409.89
IV. Carrying Value					
1. Carrying Value at Period End	12,076,036,823.86	11,537,013,061.34	302,749,566.29	515,635,940.65	24,431,435,392.14
2. Opening book value	11,475,543,705.07	10,202,795,429.25	315,465,880.43	516,489,085.86	22,510,294,100.61

(2) Fixed assets leased out under operating leases

Unit: Yuan

Item	Carrying Amount at End of Period
Machinery and equipment	4,275,171,548.60

(3) Fixed Assets Without Completed Property Rights Certificates

Unit: Yuan

Item	Book Value	Reason for Unregistered Title Deed
Buildings and Structures	1,504,876,723.39	In progress

20. Construction in Progress

Unit: Yuan

Project	Closing Balance	Opening Balance
Construction in Progress	2,017,674,968.34	2,923,092,323.17
Total	2,017,674,968.34	2,923,092,323.17

(1) Construction in Progress

Unit: Yuan

Project	Balance at End of Period			Opening Balance		
	Book Balance	Impairment Reserve	Book value	Book balance	Impairment reserve	Carrying amount
Item 1	168,878,639.93		168,878,639.93	221,191,754.04		221,191,754.04
Item 2	47,273,138.59		47,273,138.59	108,102,298.39		108,102,298.39
Item 3	110,532,389.17		110,532,389.17	107,765,977.94		107,765,977.94
Item 4	33,225,560.88		33,225,560.88	93,105,774.29		93,105,774.29
Item 5	139,800,320.70		139,800,320.70	86,099,424.62		86,099,424.62
Item 6	220,619,056.72		220,619,056.72	72,232,824.02		72,232,824.02
Item 7	52,642,892.33		52,642,892.33	63,117,537.42		63,117,537.42
Item 8	69,642,525.99		69,642,525.99	62,825,908.46		62,825,908.46
Item 9	66,022,648.12		66,022,648.12	62,235,074.75		62,235,074.75
Item 10	36,808,592.27		36,808,592.27	50,035,616.32		50,035,616.32
Item 11	1,817,721.11		1,817,721.11	4,490,031.54		4,490,031.54
Item 12	5,032,881.21		5,032,881.21	4,198,461.41		4,198,461.41
Item 13	4,288,048.48		4,288,048.48	3,579,502.55		3,579,502.55
Item 14				165,249.14		165,249.14
Item 15	75,376,571.97		75,376,571.97	908,230,078.69		908,230,078.69
Item 16	466,991.54		466,991.54			
Item 17	37,521,492.19		37,521,492.19	213,739,233.81		213,739,233.81
Item 18	73,760,677.12		73,760,677.12	68,604,131.59		68,604,131.59
Other non-material projects	873,964,820.02		873,964,820.02	793,373,444.19		793,373,444.19
Projects						
Total	2,017,674,968.34		2,017,674,968.34	2,923,092,323.17		2,923,092,323.17

(2) Changes in Significant Construction Projects During the Period

Project Name	Budgeted Amount	Opening Balance	Increase for the Period	Amount Transferred to Fixed Assets During Current Period	Other Decreases for the Period	Closing Balance	Cumulative Project Expenditure as a Percentage of Budget	Project progress (%)	Cumulative amount of interest capitalised	Of which : Interest capitalised during the current period	Interest capitalisation rate for the current period	Funding Source
Item 6	567,160,000.00	72,232,824.02	174,304,148.43	25,917,915.73		220,619,056.72	78.00%	78.00				Self-financed
Project 1	3,314,850,600.00	221,191,754.04	85,993,001.31	138,306,115.42		168,878,639.93	99.20%	99.20	45,581,753.47			Funds raised and self-Project5
Project 5	485,000,000.00	86,099,424.62	53,700,896.08			139,800,320.70	28.82%	28.82				Self-financed
Project 3	1,335,020,000.00	107,765,977.94	2,766,411.23			110,532,389.17	63.19%	63.19	6,179,333.34			Self-financed
Project 8	328,000,000.00	62,825,908.46	72,306,969.53	65,490,352.00		69,642,525.99	53.71%	53.71				Funds raised and self-Project9
Project 9	215,000,000.00	62,235,074.75	3,787,573.37			66,022,648.12	81.47%	81.47	4,286,061.48			Self-financed
Project 7	680,000,000.00	63,117,537.42	4,003,440.74	14,478,085.83		52,642,892.33	93.38%	93.38	20,140,774.54			Self-financed
Project 2	500,000,000.00	108,102,298.39	1,003,555.62	57,071,893.22	4,760,822.20	47,273,138.59	99.00%	99.00				Funds raised and self-Project
Project 10	1,234,600,000.00	50,035,616.32	41,260,696.22	54,487,720.27		36,808,592.27	76.28%	76.28				Funds raised and self-Project
Project 4	684,050,000.00	93,105,774.29	21,811,547.77	81,691,761.18		33,225,560.88	17.48%	17.48				Self-financed
Project 12	250,000,000.00	4,198,461.41	1,007,177.96	123,431.56	49,326.60	5,032,881.21	99.00%	99.00				Self-financed
Project 13	458,350,000.00	3,579,502.55	5,002,549.08	4,294,003.15		4,288,048.48	80.00%	80.00				Self-financed
Project 11	285,000,000.00	4,490,031.54	11,681.42	2,567,926.95	116,064.90	1,817,721.11	99.00%	99.00				Self-financed
Project 14	438,900,000.00	165.249.14		165.249.14			100.00%	100.00				Self-financed
Project 15	1,585,000,000.00	908,230.078.69	305,024,282.99	1,137,877.789.71		75,376,571.97	76.55%	76.55	5,422,798.55	3,082,229.53	1.24%	Self-financed

in Full											
Project 16	300,000,000.00		466,991.54			466,991.54	0.16%	0.16			Self-financed
Total	12,660,930.6	1,847,375.51	772,450,923.	1,582,472.24	4,926,213.70	1,032,427.97			81,610,721.3	3,082,229.53	
	00.00	3.58	29	4.16		9.01			8		

(3) Impairment testing of construction in progress

☐ Applicable ☒ Not applicable

21. Right-of-use assets

(1) Right-of-Use Assets

Unit: Yuan

Item	Buildings and Structures	Machinery and Equipment	Transportation Equipment	Electronic and Office Equipment	Total
I. Original Book Value					
1. Opening Balance	71,252,962.55	257,548,672.71			328,801,635.26
2. Increases for the Period	265,771,773.01	17,251,412.62	22,387,004.18	3,915,013.57	309,325,203.38
(1) New leases	267,315,217.90	17,891,158.32	23,413,715.27	4,080,871.31	312,700,962.80
(2) Exchange rate fluctuations	-1,543,444.89	-639,745.70	-1,026,711.09	-165,857.74	-3,375,759.42
3. Decrease for the period	11,698,781.63	259,381,488.90	6,765,171.30	389,533.06	278,234,974.89
(1) Maturity and termination	11,698,781.63	259,381,488.90	6,765,171.30	389,533.06	278,234,974.89
4. Closing Balance	325,325,953.93	15,418,596.43	15,621,832.88	3,525,480.51	359,891,863.75
II. Accumulated Depreciation					
1. Opening Balance	14,245,805.26	115,670,084.02			129,915,889.28
2. Current Period Additions	47,776,833.52	13,676,723.98	10,114,687.19	1,281,352.87	72,849,597.56
(1) Provision	48,506,382.73	13,961,605.09	10,547,259.70	1,394,854.47	74,410,101.99
(2) Exchange rate fluctuations	-729,549.21	-284,881.11	-432,572.51	-113,501.60	-1,560,504.43
3. Decrease for the period	3,292,885.57	126,581,875.17	4,924,011.75	389,533.06	135,188,305.55
(1) Maturity and termination	3,292,885.57	126,581,875.17	4,924,011.75	389,533.06	135,188,305.55
4. Closing balance	58,729,753.21	2,764,932.83	5,190,675.44	891,819.81	67,577,181.29
III. Impairment Reserve					
1. Opening Balance					
2. Current Period Increase					
(1) Provision made					

in Full					
3. Decrease for the Period					
(1) Disposals					
4. Closing Balance					
IV. Carrying Amount					
1. Carrying Amount at End of Period	266,596,200.72	12,653,663.60	10,431,157.44	2,633,660.70	292,314,682.46
2. Opening book value	57,007,157.29	141,878,588.69			198,885,745.98

(2) Impairment testing of right-of-use assets

☐ Applicable ☒ Not applicable

22. Intangible Assets

(1) Intangible Assets

Unit: Yuan

Item	Land Use Rights	Computer Software	Proprietary Technology	Trademark Rights	Other	Total
I. Original Book Value						
1. Opening balance Amount	2,908,616,501.45	314,533,524.29	5,938,638,184.60	659,745,850.52	25,959,922.98	9,847,493,983.84
2. Increase for the period Amount added	126,178,261.20	294,884,133.38	1,520,075,229.66	-39,984,741.31		1,901,152,882.93
(1)) Purchase	126,178,261.20	295,321,058.80	36,693,573.43	2,136,333.34		460,329,226.77
(2)) Internal R&D			1,522,080,122.71			1,522,080,122.71
(3)) Increase from business combinations		524,198.50	381,773.57			905,972.07
(4)) Exchange rate fluctuations		-961,123.92	-39,080,240.05	-42,121,074.65		-82,162,438.62
3. Decrease for the period	1,320,200.00	2,232,569.05	8,807,067.02			12,359,836.07
(1)) Disposal	1,320,200.00	2,232,569.05	8,807,067.02			12,359,836.07
4. Closing balance Amount	3,033,474,562.65	607,185,088.62	7,449,906,347.24	619,761,109.21	25,959,922.98	11,736,287,030.70
II. Accumulated amortisation						
1. Opening balance Amount	528,862,895.54	138,905,185.31	1,253,199,423.72	443,850,085.76	7,421,885.10	2,372,239,475.43
2. Increase for the period	65,343,833.47	83,317,029.30	525,281,392.49	-32,846,609.29	2,521,882.85	643,617,528.82
(1)) Provision	65,343,833.47	83,499,090.66	543,954,813.12	5,802,084.30	2,521,882.85	701,121,704.40
(2)) Exchange rate fluctuations		-217,091.45	-18,811,570.63	-38,648,693.59		-57,677,355.67
(3)) Increase from business combinations		35,030.09	138,150.00			173,180.09
3. Decrease for the period	358,339.94	157,912.59	6,130,047.51			6,646,300.04
(1)) Disposal	358,339.94	157,912.59	6,130,047.51			6,646,300.04
4. Closing balance Amount	593,848,389.07	222,064,302.02	1,772,350,768.70	411,003,476.47	9,943,767.95	3,009,210,704.21

in Full						
III. Impairment Reserve						
1. Opening balance			101,547,055.43			101,547,055.43
2. Increase for the period	3,000,000.00					3,000,000.00
(1) Provision	3,000,000.00					3,000,000.00
3. Current period decrease Amount						
(1) Disposal						
4. Balance at end of period	3,000,000.00		101,547,055.43			104,547,055.43
IV. Carrying Value						
1. Closing Book value	2,436,626,173.58	385,120,786.60	5,576,008,523.11	208,757,632.74	16,016,155.03	8,622,529,271.06
2. Opening balance Face value	2,379,753,605.91	175,628,338.98	4,583,891,705.45	215,895,764.76	18,538,037.88	7,373,707,452.98

Intangible assets formed through internal R&D at the end of the period accounted for 40.31% of the total intangible asset balance.

23. Development expenditure

Unit: Yuan

Item	Opening Balance	Increase for the Period		Current Period Decrease		Closing balance
		Internal development expenditure	Other	Recognised as intangible assets	Transferred to profit or loss for the period	
Research and Development Projects	620,699,964.15	5,597,907,614.71		1,522,080,122.71	3,738,106,335.58	958,421,120.57
Total	620,699,964.15	5,597,907,614.71		1,522,080,122.71	3,738,106,335.58	958,421,120.57

24. Goodwill

(1) Book value of goodwill

Unit: Yuan

Name of investee or transaction giving rise to goodwill	Opening Balance	Increase for the Period		Current Period Decrease		Closing Balance
		Goodwill arising from business combinations	Other changes	Disposals	Other	
Xuzhou Construction Machinery Engineering	184,461,854.57					184,461,854.57

in Full						
Machinery Co., Ltd.						
Dalian Riquan Electric Motor Co., Ltd.	14,774,907.02					14,774,907.02
Concrete Pump Repair	1,709,579.63					1,709,579.63
Total	200,946,341.22					200,946,341.22

(2) Goodwill impairment reserve

Unit: Yuan

Name of investee or transaction giving rise to goodwill	Opening balance	Increase for the Period		Current Period Decrease		Closing Balance
		Accrued	Other changes	Disposals	Other	
Xuzhou Construction Machinery Engineering Machinery Co., Ltd.	184,461,854.57					184,461,854.57
Dalian Riquan Electric Motor Co., Ltd.	14,774,907.02					14,774,907.02
Concrete Pump Repair	1,709,579.63					1,709,579.63
Total	200,946,341.22					200,946,341.22

25. Deferred expenses

Unit: Yuan

Item	Opening Balance	Increase for the Period	Amortisation for the Period	Other decreases	Closing Balance
Refurbishment expenses	16,001,748.37	42,521,608.37	11,451,088.81		47,072,267.93
Patent technology usage fees	11,615,100.71		4,020,759.62		7,594,341.09
Leased asset improvements		6,937,921.41	1,144,821.14		5,793,100.27
Global IoT Platform Development Project	3,217,347.59		946,191.34		2,271,156.25
Other	13,960,564.43	8,558,849.50	12,874,181.97		9,645,231.96
Total	44,794,761.10	58,018,379.28	30,437,042.88		72,376,097.50

26. Deferred tax assets/liabilities

(1) Unamortised deferred tax assets

Unit: Yuan

Item	Balance at End of Period		Opening Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Impairment allowance on assets	6,208,419,478.96	1,054,394,803.38	6,700,219,377.68	1,129,052,334.60
Unrealised profits on internal transactions	2,129,953,032.10	506,140,524.25	2,482,106,764.91	447,757,142.24
Tax-deductible losses	5,903,624,953.31	1,070,793,974.37	3,105,852,443.82	505,038,780.66

in Full

Fair value changes in financial assets 74,126,495.5	74,126,495.51	13,839,560.11	111,643,055.03	23,218,699.99
Deferred income	230,988,860.40	34,648,329.06	101,018,357.40	15,152,753.61
Expenses not yet tax-deductible	1,737,366,568.91	417,783,111.08	1,606,911,910.15	253,906,732.89
Employee benefits payable	83,368,839.60	12,904,825.94	143,491,689.95	23,912,866.05
Inventory Tax Deductible Time Differences	1,173,581,206.27	176,037,180.94	1,359,458,935.20	203,918,840.28
Other	248,579,172.26	67,362,749.91	580,367,817.63	108,690,920.49
Total	17,790,008,607.32	3,353,905,059.04	16,191,070,351.77	2,710,649,070.81

(2) Unoffset deferred tax liabilities

Unit: Yuan

Item	Closing Balance		Opening Balance	
	Taxable temporary differences	Deferred tax liability	Taxable temporary differences	Deferred tax liabilities
Non-controlling interest in non-controlling interest in non-controlling interest in non-	478,620,973.52	149,293,235.52	487,311,664.00	159,673,974.66
Fair value changes in financial assets 54,450.04	54,450.04	13,612.51	36,226.80	9,056.70
Accelerated depreciation of fixed assets	1,106,547,239.39	189,077,455.38	886,092,698.32	140,638,599.76
Taxable period for accounts receivable Temporary differences	1,331,434,490.80	199,715,173.62	1,639,472,905.40	247,700,935.81
Other	356,606,209.03	110,367,275.89	178,918,012.02	47,209,614.90
Total	3,273,263,362.78	648,466,752.92	3,191,831,506.54	595,232,181.83

(3) Deferred tax assets or liabilities presented on a net basis

Unit: yuan

Item	Net amount of deferred tax assets and liabilities offset at the end of the period	Net balance of deferred tax assets or liabilities after offsetting	Opening balance of deferred tax assets and liabilities	Opening balance of deferred tax assets or liabilities after offsetting
Deferred tax assets		3,353,905,059.04		2,710,649,070.81
Deferred tax liabilities		648,466,752.92		595,232,181.83

(4) Details of Unrecognised Deferred Tax Assets

Unit: Yuan

Item	Closing Balance	Opening Balance
Deductible temporary differences	696,471,136.70	543,992,658.84
Tax loss carryforwards	4,949,774,353.54	4,733,718,189.05
Total	5,646,245,490.24	5,277,710,847.89

(5) Unrecognised tax losses against deferred tax assets will expire in the following years

Unit: Yuan

Year	Balance at end of period	Opening Balance	Remarks
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		in Full	
2024		15,497,531.09	
2025	32,367,101.96	72,011,392.11	
2026	555,392,950.03	758,214,238.83	
2027	72,915,453.64	310,868,165.16	
2028	55,747,718.79	353,319,822.23	
2029 and subsequent years	4,233,351,129.12	3,223,807,039.63	
Total	4,949,774,353.54	4,733,718,189.05	

27. Other non-current assets

Unit: Yuan

Item	Closing Balance			Opening Balance		
	Book Balance	Impairment Reserve	Book value	Book balance	Impairment reserve	Book value
Prepaid Long-Term Assets Purchase payments	81,293,528.70		81,293,528.70	426,268,876.29		426,268,876.29
Large-denomination time deposits over 1 year Certificate of Deposit				33,385,890.41		33,385,890.41
Prepaid equity acquisition Payments	40,914,699.98		40,914,699.98			
Other	250,423,251.15	40,889,674.62	209,533,576.53	208,417,661.56	40,655,217.62	167,762,443.94
Total	372,631,479.83	40,889,674.62	331,741,805.21	668,072,428.26	40,655,217.62	627,417,210.64

28. Assets with restricted ownership or usage rights

Unit: Yuan

Item	End of period	
	Book value	Type of Restriction
Cash and Cash Equivalents	4,742,091,331.10	Deposits and funds in transit
Notes receivable	1,199,497,393.48	Pledged loans or issued notes payable
Inventories	588,660,975.08	Mortgage loans
Fixed assets	330,640,635.45	Mortgage loans
Intangible assets	9,928,098.13	Mortgage loans
Accounts receivable	283,446,482.69	Pledged loans
Receivables financing	105,790,764.80	Pledged loans or issuance of promissory notes
Total	7,260,055,680.73	

29. Short-term borrowings

(1) Classification of short-term borrowings

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Pledged Borrowings	1,811,756,141.40	1,744,868,912.46
Mortgage loans	100,094,910.15	85,454,496.26
Guaranteed loans	3,044,652,881.00	4,020,620,041.89
Credit loans	8,681,437,466.31	7,661,627,262.03
Accrued interest	47,622,259.11	13,748,532.72
Total	13,685,563,657.97	13,526,319,245.36

30. Funds received

Unit: Yuan

Loan Category	Balance at End of Period	Opening Balance
Interbank Loans	442,327,336.38	446,042,817.98

31. Derivative financial liabilities

Unit: Yuan

Item	Closing Balance	Opening Balance
Forward Foreign Exchange Contracts	86,977,859.51	64,722,417.37
Total	86,977,859.51	64,722,417.37

32. Notes payable

Unit: Yuan

Type	Closing Balance	Opening Balance
Commercial Acceptance Bills	220,641,457.59	154,245,955.48
Banker's Acceptance	5,341,462,870.12	8,296,956,324.99
Xugong Rongpiao	13,579,736,399.69	12,429,219,735.92
Total	19,141,840,727.40	20,880,422,016.39

33. Accounts Payable

(1) Accounts Payable

Item	Closing Balance	Opening Balance
Accounts Payable for Materials Purchased	19,117,402,244.84	18,749,040,895.95
Payables for Construction and Equipment	3,106,734,898.25	2,214,507,645.44
Total	22,224,137,143.09	20,963,548,541.39

34. Other payables

Unit: Yuan

Item	Closing Balance	Opening Balance
Dividends Payable	12,888,679.65	12,888,679.65
Other payables	5,555,775,898.12	7,022,817,932.82
Total	5,568,664,577.77	7,035,706,612.47

(1) Dividends Payable

Unit: Yuan

Item	Closing Balance	Opening Balance
Ordinary Share Dividends	12,888,679.65	12,888,679.65
Total	12,888,679.65	12,888,679.65

(2) Other payables

1) Other payables by nature of payment

Unit: Yuan

Item	Closing Balance	Opening Balance
Accrued expenses	1,350,501,248.98	1,883,606,866.92
Security deposits	1,142,243,275.91	1,292,956,059.58
Restricted share repurchase obligations	347,156,054.40	363,536,930.00
Payables to asset-backed specialised schemes and other transfer payments	2,018,725,335.26	2,080,518,357.66
Other accounts receivable	697,149,983.57	1,402,199,718.66
Total	5,555,775,898.12	7,022,817,932.82

2) Significant other payables aged over 1 year or past due

Unit: Yuan

Item	Balance at end of period	Reason for non-repayment or carry-forward
Unit 1	82,740,321.00	Security Deposit
Unit 2	20,116,524.15	Security Deposit
Unit 3	14,200,000.00	Security Deposit
Unit 4	11,084,675.00	Security Deposit
Unit 5	13,135,993.68	Security Deposit
Total	141,277,513.83	

35. Contract liabilities

Unit: Yuan

Item	Closing Balance	Opening Balance
Advance Payments Received	4,922,815,645.06	4,707,968,211.50

	in Full	
Total	4,922,815,645.06	4,707,968,211.50

36. Employee benefits payable

(1) Employee benefits payable

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
I. Short-term remuneration	402,404,604.18	6,760,063,921.79	6,763,532,512.00	398,936,013.97
II. Post-employment Benefits - Defined Contribution Scheme	34,075,976.79	689,849,701.07	707,866,231.06	16,059,446.80
III. Termination Benefits	180,000.00	19,531,232.58	18,197,436.54	1,513,796.04
Total	436,660,580.97	7,469,444,855.44	7,489,596,179.60	416,509,256.81

(2) Short-term remuneration presented

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
1. Wages, Bonuses, Allowances and Subsidies	351,628,425.32	5,421,165,786.82	5,428,541,942.24	344,252,269.90
2. Staff welfare expenses		358,046,108.30	356,427,966.07	1,618,142.23
3. Social insurance contributions	9,652,949.97	451,378,726.18	456,462,763.97	4,568,912.18
Of which: Medical insurance contributions	9,114,619.61	378,114,502.89	383,680,715.57	3,548,406.93
Workers' compensation insurance premium	286,549.47	38,972,278.71	38,943,261.56	315,566.62
Maternity insurance premium	251,780.89	34,291,944.58	33,838,786.84	704,938.63
4. Housing provident fund	2,979,509.53	428,803,607.84	429,025,798.65	2,757,318.72
5. Trade Union Funds and Staff Education Funds	18,038,835.97	88,517,492.06	87,212,285.28	19,344,042.75
6. Short-term paid absences	18,825,272.03	12,152,200.59	5,178,414.02	25,799,058.60
7. Other short-term remuneration	1,279,611.36		683,341.77	596,269.59
Total	402,404,604.18	6,760,063,921.79	6,763,532,512.00	398,936,013.97

(3) Statutory Reserve Scheme Schedule

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
1. Basic Pension Insurance	33,761,585.45	608,452,310.19	626,426,552.40	15,787,343.24
2. Unemployment Insurance Contributions	138,773.42	33,501,103.64	33,402,636.09	237,240.97
3. Enterprise Annuity Contributions	175,617.92	47,896,287.24	48,037,042.57	34,862.59
Total	34,075,976.79	689,849,701.07	707,866,231.06	16,059,446.80

37. Taxes payable

Unit: Yuan

Item	Closing Balance	Opening Balance
Value Added Tax	290,919,869.56	156,461,027.65
Corporate Income Tax	421,795,139.42	397,223,750.57
Personal Income Tax	29,486,982.44	40,595,497.30
Urban Maintenance and Construction Tax	4,534,544.92	3,118,045.04
Property Tax	39,764,605.00	36,657,798.85
Land Use Tax	9,512,511.94	11,162,556.33
Education Surcharge	2,824,129.99	2,119,946.97
Stamp Duty	18,371,090.62	15,535,124.77
Other taxes and fees	44,760,776.96	10,105,631.74
Total	861,969,650.85	672,979,379.22

38. Non-current liabilities due within one year

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Long-term borrowings due within one year	10,514,679,524.00	10,560,459,669.32
Bonds payable due within one year		2,697,961,313.87
Long-term payables due within one year	900,090,406.37	2,130,789,477.85
Lease liabilities due within one year	36,654,788.88	114,668,120.34
Accrued interest on long-term borrowings due within one year	20,572,210.02	20,143,707.71
Interest on bonds payable due within one year	45,157,888.88	42,290,356.16
Other non-current liabilities due within one year		34,525,085.36
Total	11,517,154,818.15	15,600,837,730.61

39. Other current liabilities

Unit: Yuan

Item	Balance at End of Period	Opening balance
Tax on sales to be carried forward	575,477,235.09	574,666,806.73
Commercial paper not derecognised	173,631,209.32	256,791,894.48
Continued involvement in assets and liabilities	49,990,000.00	49,990,000.00
Short-term borrowings from non-banking enterprises	127,998,039.78	1,149,381,074.27
Total	927,096,484.19	2,030,829,775.48

40. Long-term borrowings

(1) Classification of Long-Term Borrowings

Unit: Yuan

Item	Balance at End of Period	Opening Balance
Pledged Borrowings	59,468,633.25	222,731,962.85
Mortgage loans	337,549,198.41	129,447,204.55
Guaranteed loans	6,469,506,043.19	9,682,031,707.27
Unsecured loans	16,303,261,074.58	13,061,618,530.81
Less: Long-term borrowings falling due within	10,535,251,734.02	10,580,603,377.03

one year	in Full	
Total	12,634,533,215.41	12,515,226,028.45

41. Bonds payable

(1) Bonds payable

Unit: Yuan

Item	Balance at End of Period	Opening Balance
23 XCMG 01 Corporate Bonds	1,998,782,917.88	1,998,050,314.46
24 XCMG Machinery MTN001	1,198,850,000.00	
24 XCMG Machinery MTN002	1,499,300,000.00	
Green Bonds	499,858,333.33	
Total	5,196,791,251.21	1,998,050,314.46

(2) Changes in bonds payable (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)

Unit: Yuan

Bond Name	Par value	Coupon Rate	Issue Date	Bond Term	Issue Amount	Opening Balance	Current Issue	Interest Accrued at Par Value	Amortisation of Premium/Discount	Current Period Repayment	Add: Amortisation/Other	Balance at end of period	Default status
21 Xu Engineering 02 Company Debt	2,700,000.00	3.58%	2021-10-19	3-year	2,700,000.00	2,700,000.00				2,700,000.00			No
Less: Issuance expenses						2,038,686.13					-2,038,686.13		
Subtotal						2,697,961.31				2,700,000.00	2,038,686.13		
23 Xu Engineering 01 Company Debt	2,000,000.00	2.93%	2023-8-11	3-year	2,000,000.00	2,000,000.00						2,000,000.00	No
Less: Issued Expenses						1,949,685.54					-732.603.42	1,217,082.12	
Subtotal						1,998,050.31					732.603.42	1,998,782.917.88	
24 XCMG Machinery SCP001	800.00	1.73%	2024-22 May	35-day term	800.00		800.00			800.00			No

in Full													
Less: Issue Expenses													
Subtotal						800,0 00,00 0.00			800,0 00.00 0.00				
24 Xu	1,200.	2.42%	2024-	10 years	1,200,		1,200,					1,200,	No
Constr uction machi nery MTN 001	000,0 00.00		8-22	Issue	000.0 00.00		000.0 00.00					000.0 00.00	
Less: Issue Expenses						1,200, 000.0 0					50,00 0.00	1,150, 000.0 0	
Subtotal						1,198, 800.0 00.00					50,00 0.00	1,198, 850,0 00.00	
24 XCMG Machi nery MTN 002	1,500, 000.0 00.00	2.18%	2024- 9-13	5- year	1,500, 000,0 00.00		1,500, 000,0 00.00					1,500, 000,0 00.00	No
Less: Issua nce Expenses						750,0 00.00					50,00 0.00	700,0 00.00	
Subtotal						1,499, 250,0 00.00					50.00 0.00	1,499, 300,0 00.00	
24 XCMG Machi nery SCP0 02	600,0 00,00 0.00	1.88%	2024- 22 November	35-day term	600,0 00,00 0.00		600,0 00,00 0.00			600,0 00,00 0.00			No
Less: Issua nce Expenses													
Subtotal						600,0 00,00 0.00				600,0 00,00 0.00			
24 XCMG Machi nery SCP0 03	600,0 00,00 0.00	1.88%	2024- 22 November	35-day term	600,0 00,00 0.00		600,0 00,00 0.00			600,0 00,00 0.00			No
Less: Issua nce Expenses													
Subtotal						600,0 00,00 0.00				600,0 00,00 0.00			
Green bonds	500,0 00,00 0.00	2.14%	2024- 11-8	3- year	500,0 00,00 0.00		500,0 00,00 0.00					500,0 00,00 0.00	No
Less: Issue Expenses						150,0 00.00					8,333. 33	141.6 66.67	
Subtotal						499.8 50.00 0.00					8,333. 33	499.8 58.33 3.33	



in Full													
Less: Current portion of bonds payable Bonds						2,697, 961.3 13.87							
Total	—				9,900, 000.0 00.00	1,998, 050.3 14.46	5,197, 900.0 00.00			4,700, 000.0 00.00	2,879, 622.8 8	5,196, 791.2 51.21	—

42. Lease liabilities

Unit: Yuan

Item	Closing Balance	Opening Balance
Lease liabilities	308,612,716.61	210,779,978.22
Less: Lease liabilities due within one year	36,654,788.88	114,668,120.34
Total	271,957,927.73	96,111,857.88

43. Long-term payables

Unit: Yuan

Item	Closing Balance	Opening Balance
Long-term Payables	615,462,778.16	1,337,839,917.79
Total	615,462,778.16	1,337,839,917.79

(1) Long-term payables by nature of funds

Unit: Yuan

Item	Closing Balance	Opening Balance
Fixed asset financing	676,740,866.39	1,443,510,940.51
Less: Unrecognised financing costs	61,278,088.23	105,671,022.72
Total	615,462,778.16	1,337,839,917.79

44. Provisions

Unit: Yuan

Item	Balance at End of Period	Opening Balance	Reason for Formation
Product Quality Guarantee	248,451,816.26	134,220,105.72	
Mortgage and Finance Lease Guarantee Obligations	240,020,900.67	241,710,965.56	
Off-balance sheet items Expected credit losses	17,500,220.51	19,512,792.79	
Total	505,972,937.44	395,443,864.07	

45. Deferred income

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance	Reason for Formation
Government subsidies	519,129,653.96	228,060,149.83	194,014,610.58	553,175,193.21	Government allocation of special funds Funds
Total	519,129,653.96	228,060,149.83	194,014,610.58	553,175,193.21	—

46. Other non-current liabilities

Unit: Yuan

Item	Closing Balance	Opening Balance
Non-financial enterprise borrowings	111,683,625.02	189,568,900.00
Asset-backed securities	174,967,718.04	494,982,322.28
Total	286,651,343.06	684,551,222.28

47. Share capital

Unit: Yuan

	Opening Balance	Increase/decrease for this period (+, -)					Closing Balance
		Issue of New Shares	Bonus Issue	Capital reserve converted to shares	Other	Subtotal	
Total number of shares	11,816,166.093.00						11,816,166.093.00

48. Capital reserves

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
Capital Premium (Share Premium)	15,577,344,204.55	1,607,199.56	150,761,681.77	15,428,189,722.34
Other capital reserves	817,943,374.90	123,524,295.61	2,471,224.48	938,996,446.03
Total	16,395,287,579.45	125,131,495.17	153,232,906.25	16,367,186,168.37

Additional notes, including changes during the period and reasons for such changes:

Changes in the company's capital reserves during the current period are detailed as follows: ① Share-based payments increased capital reserves by RMB 123,524,295.61; ② The company's acquisition of minority interests reduced capital reserves by RMB 150,761,681.77; ③ Capital reserves increased by RMB 1,607,199.56 due to capital contributions from by RMB 150,761,681.77; ③ Capital reserves increased by RMB 1,607,199.56 due to capital injections by minority shareholders of subsidiaries; ④ Other changes in equity of long-term equity investments accounted for using the equity method

49. Treasury shares

49. Treasury shares

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
Treasury shares	364,120,077.22	372,965,179.69		737,085,256.91
Total	364,120,077.22	372,965,179.69		737,085,256.91

Other notes, including changes during the period and reasons for such changes: During the period, treasury shares increased by ¥372,965,179.69 through share repurchases.

50. Other Comprehensive Income

Unit: Yuan

Item	Opening Balance	Current Period Amount						Closing Balance
		Current period amount before income tax	Less: Prior period amounts recognised in other comprehensive income transferred to profit or loss for the current	Less: Retained earnings transferred from other comprehensive income in prior periods	Less: Income tax expense	Net profit attributable to owners of the parent	Attributable to minority interests after tax	

			period		in Full			
I. Other comprehensive income not reclassifiable to profit or loss	-23,269.50 3.73	91,838,224.66		25,133,501.55		48,604,301.21	18,100,421.90	25,334,797.48
Fair value changes on other equity instruments	-23,269.50 3.73	91,838,224.66		25,133,501.55		48,604,301.21	18,100,421.90	25,334,797.48
II. Reclassification of losses Classified as gains or losses Other	-20,552.75 0.77	-332,322,674.68				-330,684,055.60	-1,638,619.08	-351,236.806.37
Comprehensive income								
Of which: Other comprehensive income attributable to equity method investees	489,803.18	501,504.93				407,833.52	93,671.41	897,636.70
Foreign currency translation differences	-21,042.55 3.95	-332,824,179.61				-331,091,889.12	-1,732,290.49	-352,134.443.07
Total other comprehensive income	-43,822.25 4.50	-240,484,450.02		25,133,501.55		-282,079,754.39	16,461,802.82	-325,902,008.89

51. Special reserves

Unit: Yuan

Item	Opening Balance	Increase for the Period	Decrease for the period	Closing balance
Work safety expenses	117,949,245.28	118,764,321.17	155,943,434.63	80,770,131.82
Total	117,949,245.28	118,764,321.17	155,943,434.63	80,770,131.82

52. Retained earnings

Unit: Yuan

Item	Opening Balance	Increase for the Period	Current Period Decrease	Closing Balance
Statutory Reserve	2,425,940,729.29	307,044,547.55		2,732,985,276.84
Total	2,425,940,729.29	307,044,547.55		2,732,985,276.84

Explanation of Retained Earnings, including changes during the period and reasons for such changes:

Changes in retained earnings are calculated by setting aside 10% of the parent company's net profit as statutory retained earnings.

53. Undistributed Profits

Unit: Yuan

Item	Current Period	Previous Period
Retained Earnings at End of Previous Period Before Adjustments	25,797,269,064.80	22,574,158,603.59
Adjusted opening retained earnings	25,797,269,064.80	22,574,158,603.59
Plus: Net profit attributable to owners of the parent for the period	5,976,118,332.51	5,326,470,288.96
Less: Statutory reserve provision	307,044,547.55	335,989,116.13
Dividends payable on ordinary shares	2,116,858,680.29	1,771,077,538.05
Add: Other	25,133,501.55	3,706,826.43
Retained earnings at end of period	29,374,617,671.02	25,797,269,064.80

54. Operating Revenue and Cost of Sales

Unit: Yuan

Item	Current Period Amount		Previous Period Amount	
	Revenue	Cost	Revenue	Cost
Principal business	89,659,889,724.41	69,308,581,907.98	88,281,690,588.35	69,759,506,270.23
Other Business	1,999,874,099.41	1,682,198,986.92	4,566,529,913.58	3,773,443,005.16
Total	91,659,763,823.82	70,990,780,894.90	92,848,220,501.93	73,532,949,275.39

Whether the lower of net profit before and after deducting non-recurring gains and losses is negative

☐ Yes ☒ No

Breakdown of operating revenue and cost of sales:

Unit: Yuan

Contract Classification	Operating Revenue
Business Type	
Of which:	
Crane Machinery	18,898,371,618.79
Earthmoving Machinery	24,011,351,664.07
Concrete machinery	9,407,798,381.46
Piling machinery	5,023,317,206.42
Aerial work platforms	8,677,592,904.15
Mining machinery	6,361,691,534.23
Road machinery	4,063,147,976.73
Other construction machinery, spare parts and miscellaneous	13,216,618,438.56
Total	89,659,889,724.41

Information relating to the transaction price allocated to the remaining performance obligations:

The amount of revenue corresponding to performance obligations under contracts entered into but not yet fulfilled or not yet fully fulfilled at the end of the reporting period was RMB 4,922,815,645.06, of which

RMB 4,922,815,645.06 is expected to be recognised as revenue in the year 2025.

55. Taxes and Surcharges

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Urban Maintenance and Construction Tax	77,159,867.39	101,131,812.70
Education Surcharge	50,791,056.06	70,763,494.84
Property tax	115,543,380.18	101,712,725.13
Land Use Tax	46,793,590.13	49,202,639.56
Vehicle and Vessel Usage Tax	1,423,053.90	792,560.90
Stamp Duty	83,417,151.58	86,275,619.90
Environmental Protection Tax	2,154,941.70	659,516.94
Other taxes and fees	37,890,899.37	30,985,458.40
Total	415,173,940.31	441,523,828.37

56. Administrative expenses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Staff remuneration	1,510,886,750.99	1,321,347,001.83
Depreciation and amortisation	434,410,671.00	390,972,846.71
Intermediary fees	139,231,824.35	130,274,153.17

	in Full	
Labour costs	98,346,583.64	171,277,699.38
Share-based payments	70,210,476.22	48,272,899.35
Maintenance expenses	33,448,263.76	69,419,128.37
Other expenses	530,619,987.65	574,279,955.54
Total	2,817,154,557.61	2,705,843,684.35

57. Selling expenses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Intermediaries, Market Development Fees	1,870,773,042.02	2,066,076,446.54
Staff remuneration	1,710,932,453.45	1,553,840,812.93
Travel expenses	221,174,775.12	168,560,879.90
Advertising, publicity and exhibition expenses	183,063,008.29	186,264,094.78
Share-based payments	13,189,793.19	8,656,332.00
Other	1,310,320,398.10	1,250,418,747.47
Total	5,309,453,470.17	5,233,817,313.62

58. Research and Development Expenses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Employee compensation	1,531,494,883.62	1,504,101,006.02
Material costs	910,225,292.54	1,305,404,361.89
Depreciation and amortisation	674,862,628.57	583,780,812.34
Share-based payments	33,414,891.91	22,319,233.78
Other expenses	588,108,638.94	584,020,030.37
Total	3,738,106,335.58	3,999,625,444.40

59. Financial expenses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Interest Expense	1,369,543,105.61	1,653,489,976.46
Less: Interest income	440,475,624.98	634,862,083.47
Add: Exchange losses	964,544,205.04	-357,999,926.60
Commission expenses	38,292,787.98	46,967,181.81
Other	2,641,399.16	18,413,010.52
Total	1,934,545,872.81	726,008,158.72

60. Other income

Unit: Yuan

Source of other income	Current Period Amount	Previous period amount
VAT Preferential Treatment	574,857,381.14	108,722,716.85
Other government subsidies	349,655,258.51	605,226,942.90
Refund of withholding tax handling fees	2,716,824.89	3,650,332.08
Tax refund	911,913.73	6,071,586.83
Total	928,141,378.27	723,671,578.66

61. Fair value change gains

Unit: Yuan

Source of Fair Value Change Gains	Current Period Amount	Previous period amount
Forward Foreign Exchange Contracts	-2,079,576.20	48,429,541.22
Gain on fair value changes of financial assets held for trading	18,175.12	120,492,177.94
Gain on fair value changes of other non-current financial assets		9,693,401.90
Gain		
Total	-2,061,401.08	178,615,121.06

62. Investment income

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Income from long-term equity investments accounted for using the equity method	239,287,560.07	246,002,581.90
Gain on disposal of long-term equity investments	1,054,306.13	
Investment income from disposal of trading financial assets	319,049.06	-3,377,801.05
Gain on debt restructuring	42,245,199.92	
Discounting loss on receivables financing	-73,253,462.86	-61,179,993.38
Loss arising from derecognition of assets measured at amortised cost losses	-452,624,136.99	-487,129,748.32
Other investment income	1,750,123.98	5,455,746.60
Other equity instruments Investment during holding period	393,375,252.70	296,456,988.73
Gains		
Foreign exchange forward settlement losses	-208,766,529.50	
Total	-56,612,637.49	-3,772,225.52

63. Credit impairment losses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Impairment Loss on Notes Receivable	5,374,600.31	11,865,620.86
Impairment loss on accounts receivable	-160,838,741.44	-925,326,341.53
Impairment loss on other receivables	-128,787,133.13	205,418,878.17
Impairment losses on loans and advances	4,784,822.17	16,822,357.16
Bad debt losses on long-term receivables	29,934,489.95	-42,385,341.50
Impairment loss on non-current assets due within one year	33,626,727.29	-8,542,380.76
Credit losses on mortgage and finance lease guarantee obligations	1,690,064.89	-45,871,866.09
Off-balance sheet items expected credit losses	2,012,572.28	-19,512,792.79
Impairment losses on other current assets	9,223,429.19	28,415,301.48
Total	-202,979,168.49	-779,116,565.00

64. Impairment losses on assets

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
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in Full		
I. Inventory Write-Down Loss and Contract Performance Cost Impairment Loss	-562,404,395.87	-624,774,542.82
II. Impairment losses on fixed assets	-15,605,379.81	-25,980,531.87
III. Impairment Loss on Intangible Assets	-3,000,000.00	
IV. Impairment Loss on Contract Assets	-430,764.38	-933,608.20
V. Other	-234,457.00	-40,655,217.62
Total	-581,674,997.06	-692,343,900.51

65. Gains on disposal of assets

Unit: Yuan

Source of gains on disposal of assets	Current Period Amount	Previous Period Amount
Gains or losses on disposal of fixed assets	-10,025,523.90	4,992,256.93
Gain or loss on disposal of intangible assets	-6,490.60	
Total	-10,032,014.50	4,992,256.93

66. Non-operating income

Unit: Yuan

Item	Current Period Amount	Previous Period Amount	Amount included in non-recurring gains and losses for the current period
Government subsidies	15,854,103.42	56,765,564.29	15,854,103.42
Penalty income	13,293,857.03	3,491,954.33	13,293,857.03
Gain on disposal of non-current assets	100,063.51		100,063.51
Other	64,884,427.27	35,877,048.72	64,884,427.27
Total	94,132,451.23	96,134,567.34	94,132,451.23

67. Non-operating Expenses

Unit: Yuan

Item	Current Period Amount	Previous Period Amount	Amount included in non-recurring gains and losses for the current period
Penalty interest and other	27,506,193.49	52,076,527.62	27,506,193.49
Loss on disposal of non-current assets	12,107,357.13	2,802,114.03	12,107,357.13
Donation expenditure	1,622,161.78	2,173,448.07	1,622,161.78
Contract losses		625,066.04	
General Fund		1,323,128.99	
Total	41,235,712.40	59,000,284.75	41,235,712.40

68. Income tax expense

(1) Income Tax Expense Statement

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Current income tax expense	1,263,890,562.30	1,119,117,433.85
Deferred income tax expense	-665,117,943.97	-677,580,573.58
Total	598,772,618.33	441,536,860.27

(2) Adjustment Process for Accounting Profit and Income Tax Expense

Unit: Yuan

Item	Current Period Amount
Total Profit	6,582,226,650.92
Income tax expense calculated at statutory/applicable tax rates	987,333,997.64
Impact of different tax rates applied to subsidiaries	-168,281,384.02
Impact of adjusting prior period income tax	-14,394,306.56
Impact of non-taxable income	-8,074,308.32
Impact of non-deductible costs, expenses and losses	78,124,906.16
Impact of utilising previously unrecognised deferred tax assets against tax losses	-258,158,716.48
Impact of unrecognised deductible temporary differences or losses for the period	424,018,291.51
Equity method investment income	-27,061,939.18
Impact of additional tax deductions for R&D expenses, etc.	-388,924,772.07
Other	-25,809,150.35
Income tax expense	598,772,618.33

69. Other comprehensive income

See Note VII, 50.

70. Cash Flow Statement Items

(1) Cash flows from operating activities

Other cash received from operating activities

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Interest income	440,475,624.98	660,242,100.61
Government subsidies	978,041,020.94	709,470,854.45
Asset Securitisation Receipts		9,418,408,578.73
Accounts receivable and other	216,285,397.79	2,060,782,883.78
Total	1,634,802,043.71	12,848,904,417.57

Other cash paid in connection with operating activities

Unit: Yuan

Item	Current Period Amount	Previous period amount
Expenses paid	7,582,364,123.35	7,598,664,536.09
Non-operating expenses paid	29,128,355.27	56,198,170.72
Deposits and advances paid	241,064,248.62	339,532,193.40
Advance payments, current accounts, etc.	61,793,022.40	832,987,927.03
Total	7,914,349,749.64	8,827,382,827.24

(2) Cash flows from investing activities

Other cash received relating to investing activities

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Decrease in bill of exchange deposits		1,509,111,402.80
Total		1,509,111,402.80

Other cash paid in connection with investing activities Nil.

(3) Cash flows from financing activities

Other cash received in connection with financing activities

Unit: yuan

Item	Current Period Amount	Previous Period Amount
Borrowings from non-financial institutions		806,723,930.67
Deposits received	6,570,889,009.42	
Total	6,570,889,009.42	806,723,930.67

Other cash paid in connection with financing activities

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Payment of deposits	6,360,750,962.08	
Repayment of Non-Financial Institution Loans	1,099,268,309.47	1,241,472,459.20
Asset Securitisation Repayment	354,539,689.60	
Payment for acquisition of minority interests	441,380,125.00	
Share repurchase	389,346,055.29	852,397,257.74
Leasing operations	2,069,290,700.67	36,882,888.42
Total	10,714,575,842.11	2,130,752,605.36

Changes in liabilities arising from financing activities

☐ Applicable ☒ Not applicable

71. Supplementary Notes to the Cash Flow Statement

(1) Supplementary Notes to the Cash Flow Statement

Unit: Yuan

Supplementary Information	Current Period Amount	Previous Period Amount
1. Adjustment of Net Profit to Cash Flow from Operating Activities		
Net profit	5,983,454,032.59	5,236,096,485.02
Add: Impairment of assets	581,674,997.06	692,343,900.51
Credit impairment losses	202,979,168.49	779,116,565.00
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	3,374,822,101.60	3,364,138,433.15
Depreciation of right-of-use assets		
Amortisation of intangible assets	701,121,704.40	583,121,524.95
Amortisation of deferred expenses	30,437,042.88	20,500,653.08

in Full		
Loss on disposal of fixed assets, intangible assets and other non-current assets (gains to be entered with a "-" sign)	10,032,014.50	-4,992,256.93
Loss on disposal of fixed assets (gains to be entered with a "-" sign)	12,007,293.62	2,802,114.03
Loss on fair value changes (gains to be entered with a "-" sign)	2,061,401.08	-178,615,121.06
Finance costs (gains to be entered with a "-" sign)	1,471,052,424.80	1,579,176,816.93
Investment losses (gains to be entered with a "-" sign)	-427,019,762.44	-544,620,088.40
Decrease in deferred tax assets (increase indicated by "-")	-719,960,549.48	-74,075,025.07
Increase in deferred tax liabilities (decrease indicated with "-")	54,842,605.51	-603,505,548.51
Decrease in inventories (increase indicated by "-")	-2,596,285,121.28	2,597,456,128.31
Decrease in operating receivables (increase to be entered with a "-" sign)	128,076,171.61	3,303,609,672.09
Increase in operating payables (decrease to be entered with a "-" sign)	-3,048,568,530.39	-12,852,267,761.53
Other	-40,839,962.83	-329,373,066.95
Net cash flow from operating activities	5,719,887,031.72	3,570,913,424.62
2. Significant investment and financing activities not involving cash receipts or payments		
Debt converted to equity		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under finance leases		
3. Net changes in cash and cash equivalents:		
Cash balance at end of period	15,462,989,301.27	18,421,163,777.11
Less: Opening balance of cash	18,421,163,777.11	21,394,675,264.48
Add: Closing balance of cash equivalents		
Less: Opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,958,174,475.84	-2,973,511,487.37

(2) Net cash paid during the period to acquire subsidiaries

Unit: yuan

	Amount
Cash or cash equivalents paid in the current period for business combinations occurring in the current period	34,760,786.25
Of which:	
Xuzhou Xugong Electric Technology Co., Ltd.	34,760,786.25
Less: Cash and cash equivalents held by the subsidiary acquired	3,309,299.52
Of which:	
Xuzhou Xugong Electric Technology Co., Ltd.	3,309,299.52
Of which:	

in Full

Xuzhou Xugong Electric Technology Co., Ltd.	
Net cash received from subsidiaries	31,451,486.73

(3) Net cash received from disposal of subsidiaries during the period

Unit: Yuan

	Amount
Cash or cash equivalents received from disposal of subsidiaries during the period	2,000,000.00
Of which:	
Xuzhou Jiayu Energy Trading Co., Ltd.	2,000,000.00
Less: Cash and cash equivalents held by subsidiaries at the date of loss of control	184,721.32
Of which:	
Xuzhou Jiayu Energy Trading Co., Ltd.	184,721.32
Add: Cash or cash equivalents received in the current period from the disposal of subsidiaries in prior periods	
Of which:	
Net cash received from disposal of subsidiaries	1,815,278.68

(4) Composition of cash and cash equivalents

Unit: Yuan

Item	Balance at end of period	Opening Balance
I. Cash	15,462,989,301.27	18,421,163,777.11
Of which: Cash on hand	2,026,719.53	2,705,789.94
Bank deposits available for immediate payment	15,460,962,581.74	18,418,457,987.17
II. Cash and cash equivalents balance at period-end	15,462,989,301.27	18,421,163,777.11

(5) Classified presentation of changes in liabilities arising from financing activities from opening to closing balances

Unit: Yuan

Item	Opening Balance	Increase for the Period	
		Cash Changes	Non-cash movements
Short-term borrowings	13,526,319,245.36	19,597,516,792.35	15,000,000.00
Long-term borrowings (including current portion of long-term borrowings)	23,095,829,405.48	13,394,027,220.80	
Bonds payable (including bonds payable due within one year)	4,738,301,984.49	5,197,900,000.00	
Lease liabilities (including those due within one year)	210,779,978.22		175,846,069.85
Long-term payables (including current portion of long-term payables)	3,468,629,395.64		44,392,934.49
Other payables	363,536,930.00		
Other current liabilities	1,149,381,074.27		
Non-current liabilities due within one year	34,525,085.36		
Dividends payable	12,888,679.65		2,125,098,580.81
Other non-current liabilities	684,551,222.28		
Total	47,284,743,000.75	38,189,444,013.15	2,360,337,585.15

Continued from above table:

Item	Decrease for the Period		Balance at End of Period
	Cash movements	Non-cash movements	
Short-term borrowings	19,345,289,605.27	107,982,774.47	13,685,563,657.97
Long-term borrowings (including current portion of long-term borrowings)	13,307,718,644.12	12,353,032.73	23,169,784,949.43
Bonds payable (including bonds payable due within one year)	4,694,252,844.40		5,241,949,140.09
Lease liabilities (including those due within one year)	78,013,331.46		308,612,716.61
Long-term payables (including current portion of long-term payables)	1,997,469,145.60		1,515,553,184.53
Other payables	16,380,875.60		347,156,054.40
Other current liabilities	1,021,383,034.49		127,998,039.78
Non-current liabilities due within one year	34,525,085.36		
Dividends payable	2,125,098,580.81		12,888,679.65
Other non-current liabilities	397,899,879.22		286,651,343.06
Total	43,018,031,026.33	120,335,807.20	44,696,157,765.52

72. Monetary items denominated in foreign currencies

(1) Foreign Currency Monetary Items

Unit: Yuan

Item	Closing Foreign Currency Balance	Conversion Rate	Ending Renminbi-Converted Balance
Cash and Cash Equivalents			
Of which: US dollars	322,990,802.16	7.1884	2,321,787,082.25
Saudi riyals	7,106,532.29	1.9284172	13,704,359.10
Euro	88,488,610.29	7.5257	665,938,734.46
Pounds sterling	5,552,837.50	9.0765	50,400,329.57
Sums	54,907,371,189.83	0.000566	31,077,572.09
Canadian dollar	13,955,976.42	5.0498	70,474,889.73
Indonesian rupiah	406,792,982,453.67	0.000453	184,277,221.05
Chilean Peso	3,058,960,385.00	0.00732	22,391,590.02
Thai baht	41,362,271.95	0.2126393	8,795,244.55
Reais	500,353,548.92	1.1821	591,467,930.18
Kenge	134,078,782.93	0.0139159	1,865,826.94
Turkish lira	252,576.63	0.2051072	51,805.29
Mexican Peso	1,779,647.72	0.3497726	622,472.01
Malaysian Ringgit	9,409,265.52	1.6199054	15,242,120.03
Rand	7,611,572.78	0.3844084	2,925,952.51
Naira	6,365,219.92	0.004728	30,094.76
Yen	369,681,765.00	0.046233	17,091,497.04

in Full			
HKD	4,017,337.82	0.92604	3,720,215.51
Singapore dollars	2,069,659.47	5.3214	11,013,485.90
Vietnamese dong	15,945,835,176.13	0.0002864	4,566,887.19
Rupee	1,270,194,434.12	0.085377	108,445,390.20
Rupee	885,620,219.89	0.0660559	58,500,440.68
Krona	19,526,806.80	0.2999	5,856,089.36
Dinar	668,048.33	0.0645575	43,127.53
Australian dollar	33,511,127.02	4.507	151,034,649.48
Dirham	5,434,219.36	1.9711425	10,711,620.73
Notes receivable			
Of which: US dollars	12,596,678.49	7.1884	90,549,963.66
Chilean pesos	421,734,468.00	0.00732	3,087,096.31
Dirham	40,496,149.65	1.9711425	79,823,681.66
Accounts receivable			
Of which: US dollars	551,755,098.27	7.1884	3,966,236,348.40
Saudi Riyals	464,935,698.27	1.9284172	896,589,997.44
Euro	79,782,892.45	7.5257	600,422,113.71
Pounds sterling	8,874,989.68	9.0765	80,553,843.83
Sums	73,672,990,830.38	0.000566	41,698,912.81
Canadian dollar	117,589,502.87	5.0498	593,803,471.59
Indonesian Rupiah	3,863,330,279,080.09	0.000453	1,750,088,616.42
Chilean Peso	12,019,432,325.00	0.00732	87,982,244.62
Thai baht	107,409,150.16	0.2126393	22,839,406.50
Reais	2,357,954,623.90	1.1821	2,787,338,160.91
Korean won	7,427,354,251.65	0.0139159	103,358,319.03
Malaysian Ringgit	3,879,649.48	1.6199054	6,284,665.14
Rand	214,690,855.15	0.3844084	82,528,968.12
Naira	906,898.56	0.004728	4,287.82
Hong Kong dollar	68,253,066.69	0.92604	63,205,069.88
Singapore dollars	7,723,572.18	5.3214	41,100,217.00
Vietnamese dong	43,943,317,602.00	0.0002864	12,585,366.16
Rupee	21,584,064,323.97	0.085377	1,842,782,659.79
Rubles	74,708,118.68	0.0660559	4,934,912.02
Krona	50,906,439.05	0.2999	15,266,841.07
Dinar	787,445.30	0.0645575	50,835.50
Australian dollar	30,910,917.16	4.507	139,315,503.64
Dirham	6,789,000.00	1.9711425	13,382,086.43
Other receivables			
Of which: US dollars	13,504,609.35	7.1884	97,076,533.85
Saudi Riyals	2,088,186.31	1.9284172	4,026,894.40
Euro	11,899,918.80	7.5257	89,555,218.91
Pounds sterling	96,239.53	9.0765	873,518.09

in Full			
Sums	1,788,565,169.05	0.000566	1,012,327.89
Canadian dollar	4,304,873.96	5.0498	21,738,752.52
Chilean pesos	63,717,859.00	0.00732	466,414.73
Thai baht	2,838,274.36	0.2126393	603,528.67
Real	1,835,753.28	1.1821	2,170,043.95
Kongo	2,142,735.14	0.0139159	29,818.09
Turkish lira	7,244,367.59	0.2051072	1,485,871.95
Ringgit	474,962.48	1.6199054	769,394.29
Rand	3,531,764.14	0.3844084	1,357,639.80
Naira	3,416,305.55	0.004728	16,152.29
Yen	4,800,000.00	0.046233	221,918.40
HKD	717,753.90	0.92604	664,668.82
Vietnamese dong	356,540,000.00	0.0002864	102,113.06
Rupee	1,289,289,558.42	0.085377	110,075,674.63
Rupee	7,899,460.51	0.0660559	521,805.97
Krona	7,153.55	0.2999	2,145.35
Dinar	3,129,999.92	0.0645575	202,064.97
Australian dollar	1,754,779.55	4.507	7,908,791.43
Dirham	362,901.00	1.9711425	715,329.58
Loans and advances granted			
Of which: Reais	522,018,349.31	1.1821	617,077,890.72
Long-term receivables			
Of which: US dollars	229,528,376.55	7.1884	1,649,941,781.99
Euro	969,220.12	7.5257	7,294,059.86
Chilean pesos	17,068,741,752.00	0.00732	124,943,189.62
Thai baht	1,564,939,067.10	0.2126393	332,767,547.77
Malaysian Ringgit	127,580,946.43	1.6199054	206,669,064.06
Hong Kong dollar	22,362,200.00	0.92604	20,708,291.69
Rubles	538,960,271.97	0.0660559	35,601,505.83
Australian dollar	23,118,754.90	4.507	104,196,228.33
Short-term borrowings			
Of which: US dollars	49,515,083.49	7.1884	355,934,226.16
Euro	209,872,667.78	7.5257	1,579,438,735.91
Thai baht	592,817,919.45	0.2126393	126,056,387.42
Brazilian real	2,978,081.96	1.1821	3,520,390.68
Malaysian Ringgit	56,899,555.29	1.6199054	92,171,896.87
Rupee	2,493,829,054.78	0.085377	212,915,643.21
Dinar	22,137,548.70	0.0645575	1,429,144.80
Notes payable			
Of which: Euro	25,864.09	7.5257	194,645.38
Accounts Payable			
Of which: US dollars	358,834,624.93	7.1884	2,579,446,817.85
Saudi Riyals	2,944,969.42	1.9284172	5,679,129.68

in Full			
Euro	16,791,766.69	7.5257	126,369,798.58
Pounds sterling	17,263,405.61	9.0765	156,691,301.02
Sums	200,365,953,649.75	0.000566	113,407,129.77
Canadian dollar	27,821,186.86	5.0498	140,491,429.41
Indonesian rupiah	2,778,180,975.80	0.000453	1,258,515.98
Chilean Peso	147,997,185.00	0.00732	1,083,339.39
Thai baht	49,540,874.64	0.2126393	10,534,336.90
Reais	69,732,489.72	1.1821	82,430,776.10
Korean won	279,147,452.73	0.0139159	3,884,588.04
Turkish lira	992,202.75	0.2051072	203,507.93
Ringgit	2,630,866.21	1.6199054	4,261,754.38
Naira	893,912.30	0.004728	4,226.42
Yen	252,963.00	0.046233	11,695.24
HKD	1,223,750.00	0.92604	1,133,241.45
Vietnamese Dong	69,943,008,829.00	0.0002864	20,031,677.73
Rupee	4,443,375,849.11	0.085377	379,362,099.87
Rupee	30,722,881.73	0.0660559	2,029,427.60
Krona	13,625,663.79	0.2999	4,086,336.57
Dinar	122,723,952.60	0.0645575	7,922,751.57
Australian dollar	51,643,771.28	4.507	232,758,477.16
Funds received			
Of which: Brazilian real	374,187,747.55	1.1821	442,327,336.38
Employee remuneration payable			
Of which: US dollars	2,075,032.49	7.1884	14,916,163.55
Saudi Riyals	6,867,452.68	1.9284172	13,243,313.87
Euro	6,250,012.07	7.5257	47,035,715.84
Sums	690,013,205.35	0.000566	390,547.47
Chilean Peso	186,529,862.00	0.00732	1,365,398.59
Thai baht	67,417.00	0.2126393	14,335.50
Real	22,830,016.48	1.1821	26,987,362.48
Kenge	4,851,357.55	0.0139159	67,511.01
Hong Kong dollar	335,482.00	0.92604	310,669.75
Rupee	721,019,506.11	0.085377	61,558,482.37
Rupee	47,262,008.83	0.0660559	3,121,934.53
Krona	2,771,941.65	0.2999	831,305.30
Dinar	24,701,490.61	0.0645575	1,594,666.48
Australian dollar	365,481.89	4.507	1,647,226.88
Dirham	84,164.00	1.9711425	165,899.24
Other payables			
Of which: US dollars	23,799,976.48	7.1884	171,083,750.93
Saudi Riyals	1,673,232.51	1.9284172	3,226,690.35
Euro	18,010,017.60	7.5257	135,537,989.45

in Full			
Pounds sterling	722,014.05	9.0765	6,553,360.52
Sums	6,923,247,004.35	0.000566	3,918,557.80
Canadian dollar	13,558,625.03	5.0498	68,468,344.68
Chilean pesos	101,948,539.00	0.00732	746,263.31
Thai baht	16,842,290.15	0.2126393	3,581,332.79
Brazilian real	9,349,896.91	1.1821	11,052,513.14
KZT	219,113,842.61	0.0139159	3,049,166.32
Turkish lira	2,025,440.06	0.2051072	415,432.34
Ringgit	305,759.21	1.6199054	495,301.00
Rand	19,359,369.01	0.3844084	7,441,904.07
Naira	285,602.14	0.004728	1,350.33
Japanese Yen	15,315.00	0.046233	708.06
HKD	158,109.97	0.92604	146,416.16
Vietnamese Dong	1,225,323.00	0.0002864	350.93
Rupee	690,350,599.54	0.085377	58,940,063.14
Rupee	85,964,035.51	0.0660559	5,678,431.73
Krona	7,180,372.49	0.2999	2,153,393.71
Dinar	1,266,310.96	0.0645575	81,749.87
Australian dollar	12,794,910.48	4.507	57,666,661.53
Interest payable			
Of which: Euro	31,994.72	7.5257	240,782.66
Non-current liabilities due within one year			
Of which: US dollars	48,116.88	7.1884	345,883.38
Saudi Riyals	1,975,278.82	1.9284172	3,809,161.65
Euro	4,499,312.72	7.5257	33,860,477.74
Pounds sterling	158,551.44	9.0765	1,439,092.15
Reais	14,335,606.36	1.1821	16,946,120.28
Rupee	1,250,157,272.22	0.085377	106,734,677.43
Rupee	178,032,687.67	0.0660559	11,760,109.41
Krona	1,372,983.53	0.2999	411,757.76
Dinar	5,233,339.74	0.0645575	337,851.33
Long-term borrowings			
Of which: US dollars			
Euro	56,638,189.63	7.5257	426,242,023.70
Brazilian real	25,412,849.09	1.1821	30,040,528.91
Rupee	2,031,863,309.21	0.085377	173,474,393.75
Krona	2,351,810.37	0.2999	705,307.93

(2) Disclosure of foreign operations, including for significant foreign operations, shall disclose their principal place of operation abroad, functional currency and basis of selection. Where the functional currency changes, the reason shall also be disclosed.

☒ Applicable ☐ Not applicable

in Full			
Company	Operating location	Functional Currency	Reason for Selection
XCMG Group (Hong Kong) International Trading Co., Ltd.	Hong Kong	Renminbi	Daily operations constitute the parent company's principal business activities extension
XCMG Brazil Manufacturing Co., Ltd.	Brazil	Brazilian real	Engages in relatively independent production and business activities, with daily daily income and expenditure, loans, etc. are primarily denominated in Brazilian real
XCMG Group São Paulo Sales and Service Co., Ltd.	Brazil	Brazilian real	Daily income and expenditure primarily in Brazilian real
XCMG India Machinery Co., Ltd.	India	Rupee	Daily transactions primarily in Indian rupees
XCMG Russia LLC	Russia	Ruble	Daily income and expenditure primarily in roubles
XCMG Group Chile Financial Leasing Company	Chile	Peso	Daily income and expenditure primarily in pesos
XCMG Europe Procurement Centre Co., Ltd.	Germany	Euro	Daily income and expenditure primarily in euros
XCMG Kazakhstan Limited Liability Company	Kazakhstan	Tenge	Daily transactions primarily in tenge
XCMG North America Co., Ltd.	United States	US dollar	Daily receipts and payments are primarily in US dollars
XCMG Group Turkey Co., Ltd.	Turkey	Turkish lira	Daily transactions primarily in Turkish lira
XCMG Group Indonesia Co., Ltd.	Indonesia	Indonesia Rupiah	Daily income and expenditure are primarily in Indonesian rupiah
XCMG Mining Equipment Australia Pty Ltd	Australia	Australian dollar	Daily income and expenditure primarily in Australian dollars
XCMG Europe Marketing and Service Co., Ltd.	Germany	Euro	Daily income and expenditure primarily in euros
XCMG Argentina Sales Company	Argentina	Real	Daily transactions primarily in Brazilian real
XCMG Capital (Malaysia) Sdn Bhd	Malaysia	Ringgit	Daily transactions primarily in Malaysian Ringgit
XCMG Leasing (Thailand) Co., Ltd.	Thailand	Baht	Daily income and expenditure primarily in Thai baht
XCMG South Africa Co., Ltd.	South Africa	Rand	Daily income and expenditure primarily in South African Rand
XCMG Nigeria Limited	Nigeria	Naira	Daily transactions primarily in Nigerian naira
XCMG Canada Limited	Canada	Canadian dollar	Daily transactions primarily in Canadian dollars
XCMG AMERICA INC.	United States	US Dollar	Daily receipts and payments are primarily in US dollars
XCMG America Industrial Management Co., Ltd.	United States	US Dollar	Daily income and expenditure primarily in US dollars
XCMG Financial Leasing USA, Inc.	United States	US dollar	Daily transactions primarily in US dollars
XCMG Group American Research Centre	United States	US dollar	Daily transactions are primarily conducted in US dollars
Uzbekistan-China Joint Venture Uzbekistan XCMG Co., Ltd.	Uzbekistan	Sum	Daily transactions primarily in sum
«USG Place» Service Limited Liability Company	Uzbekistan	Sum	Daily transactions primarily in sum

in Full			
XCMG (Hong Kong) International Development Co., Ltd.	Hong Kong	Renminbi	Daily operations constitute the parent company's principal business activities extension
XCMG Europe GmbH	Germany	Euro	Daily receipts and payments are primarily in euros
XCMG European Research Centre GmbH	Germany	Euro	Daily expenses are primarily in euros
Company	Operating location	Accounting currency	Reason for selection
XS Holding GmbH	Germany	Euro	Daily transactions primarily in euros
Schwing GmbH	Germany	Euro	Daily transactions are primarily in euros
Stetter GmbH	Germany	Euro	Daily transactions are primarily in euros
Schwing GmbH St. Stefan	Austria	Euro	Daily transactions are primarily in euros
Schwing-Stetter S.A.S.	France	Euro	Daily transactions primarily in euros
Schwing-Stetter-Ibérica S.L.	Spain	Euro	Daily transactions are primarily in euros
Schwing Stetter (UK) Ltd.	United Kingdom	Pound sterling	Daily transactions primarily in British pounds
Schwing-Stetter Construction Machinery GmbH	Austria	Euro	Daily transactions primarily in euros
Schwing-Stetter Ostrava S.R.O	Czech Republic	Czech koruna	Daily transactions primarily in koruna
OOO Schwing-Stetter Russia	Russia	Ruble	Daily transactions are primarily in roubles
Schwing America Inc.	United States	US dollar	Daily transactions are primarily in US dollars
Schwing Mexico S.A. de C.V.	Mexico	US dollar	Daily transactions are primarily in US dollars
Schwing Properties Inc.	United States	US dollar	Daily transactions are primarily in US dollars
Schwing Properties Ltda.	United States	US dollar	Daily transactions are primarily in US dollars
Schwing Bioset Technologies Inc.	Brazil	US dollar	Daily transactions are primarily in US dollars
Concrete Pump Repair, North Branch	United States	US dollar	Daily transactions are primarily conducted in US dollars
Schwing Equipamentos Industriais Ltda	Brazil	Brazilian real	Daily transactions primarily in Brazilian real
Schwing Stetter (India) Pvt. Ltd.	India	Rupee	Daily transactions primarily in Indian rupees
Schwing-Stetter d.o.o.	Serbia	Dinar	Daily transactions primarily in dinars
Xuzhou Construction Machinery Manufacturing (India) Co., Ltd.	India	Rupee	Daily transactions primarily in rupees
Fluitronics GmbH	Germany	Euro	Daily income and expenditure are primarily in euros
XCMG Brazil Financial Holdings Co., Ltd.	Brazil	Brazilian real	Engages in relatively independent production and business activities, with daily with daily income and expenditure, borrowing, etc. primarily in Brazilian real
XCMG Brazil Bank Co., Ltd.	Brazil	Brazilian real	Engages in relatively independent production and business operations, with daily regular income and expenditure, loans, etc. are

in Full			
			primarily denominated in Brazilian real
XCMG Gulf General Trading Company	United Arab Emirates	Renminbi	Daily receipts and payments settled in Renminbi
XCMG Saudi Arabia Company	Saudi Arabia	Saudi Riyal	Daily income and expenditure primarily in Saudi Riyal
XCMG Thailand Co., Ltd.	Thailand	Thai baht	Daily income and expenditure primarily in Thai baht
XCMG Singapore Pte Ltd	Singapore	Singapore dollar	Daily income and expenditure primarily in Singapore dollars
XCMG Vietnam Co., Ltd.	Vietnam	Vietnamese dong	Daily income and expenditure are primarily in Vietnamese dong
Company	Operating location	Accounting currency	Reason for selection
XCMG Uzbekistan Company	Uzbekistan	Sum	Daily receipts and payments primarily in sum
XCMG UK Marketing and Service Limited	United Kingdom	Pound sterling	Daily income and expenditure primarily in pounds sterling
XCMG High Machinery Mexico	Mexico	Mexican Peso	Daily receipts and payments are primarily in Mexican pesos
XCMG Hong Kong Treasury Management Co., Ltd.	Hong Kong	US Dollar	Daily income and expenditure primarily in US dollars
XCMG Chile	Chile	US dollar	Daily transactions primarily in US dollars
XCMG Leasing (Chile)	Chile	Chilean Peso	Daily transactions primarily in Chilean pesos
XCMG Rental Company (Chile)	Chile	Chilean Peso	Daily transactions primarily in Chilean pesos
XCMG Capital (Malaysia) Sdn Bhd	Malaysia	Malaysian Ringgit	Daily transactions primarily in Malaysian Ringgit
XCMG Middle East and North Africa Regional Headquarters Company	Saudi Arabia	Saudi Riyal	Daily income and expenditure primarily in Saudi Riyal
XCMG EQUIPMENT (M) SDN BHD	Malaysia	Ringgit	Daily transactions primarily in Malaysian Ringgit
XCMG Japan Co., Ltd.	Japan	Japanese Yen	Daily income and expenditure primarily in Japanese Yen
XCMG Tanzania Limited	Tanzania	Tanzanian Shilling Shilling	Daily income and expenditure are primarily in Tanzanian shillings
XCMG Finance Australia Limited	Australia	Australian Dollar	Daily transactions primarily in Australian dollars
XCMG Europe Investment Development Co., Ltd.	Germany	Euro	Daily income and expenditure primarily in euros
XCMG Europe Financial Leasing Co., Ltd.	Germany	Euro	Daily transactions primarily in euros

73. Leasing

(1) The Company as lessee

☒ ☐ s apply Not applicable

Variable lease payments not included in lease liabilities

☐ ☒ : Applicable / Not applicable

Lease payments for short-term leases or leases of low-value assets subject to simplified treatment

☒ Applicable ☐ Not applicable

Recognition in profit or loss for the current period

Unit: Yuan

Item	Included in profit or loss for the current period	
	Reporting Item	Amount
Short-term lease expenses (subject to simplified treatment)	Administrative Expenses	10,876,502.77
	Selling expenses	19,268,638.20
	Research and Development Expenses	1,418,505.33
	Cost of Main Business Operations	12,945,306.25

Note: "Short-term lease expenses" in the above table exclude lease-related costs for leases with a term of one month or less; "Low-value asset lease expenses" exclude short-term lease expenses for low-value assets included in "Short-term lease expenses".

Cash Flow Outflows Related to Leases

Unit: Yuan

Item	Cash Flow Category	Amount for the current year
Cash paid to repay principal and interest on lease liabilities	Cash outflow from financing activities	78,013,331.46
Payments made for short-term leases and low-value assets (where simplified treatment applies)	Cash outflow from operating activities	48,514,758.28
Variable lease payments not included in lease liabilities	Cash outflow from operating activities	
Total		126,528,089.74

No sale and leaseback

transactions

(2) The Company as Lessor

Operating leases as lessor

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	Lease income	Of which: Income relating to variable lease payments not included in lease receipts
Lease income	2,042,617,636.06	
Total	2,042,617,636.06	

Finance leases as lessor

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	Gain/Loss on Sales	Finance income	Income relating to variable lease payments not included in net investment in the lease
Finance income on net lease investments		94,748,841.95	
Total		94,748,841.95	

Undiscounted lease receipts for each of the next five years

☐ Applicable ☒ Not applicable

VIII. Research and Development Expenditure

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Employee compensation	1,911,119,567.92	1,834,896,904.97
Material costs	2,341,170,661.43	2,029,389,974.53
Depreciation of R&D Equipment	704,744,782.79	608,729,557.44
Other expenses	640,872,602.57	565,672,242.17
Total	5,597,907,614.71	5,038,688,679.11
Of which: Expensed R&D expenditure	3,738,106,335.58	3,999,625,444.40
Capitalised research and development expenditure	1,859,801,279.13	1,039,063,234.71

1. Research and development projects meeting capitalisation criteria

Unit: Yuan

Project	Opening Balance	Increase for the Period		Current Period Decrease		Closing Balance
		Internal development expenditure	Other	Recognised as an intangible asset	Reclassified to profit or loss for the period	
Development expenditure	620,699,964.15	1,859,801,279.13		1,522,080,122.71		958,421,120.57
Total	620,699,964.15	1,859,801,279.13		1,522,080,122.71		958,421,120.57

IX. Changes in the Scope of Consolidation

1. Non-controlling interest business combinations

(1) Non-controlling interest business combinations occurring during the current period

Unit: Yuan

Name of Acquired Entity	Date of Equity Acquisition	Cost of Equity Acquired	Proportion of Equity Acquired	Method of Acquisition	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the balance sheet date	Net profit of the acquiree from the acquisition date to the balance sheet date	Cash Flows of the Acquired Entity from the Acquisition Date to the Balance Sheet Date
Xuzhou Xugong Electric Technology Co., Ltd.	2024 30 November 34,760,780	34,760.78 6.25	50.00%	Acquired	2024 30	Acquisition of effective control	15,329.83 4.81	- 1,329,305.69	7,334,425.92

Other Notes:

(2) Consolidated Cost and Goodwill

Unit: Yuan

Consolidation Cost	Xuzhou Xugong Electric Technology Co., Ltd.
–Cash	34,760,786.25
– Fair value of non-cash assets	
–Fair value of debt issued or assumed	
–Fair value of equity securities issued	
–Fair value of contingent consideration	
– Fair value of equity interests held prior to the acquisition date at the acquisition date	42,370,092.82
–Other	
Total cost of consolidation	77,130,879.07
Less: Fair value share of identifiable net assets acquired	84,215,148.45
Goodwill/Amount by which the cost of acquisition exceeds the fair value share of identifiable net assets acquired	-7,084,269.38

(3) Acquired identifiable assets and liabilities of the acquiree at the acquisition date

Unit: Yuan

	Xuzhou Xugong Electric Technology Co., Ltd.
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in Full		
	Fair value at acquisition date	Carrying Amount at Acquisition Date
Assets:		
Cash and cash equivalents	3,309,299.52	3,309,299.52
Accounts receivable		
Inventories		
Fixed Assets		
Intangible assets		
Notes receivable	28,701,005.69	28,701,005.69
Accounts receivable	85,018,636.31	85,018,636.31
Financing of receivables	2,931,237.82	2,931,237.82
Other receivables	1,001.00	1,001.00
Inventories	31,543,446.84	30,580,194.14
Fixed assets	6,909,425.56	4,616,053.87
Intangible assets	732,791.98	489,168.41
Liabilities:		
Loans		
Accounts Payable		
Deferred tax liabilities		
Short-term borrowings	15,000,000.00	15,000,000.00
Accounts Payable	51,116,170.31	51,116,170.31
Employee remuneration payable	1,296,917.01	1,296,917.01
Taxes payable	1,837,045.10	1,837,045.10
Other payables	2,352,853.57	2,352,853.57
Provision for liabilities	2,803,673.09	2,803,673.09
Deferred income tax liabilities	525,037.19	
Net assets	84,215,148.45	81,239,937.68
Less: Minority interests		
Acquired net assets	84,215,148.45	81,239,937.68

2. Business combinations under common control

(1) No business combinations under

common control occurred during the current

period

3. Disposal of subsidiaries

Transactions or events involving loss of control over subsidiaries during the current period

☒ Yes ☐ No

Unit: Yuan

in Full												
Name of Subsidiary	Disposal Consideration at Time of Loss of Control	Disposal proportion at the time of loss of control	Disposal method at the time of loss of control	Date of Loss of Control	Basis for determining loss of control	Consolidated financial statements level to which the disposal proceeds and the disposed investment correspond	Proportion of Remaining Equity Interest on the Date of Loss of Control	The carrying amount of the remaining equity interest at the consolidated financial statement level on the date of loss of control	Fair value of the remaining equity interest at the consolidated financial statement level on the date of loss of control	Gain or loss arising from remeasuring the remaining equity interest at fair value	Fair value of the residual equity interest at the date of loss of control at the consolidated financial statement level Fair value	Transfer of other comprehensive income relating to the investment in the subsidiary Investment gains or losses
						Difference in share of net assets of the company					Method of determination and key assumptions	Amount of retained earnings
Xuzhou Jiayu Energy Trading Co., Ltd. Company	10,000,000.00	100.00 %	Sale	2024 November 30		1,054,306.13						

Whether there were any instances of disposing of investments in subsidiaries in stages through multiple transactions and losing control during the current period

☐ Yes ☒ No

4. Changes in consolidation scope due to other reasons

Details of consolidation scope changes arising from other reasons (e.g., establishment of new subsidiaries, liquidation of subsidiaries, etc.) and related circumstances:

(1) The following subsidiaries were newly included within the consolidation scope during the current period:

Name	Acquisition Method
Chengdu Xugong Southwest Technology Co., Ltd.	Newly established
Xuzhou Xuhuan Urban Services Co., Ltd.	Newly Established
Pingdingshan Xuchen Environmental Services Co., Ltd.	Newly Established
XCMG International Investment Development (Tianjin) Co., Ltd.	Newly Established

in Full	
Xuzhou XCMG No. 3 Equity Investment Partnership (Limited Partnership)	Newly Established
XCMG Chile Financial Leasing Co., Ltd.	Newly Established
Jieshou Xuhuan Urban Services Co., Ltd.	Newly Established
Xuhuan Environmental Services Co., Ltd. (Dongming County)	Newly Established
XCMG EQUIPMENT (M) SDN BHD	Newly established
XCMG Japan Co., Ltd.	Newly Established
XCMG Tanzania Limited	Newly Established
XCMG Finance Australia Pty Ltd	Newly Established
XCMG Europe Investment Development Co., Ltd.	Newly Established
XCMG Europe Financial Leasing Co., Ltd.	Newly Established
XCMG Peru Company	Newly established

(2) Subsidiaries excluded from the scope of consolidation during this period

Name	Reason for Decrease
Inner Mongolia XCMG Mining Machinery Co., Ltd.	Deregistered
Dalian Riquan Electrical Technology Co., Ltd.	Deregistered
Xuzhou Jiayu Energy Trading Co., Ltd.	Disposal

X. Interests in Other Entities

1. Interests in Subsidiaries

(1) Composition of the Enterprise Group

Unit: Yuan

Subsidiary Name	Registered Capital	Principal Place of Business	Registered Location	Nature of Business	Shareholding Ratio		Method of Acquisition
					Direct	Indirect	
Shanghai Xugong Intelligent Technology Co., Ltd. Company	45,000,000.00	Shanghai	Shanghai	Trading		100.00%	Established
XCMG Chongqing Construction Machinery Co., Ltd. Company	150,000,000.00	Chongqing	Chongqing	Production	100.00%		Established
Xuzhou Xugong Energy Equipment Co., Ltd. Company	400,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Establishment
Xuzhou Xugong Investment Co., Ltd. Co., Ltd.	2,250,000,000.00	Xuzhou City	Xuzhou City	Investment	100.00%		Establishment
XCMG Group Shenyang Construction Machinery Co., Ltd.	30,000,000.00	Shenyang City	Shenyang City	Trading	100.00%		Established
XCMG Marketing Co., Ltd. Limited	100,000,000.00	Xuzhou City	Xuzhou City	Trade	100.00%		Established
XCMG Group Finance Finance Co., Ltd.	3,500,000,000.00	Xuzhou City	Xuzhou Municipal	Financial investment, etc.	100.00%		Established
Xuzhou XCMG Transmission Technology Co., Ltd. Company	400,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Established
Xuzhou Xugong Environmental Technology Co., Ltd. Company	800,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Established
XCMG Fire Safety Equipment Co., Ltd. Company	887,610,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Established
Guangdong Xugong Kunpeng Engineering Machinery Co., Ltd.	10,000,000.00	Dongguan City	Dongguan City	Trading		100.00%	Established
Ningxia Xugong Kunpeng Construction Machinery Co., Ltd.	10,000,000.00	Shizuishan City	Shizuishan City	Trading		100.00%	Established

in Full							
Xuzhou Xugong Track Chassis Co., Ltd. Company	300,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Established
XCMG (Liaoning) Machinery Co., Ltd. Company	100,000,000.00	Fuxin City	Fuxin City	Manufacturing		60.00%	Established
XCMG Group (Hong Kong) International Trading Limited	1,490,668.5000	Hong Kong	Hong Kong	Trade		100.00%	Establishment
Hangzhou HanClouds Industrial Internet Co., Ltd. Co., Ltd.	10,000,000.00	Hangzhou City	Hangzhou	Technical Services		100.00%	Established
Xuzhou Xugong Bo Del Environmental Technology Co., Ltd.	20,000,000.00	Xuzhou City	Xuzhou City	Trade and Services		51.00%	Establishment
Technology Co., Ltd.							
Guizhou Xugong Kunpeng Construction Machinery Co., Ltd.	4,000,000.00	Guiyang City	Guiyang City	Trade		100.00%	Established
Shaanxi Xugong Kunpeng Construction Machinery Co., Ltd.	4,000,000.00	Yulin City	Yulin Yuyang District	Trade		100.00%	Established
Hebei Xugong Kunpeng Construction Machinery Co., Ltd.	5,000,000.00	Shijiazhuang City	Shijiazhuang City	Trade		100.00%	Established
Jiangsu XCMG E-Commerce Co., Ltd. Co., Ltd.	20,000,000.00	Xuzhou City	Xuzhou	Trading	100.00%		Established
Xuzhou Xugong Maintenance Machinery Co., Ltd. Company	40,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	70.00%		Established
Xuzhou Amakai Hydraulic Technology Co., Ltd. Co., Ltd.	40,000,000.00	Xuzhou City	Xuzhou City	Manufacturing		100.00%	Established
Yangzhong City XCMG Industrial Investment Partnership (Limited Partnership)	501,000,000.00	Zhenjiang City	Zhenjiang City	Investment		88.69%	Established
Xuzhou Xugong Materials Supply Co., Ltd. Company	50,000,000.00	Xuzhou City	Xuzhou City	Trading	100.00%		Business combinations under common control
Xuzhou Heavy Machinery Machinery Co.,	1,200,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Under common control Business

in Full							
Ltd.							Combination
Xuzhou Construction Machinery Group Import and Export Import and Export Co., Ltd.	1,354,000.00	Xuzhou City	Xuzhou City	Trade	100.00%		Business combinations under common control
Xuzhou Xugong Hydraulic Components Co., Ltd. Co., Ltd.	246,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Business combination under common control
Xuzhou Xugong Road Machinery Co., Ltd. Company	150,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Business combination under common control
Xuzhou XCMG Foundation Construction Machinery Co., Ltd. Co., Ltd.	1,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Business combination under common control
XCMG HanClouds Technology Co., Ltd. Company	113,210,100.00	Xuzhou City	Xuzhou	Engineering and Technology Information R&D	42.40%		Business combinations under common control
Xuzhou Xugong Truck-mounted Crane Co., Ltd. Co., Ltd.	100,381,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Business combination under common control
Xuzhou XCMG Special Construction Machinery Co., Ltd. Co., Ltd.	300,000,000.00	Xuzhou City	Xuzhou City	Manufacturing	100.00%		Business combinations under common control
Xuzhou Construction Machinery Bonded Co., Ltd. Company	5,000,000.00	Xuzhou City	Xuzhou City	Trade		100.00%	Business combination under common control
XCMG Hubei Environmental Protection Technology Co., Ltd. Co., Ltd.	440,000,000.00	Hubei Tianmen	Hubei Tianmen	Manufacturing		70.00%	Non-controlling interest consolidation
Shanghai Xugong Hancloud Industrial Internet Co., Ltd.	20,000,000.00	Shanghai	Shanghai	Technical Services		100.00%	Established
Guangdong Xugong Hancloud Industrial Internet Network Co., Ltd.	15,000,000.00	Foshan City	Foshan	Technical Services		100.00%	Established
Suzhou Xugong Hancloud Industrial Internet Network Co., Ltd.	10,000,000.00	Suzhou City	Suzhou	Technical Services		100.00%	Establishment
Anshun Xiuxu Environmental Resource Management Co., Ltd.	20,505,000.00	Anshun City	Anshun City	Environmental sanitation services		90.00%	Establishment of

in Full							
De'an County Xu Huanlongshun Environmental Technology Co., Ltd. Technology Co., Ltd.	43,052,600.00	Jiujiang City	Jiujiang City	Environmental sanitation services		89.82%	Established
Xuhuan Environmental Services Co., Ltd., Minqing County Co., Ltd.	10,000,000.00	Fuzhou City	Fuzhou City	Environmental Sanitation Services		100.00%	Established
Ningbo Xuhuan Dongwan Environmental Services Co., Ltd.	20,000,000.00	Ningbo City	Ningbo City	Environmental sanitation services		100.00%	Established
Ningbo Daxie Development Zone Zhuangli Cleaning Services Co., Ltd. Company	100,000.00	Ningbo City	Ningbo City	Environmental Sanitation Services		100.00%	Non-common control consolidation
Jilin Province Xugong Wanhua Environmental Development Co., Ltd. Co., Ltd.	10,000,000.00	Jilin Shulan City	Jilin Shulan City	Environmental sanitation services		51.00%	Established
Dalian Xuyou Urban Environmental Sanitation Management Co., Ltd. Company	6,000,000.00	Dalian City	Dalian City	Environmental Sanitation Services		100.00%	Established
Xuzhou XCMG Environmental Operation Services Co., Ltd.	50,000,000.00	Xuzhou City	Xuzhou City	Environmental sanitation services		100.00%	Established
Xuzhou Hongjing Information Technology Co., Ltd. Company	40,000,000.00	Xuzhou City	Xuzhou City	Technical Services		100.00%	Established
Chongqing Han Yun Industrial Internet Co., Ltd. Co., Ltd.	20,000,000.00	Chongqing Municipality	Chongqing	Technical Services		100.00%	Established
Xuzhou Xugong Huijin Mergers and Acquisitions Industry Fund (Limited Partnership) Partnership)	10,010,000.00	Xuzhou City	Xuzhou City	Investment	68.26%		Established
Fugu County Xuhuan Technical Services Co., Ltd. Co., Ltd.	3,000,000.00	Fugu County	Fugu County	Environmental Sanitation Services		51.00%	Established
Tianjin Han Yun Industrial Internet Co., Ltd. Co., Ltd.	10,000,000.00	Tianjin	Tianjin	Technical Services		100.00%	Established
Jiangsu Xugong Guanglian Machinery Leasing	800,000,000.00	Xuzhou City	Xuzhou City	Leasing	100.00%		Business combinations under common

Limited Company					in Full		control
Xuzhou Xugong Excavator Co., Ltd. Company	1,500,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou Xugong Mining Machinery Co., Ltd. Company	1,213,921.00	Xuzhou City	Xuzhou City	Production	24.71%	75.29%	Business combinations under common control
Xuzhou Construction Machinery Engineering	570,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Under Common Control
Engineering Machinery Co., Ltd. Company							Business Combination
Xuzhou XCMG Zhilian Logistics Service Co., Ltd.	300,000,000.00	Xuzhou City	Xuzhou City	Logistics	100.00%		Business combinations under common control
Jiangsu Huizhi High-End Engineering Machinery Innovation Centre Co., Ltd. Limited	100,000,000.00	Xuzhou City	Xuzhou	Research and Development		60.00%	Business combinations under common control
Jiangsu XCMG Construction Machinery Research Research Institute Co., Ltd.	500,000,000.00	Xuzhou City	Xuzhou City	Research and Development	100.00%		Business combinations under common control
Dalian Riquan Electric Machinery Co., Ltd.	150,000,000.00	Dalian	Dalian	Production	95.00%		Under common control Business Combination
Xuzhou Xugong Precision Industrial Technology Co., Ltd.	560,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou XCMG Schwing Machinery Co., Ltd. Co., Ltd.	129,845,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou Xugong New Environmental Protection Industrial Development Co., Ltd. Co., Ltd.	100,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou Xugong Daojin Special Robot Technology Co., Ltd. Company	98,040,000.00	Xuzhou City	Xuzhou City	Production	51.00%		Business combinations under common control

in Full							
Xuzhou XCMG Agricultural Equipment Technology Co., Ltd. Co., Ltd.	500,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou Xugong Port Machinery Co., Ltd. Company	300,000,000.00	Xuzhou City	Xuzhou City	Production	100.00%		Business combinations under common control
Xuzhou XCMG High-End Equipment Manufacturing Industry Development Fund Partnership (Limited Partnership)	1,001,000,000.00	Xuzhou City	Xuzhou City	Investment	69.93%	30.07%	Business combinations under common control
Xuzhou XCMG Schwing Machinery Leasing Co., Ltd.	200,000,000.00	Xuzhou City	Xuzhou City	Asset Leasing		100.00%	Business Combination under Common Control
Guizhou XCMG Construction Machinery Co., Ltd. Company	10,000,000.00	Guizhou Province	Guizhou Province	Trading		100.00%	Business combinations under common control
Xinjiang Xugong Northwest Machinery Equipment Co., Ltd.	10,000,000.00	Xinjiang	Xinjiang	Trading		100.00%	Business combinations under common control
Xuzhou Xugong Tonglian Excavator Machinery Leasing Co., Ltd. Co.	150,000,000.00	Xuzhou City	Xuzhou City	Asset Leasing		100.00%	Business Combination under Common Control
Xinjiang Xugong Zhilian Supply Chain Management Co., Ltd. Management Co., Ltd.	5,000,000.00	Xinjiang Uygur Autonomous Region	Xinjiang Uygur Autonomous Region	Logistics		100.00%	Business combination under common control
Shanghai Shwei Ying Machinery Manufacturing Co., Ltd. Co., Ltd.	91,913,200.00	Shanghai	Shanghai	Production and Sales		100.00%	Business Combination under Common Control
Liaoning Xujian Machinery	15,000,000.00	Liaoning Province	Liaoning Province	Trade		100.00%	Under Common Control
Construction Machinery Co., Ltd. Limited							Business Combination
XCMG Chongqing Construction Machinery Engineering Machinery Co., Ltd.	15,000,000.00	Chongqing	Chongqing	Production and Sales		100.00%	Business combinations under common control

in Full							
Xuzhou Xugong Guangxin Construction Machinery Leasing Service Co., Ltd. Co., Ltd.	50,000,000.00	Xuzhou City	Xuzhou City	Asset Leasing		100.00%	Business Combination under Common Control
Guangdong XCMG Construction Machinery Engineering Machinery Co., Ltd.	200,000,000.00	Xuzhou City	Xuzhou	Asset Leasing		100.00%	Business Combination under Common Control
Xuzhou Xugong Mining Engineering Co., Ltd. Company	50,000,000.00	Xuzhou City	Xuzhou City	Production		100.00%	Business combinations under common control
Xuzhou Jiawang Baiya Construction Machinery Parts Co., Ltd. Company	500,000.00	Xuzhou	Xuzhou	Trade		100.00%	Business combination under common control
XCMG (Pizhou) Environmental Technology Co., Ltd. Co., Ltd.	64,500,000.00	Pizhou City	Pizhou City	Environmental sanitation services		80.00%	Business combinations under common control
Xi'an Xugong Construction Engineering Co., Ltd. Company	100,010,000.00	Xi'an City	Xi'an City	Production		100.00%	Business combinations under common control
Chongqing Xuhuan Chen Yuan Environmental Sanitation Co., Ltd. Company	5,000,000.00	Chongqing	Chongqing	Environmental Sanitation Services		51.00%	Established
Xuzhou Xugong Industrial Investment Partnership (Limited Partnership) Partnership)	10,001,000.00.00	Xuzhou City	Xuzhou City	Investment	100.00%		Establishment
Xuzhou Xugong Rongpiao Electronic Technology Co., Ltd. Co., Ltd.	20,000,000.00	Xuzhou City	Xuzhou City	Technical Services	100.00%		Established
Suizhou Xumei Environmental Services Co., Ltd. Co., Ltd.	3,000,000.00	Suizhou City, Hubei Province	Suizhou City, Hubei Province	Environmental Sanitation Services		100.00%	Established
Guangxi Xumei Environmental Urban Operations Management Co., Ltd. Company	2,000,000.00	Wuzhou City, Guangxi	Guangxi Wuzhou City	Environmental Sanitation Services		100.00%	Established
Yangtze River Delta Integration Demonstration Zone (Jiangsu) Hancloud Industrial	30,000,000.00	Suzhou City	Suzhou	Technical Services		100.00%	Established

in Full							
Internet Co., Ltd. Company							
Jiangsu Xugong National Key Laboratory Technology Co., Ltd. Technology Co., Ltd.	100,000,000.00	Xuzhou City	Xuzhou City	Technical Services		100.00%	Established
Hangzhou Xugong Intelligent Technology Research Institute Co., Ltd.	30,000,000.00	Hangzhou City	Hangzhou	Research and Development		100.00%	Established
Beijing Xugong Hancloud Technology Co., Ltd. Company	10,000,000.00	Beijing	Beijing	Technical Services		100.00%	Established
Xinjiang Xugong Environmental Technology Co., Ltd.	10,000,000.00	Xinjiang Alar Municipality	Xinjiang Alar City	Environmental Services		100.00%	Established
Company							
Xuzhou XCMG International Investment Development Co., Ltd.	1,850,000,000.00	Xuzhou City	Xuzhou City	Financial	100.00%		Established
Xuzhou XCMG Crane Machinery Sales Co., Ltd.	5,000,000.00	Xuzhou City	Xuzhou City	Sales		100.00%	Established
Ningbo Xuhuan Dongwan Environmental Technology Co., Ltd. Co., Ltd.	500,000.00	Ningbo City	Ningbo City	Environmental sanitation services		100.00%	Established
Jiangsu Ruikong Electrical Technology Co., Ltd. Company	80,000,000.00	Xuzhou City	Xuzhou	Technical Services	60.00%		Established
Xuzhou Gerun Hydraulic Industry Co., Ltd. Company	25,000,000.00	Xuzhou City	Xuzhou City	Production		72.00%	Establishment
Jiangsu Sichuang Industrial Design Research Institute Co., Ltd.	50,000,000.00	Xuzhou City	Xuzhou	Research and Development		51.00%	Establishment
Pingdingshan Xusen Environmental Services Co., Ltd. Co., Ltd.	2,600,000.00	Pingdingshan City	Pingdingshan City	Environmental Sanitation Services		100.00%	Established

in Full							
XCMG (Chongqing) Engineering Technology Co., Ltd. Co., Ltd.	50,000,000.00	Chongqing Municipality	Chongqing			100.00%	Established
Pingdingshan Xurun Environmental Services Co., Ltd. Co., Ltd.	5,000,000.00	Henan Province	Pingdingshan	Environmental Services		100.00%	Established
Tianjin Xuhuan Urban Environmental Services Co., Ltd. Co., Ltd.	10,000,000.00	Tianjin	Tianjin	Environmental sanitation services		100.00%	Established
Changzhi City Xuhuan Environmental Operations Service Co., Ltd. Co., Ltd.	1,000,000.00	Shanxi Province	Changzhi City	Environmental Services		100.00%	Established
XCMG Hubei Environmental Sanitation Operation Service Co., Ltd. Co., Ltd.	100,000,000.00	Hubei Tianmen	Hubei Tianmen	Environmental Services		100.00%	Established
XCMG Wuhan Environmental Technology Co., Ltd. Company	20,000,000.00	Wuhan City	Wuhan City	Environmental Sanitation Services		100.00%	Established
Xuzhou Xugong Electric Technology Co., Ltd. Company	60,000,000.00	Xuzhou City	Xuzhou City	Production		100.00%	Non-controlling interest consolidation
Chengdu Xugong Southwest Technology Co., Ltd. Company	2,000,000.00	Chengdu	Shuangliu District	Engineering and Technical Research and Testing Development		100.00%	Established
Xuzhou Xuhuan Urban Services Co., Ltd. Company	3,000,000.00	Xuzhou City	Tongshan District	Ecological Conservation and Environmental Management		100.00%	Established
Pingdingshan Xuchen Environmental Services Co., Ltd. Co., Ltd.	2,600,000.00	Pingdingshan City	Zhanhe District	Environmental Sanitation Management		100.00%	Established
Xugong International Investment Development (Tianjin) Co., Ltd. Company	2,000,000.00	Tianjin	Dongli District	Investment and Asset Management		100.00%	Established
Xuzhou Xugong San Equity Investment Fund	200,000,000.00	Xuzhou City	Xuzhou Capital Market Services	Capital Market Services		49.50%	Establishment
Partnership (Limited Partnership)							
Xihuan Urban Services Co., Ltd. Limited Company	1,000,000.00	Jieshou City	Jieshou City	Public Facilities Management Industry		100.00%	Established

in Full							
Xuhuan Environmental Services Co., Ltd., Dongming County Limited Company	1,000,000.00	Dongming County	Dongming County	Public Facilities Management		100.00%	Established
XCMG Mining Equipment Australia Co., Ltd.	100,100.00	Australia	Australia	Trade and Services		100.00%	Establishment
XCMG Argentina Sales Company	100,000.00	Argentina	Argentina	Trade and Services		100.00%	Establishment
Xugong Gulf Comprehensive Trading Company	100,000.00	United Arab Emirates	United Arab Emirates	Trade		100.00%	Establishment
Schwing-Stetter d.o.o.	150,000.00	Serbia	Mladinska Z	Production		100.00%	Under Common Control Enterprise Combination
XCMG (Hong Kong) International Development Limited	800,000,000.00	Hong Kong	Hong Kong	Production	100.00%		Business combinations under common control
Schwing-Stetter Ostrava S.R.O	2,800,000.00	Czech Republic	Ostrava	Trade		100.00%	Business combination under common control
Schwing Equipamentos Industriais Ltda	284,914,000.00	Brazil	Maribolão	Production		100.00%	Business combinations under common control
XCMG Brazil Financial Holdings Limited Company	197,869,600.00	Brazil	Brazil	Finance	100.00%		Business combination under common control
XCMG Brazil Bank Co., Ltd. Company	200,000,000.00	Brazil	Brazil	Finance		100.00%	Business combination under common control
XCMG Capital (Malaysia) Sdn Bhd Company	8,388,000.00	Malaysia	Malaysia	Leasing		80.00%	Establishment
Xuzhou Construction Machinery Manufacturing (India) Co., Ltd. Company	2,000,000,000.00	India	Chennai	Manufacturing		100.00%	Business combinations under common control
Schwing Stetter (India) Pvt. Ltd.	240,945,100.00	India	Chennai	Manufacturing		100.00%	Business combination under common control
OOO Schwing-Stetter Russia	6,600,000.00	Russia	Moscow	Trade		100.00%	Business combination under common control
XCMG Uzbekistan Company	500,000.00	Uzbekistan	Uzbekistan	Trade		100.00%	Establishment

in Full							
XCMG Brazil Manufacturing Co., Ltd. Company	162,302,000.00	Brazil	Brazil	Manufacturing		100.00%	Established
XCMG Group São Paulo Sales and Service Limited Liability Company Company	692,200.00	Brazil	Brazil	Trade and Services		100.00%	Establishment
XCMG India Machinery	1,050,000.00	India	India	Trading		100.00%	Establishment
Machinery Co., Ltd.							
XCMG Russia Limited Liability Company Company	100,000.00	Moscow	Moscow	Sales		100.00%	Established
XCMG Group Chile Financial Leasing Company	500,000.00	Chile	Chile	Services		100.00%	Establishment
XCMG North America Co., Ltd. Limited	500,000.00	United States	United States	Trade and Services		100.00%	Established
XCMG Kazakhstan Limited Liability Company Limited Liability Company	100,000.00	Kazakhstan	Kazakhstan	Trade and Services		100.00%	Establishment
XCMG Europe Marketing and Service Co., Ltd. Limited Company	400,000.00	Germany	Germany	Trade		100.00%	Established
XCMG Group Turkey Limited Company Company	300,000.00	Turkey	Turkey	Trade and Services		100.00%	Established
Schwing America Inc.	60,000.00	United States	Minnesota	Manufacturing		100.00%	Business combinations under common control Business combinations
Schwing Mexico SA de CV	81,429,100.00	Mexico	Tultitlán	Trade		100.00%	Business combinations under common control
Schwing Properties Inc.	10,000.00	United States	Minnesota	Production		100.00%	Business combination under common control
Schwing Properties Ltda.		Brazil	Minnesota	Production		100.00%	Business combination under common control
Schwing Bioiset Technologies Inc.	10,000.00	United States	Minnesota	Trade		100.00%	Business combination under common control
Concrete Pump Repair, North Branch		United States	Minnesota	Trade		100.00%	Business Combination under

in Full							
							Common Control
XCMG Group USA Research Centre	100,000.00	United States	United States	Research and Development	100.00%		Under Common Control Business Combination
Uzbekistan-XCMG Joint Venture Limited Liability Company	5,000,000.00	Uzbekistan	Uzbekistan	Production	51.00%		Business combinations under common control
USG Limited Liability Company GPlace Limited Liability Company	3,000,000.00	Uzbekistan	Uzbekistan	Services		100.00%	Business combinations under common control
XCMG Nigeria Asia Co., Ltd.	10,000,000.00	Nigeria	Nigeria	Trading		100.00%	Establishment
XCMG Canada Limited	5,000.00	Canada	Canada	Trading		100.00%	Establishment
XCMG AMERICA INC.	25,100,000.00	United States	Delaware	Investment	100.00%		Establishment
XCMG USA Industrial Management Limited LLC	1,500,000.00	United States	Delaware	Asset Leasing		100.00%	Establishment of
XCMG Financial Leasing Leasing USA Inc.	30,000,000.00	United States	State of Delaware	Leasing		100.00%	Establishment
Xugong Hong Kong Financial Asset Management Limited	99,000,000.00	Hong Kong	Hong Kong	Services		100.00%	Establishment
Company							
XCMG High Machinery Xigong Gaoji Mo	12,000,000.00	Mexico	Mexico			100.00%	Established
XCMG South Africa Limited Liability Company	5,000.00	South Africa	South Africa	Trading		100.00%	Establishment
XCMG Saudi Arabia Company	30,000,000.00	Saudi Arabia	Saudi	Trade		100.00%	Established
XCMG Europe Procurement Centre Co., Ltd. Company	25,000.00	Germany	Germany	Procurement, Sales		100.00%	Established
Fluitronics GmbH	200,000.00	Germany	Krefeld	Production		100.00%	Under common control Business Combination
XCMG Europe GmbH	50,000.00	Germany	Krefeld	Production		100.00%	Business combination under common control

in Full							
XCMG European Research Center GmbH	25,000.00	Germany	Krefeld	Production		100.00%	Business combination under common control
XS Holding GmbH	25,000.00	Germany	Hernan	Production		100.00%	Under common control of Schwing GmbH
Schwing GmbH	50,000,000.00	Germany	Heilbronn	Manufacturing		100.00%	Under common control of the business combination
Stetter GmbH	12,000,000.00	Germany	Meimingen	Manufacturing		100.00%	Under common control Business combination
Schwing GmbH St. Stefan	2,000,000.00	Austria	St. Stefan	Production		100.00%	Business combination under common control
Schwing-Stetter S.A.S.	5,500,000.00	France	Souffersvaux Ersan	Trading		100.00%	Under common control Business Combination
Schwing-Stetter-Ibérica S.L.	650,000.00	Spain	Madrid	Trade		100.00%	Business combination under common control
Schwing-Stetter Construction Machinery GmbH	150,300.00	Austria	Vienna	Trade		100.00%	Business combinations under common control
XCMG Leasing (Thailand) Co. Limited	699,400,000.00	Thailand	Thailand	Leasing		100.00%	Establishment
XCMG Thailand Co., Ltd. Co., Ltd.	23,300,000.00	Thailand	Thailand	Trading		100.00%	Establishment
XCMG Singapore Pte Ltd	500,000.00	Singapore	Singapore	Trading		100.00%	Establishment
XCMG Group Indonesia Ltd.	10,000,000.00.00	Indonesia	Indonesia	Trade and Services		100.00%	Established
Schwing Stetter (UK) Ltd.	7,900.00	United Kingdom	Greenford	Trading		100.00%	Business combination under common control
XCMG UK Marketing and Service Co. Limited	10,000.00	United Kingdom	United Kingdom	Service		100.00%	Establishment
XCMG Vietnam Co. Limited	11,735,000.00.00	Vietnam	Vietnam	Trading		100.00%	Establishment
XCMG Chile Financial Leasing Co., Ltd. Co., Ltd.	15,000,000.00	Chile	Chile	Financial Leasing		100.00%	Establishment
XCMG Leasing Co. Company	10,000,000.00	Chile	Chile	Leasing		100.00%	Establishment

in Full							
XCMG Leasing Co. Company	10,000,000.00	Chile	Chile	Leasing		100.00%	Establishment
XCMG Middle East and North Africa Regional Headquarters Company	100,000.00	North Africa	North Africa	Trading		100.00%	Establishment
XCMG EQUIPMENT (M) SDN BHD	500,000.00	Malaysia	Malaysia	Trade		100.00%	Established
XCMG Japan Co., Ltd. K.K.	28,000,000.00	Japan	Japan	Trading		100.00%	Establishment
XCMG Tanzania Asia Co., Ltd.	500,000.00	Tanzania	Tanzania	Trade		100.00%	Establishment
XCMG Finance Australia Limited Company	40,000,000.00	Australia	Australia	Financial		100.00%	Established
XCMG Europe Investment Development Co., Ltd. Company	50,000.00	Germany	Germany	Finance		100.00%	Established
XCMG Europe Financial Leasing Co., Ltd. Company	39,950,000.00	Germany	Germany	Leasing		100.00%	Establishment
XCMG Peru Co., Ltd. Company	1,000.00 ^{Note}	Peru	Peru	Trade		100.00%	Establishment

Note: All registered capital figures above are denominated in local currency

(2) Significant Non-Wholly Owned Subsidiaries

Unit: Yuan

Subsidiary Name	Minority Shareholder Interest	Profit/Loss Attributable to Minority Interests for the Period	Dividends declared to minority shareholders for the period	Balance of Minority Interests at End of Period
XCMG Hubei Environmental Protection Technology Co., Ltd. Co., Ltd.	30.00%	5,181,246.95		145,056,115.65

(3) Key Financial Information of Significant Non-Wholly Owned Subsidiaries

Unit: Yuan

Subsidiary Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total Assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
XCMG Hubei Environmental Protection Technology Co.,	538,613,586.77	195,739,705.17	734,353,291.94	246,666,199.99	4,166,706.45	250,832,906.44	488,736,697.46	204,178,674.92	692,915,372.38	217,860,765.44	4,789,366.14	222,650,131.58

Ltd. Company	in Full											

Unit: Yuan

Subsidiary Name	Current Period Amount				Previous Period Amount			
	Revenue	Net Profit	Total Comprehensive Income	Cash Flow from Operating Activities	Revenue	Net profit	Total comprehensive income	Cash Flow from Operating Activities
XCMG Hubei Environmental Protection Technology Co., Ltd. Company	407,936,689.37	17,270,823.18	17,270,823.18	16,304,444.14	413,367.269.06	12,120,128.50	12,120,128.50	19,411,029.27

(4) Material restrictions on the use of group assets and discharge

of group liabilities None

(5) Financial support or other support provided to structured entities included in

the scope of consolidated financial statements None

2. Transactions involving changes in the share of equity in subsidiaries whilst retaining control

(1) Explanation of changes in share of equity in subsidiaries

Name of Subsidiary	Shareholding ratio prior to change	Shareholding ratio after change
Jiangsu XCMG E-Commerce Co., Ltd.	60.00%	100.00%
Xuzhou XCMG High-End Equipment Manufacturing Industry Development Fund Partnership	70.00%	100.00%
Xuzhou XCMG Mining Machinery Co., Ltd.	76.35%	100.00%
XS Holding GmbH	93.00%	100.00%
Xi'an Xugong Construction Engineering Co., Ltd.	51.00%	100.00%
Ningxia Xugong Kunpeng Construction Machinery Co., Ltd.	90.00%	100.00%
Hebei XCMG Kunpeng Construction Machinery Co., Ltd.	89.00%	100.00%
Guizhou XCMG Kunpeng Construction Machinery Co., Ltd.	90.00%	100.00%
Shaanxi XCMG Kunpeng Construction Machinery Co., Ltd.	92.50%	100.00%

(2) Impact of the transaction on minority interests and equity attributable to owners of the parent company

Unit: Yuan

	Jiangsu XCMG E-Commerce Co., Ltd.	Xuzhou XCMG High-End Equipment Manufacturing Industry Development Fund Partnership	Xuzhou XCMG Mining Machinery Co., Ltd.	XS Holding GmbH	Xi'an XCMG Construction Engineering Co., Ltd.	Ningxia XCMG Kunpeng Construction Machinery Co., Ltd.	Hebei XCMG Kunpeng Construction Machinery Co., Ltd.	Guizhou XCMG Kunpeng Construction Machinery Co., Ltd.	Shaanxi XCMG Kunpeng Construction Machinery Co., Ltd.
Purchase Cost/Disposal Consideration									
--Cash	30,870.400.00	341,635.000.00	21,537.900.00	37,176.825.00	8,820.000.00	200,000.00	440,000.00	400,000.00	300,000.00

in Full									
--Non-cash assets									
Fair value									
Purchase cost/disposal consideration total	30,870.40 0.00	341,635.0 00.00	21,537.90 0.00	37,176.82 5.00	8,820.00 0.00	200,000.0 0	440,000.0 0	400,000.0 0	300,000.0 0
Less: Share of subsidiary's net assets calculated based on the proportion of equity acquired/disposed of	26,207.38 4.32	261,495.7 47.74	17,030.62 0.96	-24,607.6 28.82	11,841.38 5.13	-405,192. 62	-340,967. 35	-28,780.8 8	-574,125. 25
Difference	4,663.01 5.68	80,139.25 2.26	4,507.27 9.04	61,784.45 3.82	-3,021.38 5.13	605,192.6 2	780,967.3 5	428,780.8 8	874,125.2 5
Of which: Adjusted capital reserve	4,663.01 5.68	80,139.25 2.26	4,507.27 9.04	61,784.45 3.82	-3,021.38 5.13	605,192.6 2	780,967.3 5	428,780.8 8	874,125.2 5
Adjustment to retained earnings									
Adjustment to retained earnings									
Impact on minority interests	26,207.38 4.32	261,495.7 47.74	17,030.62 0.96	-24,607.6 28.82	11,841.38 5.13	-405,192. 62	-340,967. 35	-28,780.8 8	-574,125. 25

3. Interests in joint arrangements or associates

(1) Significant Joint Ventures or Associates

Name of Joint Venture or Associate	Principal place of business	Place of registration	Nature of business	Shareholding Percentage		Accounting treatment for investments in joint ventures or associates
				Direct	Indirect	
Xuzhou Rotor Bearing Co., Ltd. Company	Xuzhou City	Xuzhou City	Production	40.00%		Equity Method
Hongxin Construction Development Co., Ltd.	Tianjin	Cayman Islands	Leasing		4.82%	Equity Method
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Xuzhou City	Xuzhou City	Leasing	40.00%		Equity Method

(2) Key Financial Information of Significant Associates

Unit: Yuan

	Closing Balance/Current Period Transactions			Opening Balance/Previous Period Transactions		
	Hongxin Construction Development Co., Ltd.	Xuzhou Rotor Bearing Co., Ltd. Company	Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Hongxin Construction Development Co., Ltd.	Xuzhou Rotor Bearing Co., Ltd. Company	Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company
Current Assets	12,208,718,000.00	2,163,269,117.78	8,341,670,130.92	11,121,701,000.00	2,104,137,575.62	7,356,340,794.85
Non-current assets	24,225,463,000.00	765,364,934.88	7,810,120,933.92	20,115,074,000.00	769,139,692.80	7,158,366,734.76
Total Assets	36,434,181,000.00	2,928,634,052.66	16,151,791,064.84	31,236,775,000.00	2,873,277,268.42	14,514,707,529.61

in Full						
Current liabilities	10,149,736,000.00	557,761,631.19	8,447,442,590.74	9,281,519,000.00	496,365,289.78	7,601,406,974.24
Non-current liabilities	14,826,095,000.00	143,063,114.89	3,601,127,832.32	11,177,589,000.00	180,997,669.97	2,958,093,973.55
Total liabilities	24,975,831,000.00	700,824,746.08	12,048,570,423.06	20,459,108,000.00	677,362,959.75	10,559,500,947.79
Net assets	11,458,350,000.00	2,227,809,306.58	4,103,220,641.78	10,777,667,000.00	2,195,914,308.67	3,955,206,581.82
Minority interests						
Equity attributable to shareholders of the parent company	11,458,350,000.00	2,227,809,306.58	4,103,220,641.78	10,777,667,000.00	2,195,914,308.67	3,955,206,581.82
Net asset value calculated based on shareholding ratio	552,292,470.00	891,123,722.63	1,641,288,256.71	519,627,957.09	878,365,723.47	1,582,082,632.73
Adjustments						
--Goodwill						
--Unrealised profits from internal transactions				-4,273,039.56		
--Other	138,904,002.03	315,845.49		143,034,617.68	124,797.49	
Carrying amount of equity investments in associates	691,196,472.03	891,439,568.12	1,641,288,256.71	658,389,535.21	878,490,520.96	1,582,082,632.73
Fair value of equity investments in associates with publicly quoted prices						
Operating revenue	11,581,062,000.00	1,361,851,907.08	1,908,988,354.68	9,610,581,000.00	1,512,602,603.18	1,230,523,709.03
Net profit	896,322,000.00	201,894,997.91	148,014,059.96	962,407,000.00	271,989,983.45	119,403,504.33
Net profit from discontinued operations						
Other comprehensive income	6,122,000.00			-21,000.00		
Total comprehensive income	902,444,000.00	201,894,997.91	148,014,059.96	962,386,000.00	271,989,983.45	119,403,504.33
Dividends received from associates during the year	7,070,320.98	68,000,000.00			176,000,000.00	

(3) Consolidated financial information of non-material joint ventures and associates

Unit: Yuan

	Closing Balance/Current Period Transactions	Opening Balance/Previous Period Transactions
Joint Ventures:		
Total Carrying Amount of Investment	349,643,222.70	306,145,294.45

in Full		
Totals calculated according to equity interest ratio		
-- Net Profit	32,171,797.78	46,319,004.34
-- Other comprehensive income	206,424.53	126,555.98
-- Total comprehensive income	32,378,222.31	46,445,560.32
Associated companies:		
Total carrying value of investments	330,296,611.41	1,092,409,351.17
The following totals are calculated based on the proportion of shareholding		
-- Net profit	24,076,784.08	12,514,881.44
--Total comprehensive income	24,076,784.08	12,514,881.44

4. Significant Joint Ventures

None

5. Interests in Structured Entities Not Included in the Scope of Consolidated Financial Statements

Relevant notes on structured entities not included in the

consolidated financial statements: None

XI. Government Subsidies

1. Government grants recognised at the amount receivable at the reporting period-end

☐ Applicable: ☒ Not applicable

Reasons for failure to receive government grants at the anticipated timing and amount

☐ Applicable ☒ Not applicable

2. Liability items involving government grants

☒ Applicable ☐ Not applicable

Unit: Yuan

Accounting heading	Opening Balance	New subsidies received during the period	Amount recognised in non-operating income for the period	Amount transferred to other income for the current period	Other Changes During the Period	Closing balance	Related to assets/income
Deferred income	519,129,653.96	228,060,149.83		194,014,610.58		553,175,193.21	

3. Government grants recognised in profit or loss

☒ Applicable ☐ Not applicable

Unit: Yuan

Accounting Item	Current Period Amount	Previous Period Amount
Other income	350,567,172.24	617,525,973.35
Non-operating income	15,854,103.42	56,765,564.29

XII. Risks Associated with Financial Instruments

1. Various risks arising from financial instruments

The Company's principal financial instruments comprise borrowings, receivables, payables, and others. Detailed descriptions of each financial instrument are provided in the relevant items of **Notes VII**. The risks associated with these financial instruments, along with the risk management policies adopted by the Company to mitigate such risks, are outlined below. The Company's management oversees and monitors these risk exposures to ensure the aforementioned risks are maintained within defined limits.

The Company's risk management objective is to achieve an appropriate balance between risk and return, minimising the adverse impact of risk on the Company's operating performance and maximising the interests of shareholders and other equity investors. Based on this risk management objective, the Company's fundamental risk management strategy is to identify and analyse the various risks faced by the Company, establish appropriate risk tolerance thresholds, implement risk management, and conduct timely and reliable supervision of various risks to control them within defined limits.

fundamental strategy is to identify and analyse the various risks faced by the Company, establish an appropriate risk tolerance threshold, and conduct risk management to monitor various risks in a timely and reliable manner, thereby controlling risks within defined limits.

(1) Market Risk

① Foreign Exchange Risk

Foreign exchange risk refers to the risk of incurring losses due to fluctuations in exchange rates. The Company's exposure to foreign exchange risk primarily relates to the US dollar, Brazilian real, **a n d e u r o**. The Company's overseas subsidiaries generally maintain accounts in the local currency of their operating locations. Additionally, XCMG Bonded Zone and XCMG Import & Export Company conduct procurement and sales denominated in US dollars, euros, and other minor foreign currencies. However, the Company's other principal business activities are settled in Renminbi. As at 31 December 2024, with the exception of the balances denominated in US dollars, Brazilian reais, euros, etc., as described in Notes VII and 72, the Company's assets and liabilities were denominated in Renminbi. The foreign exchange risk arising from these recognised on-balance-sheet assets and liabilities denominated in US dollars and other foreign currencies may impact the Company's operating performance.

As the Company's share of the international market continues to grow and the total assets of its overseas subsidiaries increase, it closely monitors the impact of exchange rate fluctuations on its operations. It strengthens research into exchange rate risk management policies and strategies, promptly adjusts response measures, and mitigates risks arising from exchange rate movements.

Foreign Exchange Risk Sensitivity Analysis:

Assumptions for Foreign Exchange Risk Sensitivity Analysis: All net investment hedges and cash flow hedges for overseas operations are assumed to be highly effective. Based on these assumptions, and with other variables held constant, the potential post-tax impact of reasonable exchange rate fluctuations on current period profit or loss and shareholders' equity is as follows:

Impact of Exchange Rate Fluctuations	Impact on Profit	Impact on Shareholders' Equity
RMB Appreciation by 5%	-548,748,831.03	-548,748,831.03
5% depreciation of the Renminbi	548,748,831.03	548,748,831.03

② Interest rate risk

The Company's exposure to fluctuations in interest rates affecting cash flows from financial instruments primarily relates to floating-rate bank borrowings. The Company's policy is to maintain these borrowings at floating rates.

Interest Rate Sensitivity Analysis:

The interest rate sensitivity analysis is based on the following assumptions:

Changes in market interest rates affect the interest income or expense of variable-rate financial instruments;

For fixed-rate financial instruments measured at fair value, changes in market interest rates affect only their interest income or expense;

For derivative financial instruments designated as hedging instruments, changes in market interest rates affect their fair value, and all interest rate hedges are expected to be highly effective;

Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated using the discounted cash flow method based on market interest rates prevailing at the balance sheet date.

Based on the above assumptions, and with other variables held constant, the after-tax impact of plausible interest rate movements on profit or loss and shareholders' equity for the period is as follows:

Interest rate changes	Impact on Profit	Effect on shareholders' equity
Increase of 100 basis points	-313,095,599.37	-313,095,599.37
Decrease of 100 basis points	313,095,599.37	313,095,599.37

(2) Credit Risk

The maximum credit risk exposure that could result in financial loss to the Company primarily arises from losses incurred on the Company's financial assets due to the counterparty's failure to fulfil its obligations, as well as from financial guarantees undertaken by the Company.

To mitigate credit risk, the Company has established a dedicated department to determine credit limits, conduct credit approvals, and implement other monitoring procedures to ensure necessary measures are taken to recover overdue receivables. Furthermore, the Company reviews the collectability of each individual receivable at each balance sheet date to ensure adequate provision for bad debts is made for uncollectible amounts. Consequently, the Company's management considers that the credit risk borne by the Company has been substantially reduced.

The Company's liquid funds are held with banks possessing high credit ratings, resulting in a low level of credit risk for these holdings.

The Company has implemented necessary policies to ensure all sales customers possess sound credit records. Apart from the top five accounts receivable holders, the Company faces no other significant credit concentration risks.

(3) Liquidity risk

To avoid unacceptable losses or damage to the Company's reputation, the Company manages liquidity risk by ensuring sufficient liquidity to meet maturing obligations. The Company regularly analyses its debt structure and maturities to ensure adequate funding.

Management monitors the utilisation of bank borrowings and ensures compliance with loan agreements. Concurrently, the Company engages in financing discussions with financial institutions to maintain credit facilities, thereby mitigating liquidity risk.

2. Transfer of Financial Assets

(1) Classification by Transfer Method

Transferred Financial Asset Accounts		Nature of Transferred Financial Assets	Amount of Transferred Financial Assets	Transfer Method
Accounts receivable		Operating receivables	6,349,654,840.50	Transferred and derecognised
Accounts receivable		Operating receivables	49,990,000.00	Transferred and continuing involvement
Long-term receivables		Financial assets derecognised due to transfer by the Company	3,237,821,061.04	Transferred and derecognised
Item	Amount of financial assets derecognised		Gains or losses related to derecognition	Basis for determining derecognition
Accounts receivable	6,349,654,840.50		-299,766,807.44	Where substantially all risks and rewards have been transferred
Long-term receivables	3,237,821,061.04		-152,857,329.55	Transferred substantially all risks and rewards
Total	(3) Financial assets transferred and continuing involvement		-452,624,136.99	
Item		Amount of assets arising from continuing involvement		Amount of liabilities arising from continuing involvement
Accounts receivable		49,990,000.00		
Other current liabilities				49,990,000.00
Total		49,990,000.00		49,990,000.00

XIII. Fair Value Disclosure

1. Fair value of assets and liabilities measured at fair value at the end of the period

Unit: Yuan

Item	Fair Value at End of Period			
	Level 1 Fair Value Measurement	Level 2 Fair Value Measurement	Level 3 Fair Value Measurement	Total
I. Ongoing Fair Value Measurement	–	–	–	–
(i) Financial Assets Held for Trading		53,899,027.52		53,899,027.52
1. Financial assets at fair value through profit or loss		53,899,027.52		53,899,027.52
(1) Debt instrument investments		9,054,450.05		9,054,450.05
(3) Derivative financial assets		14,266,759.77		14,266,759.77
(4) Wealth Management Products		30,577,817.70		30,577,817.70
(3) Other equity instruments	227,886,000.00		2,834,139,508.41	3,062,025,508.41
(iv) Other non-current financial assets			103,990,000.00	103,990,000.00
(v) Receivables financing			2,590,563,655.41	2,590,563,655.41
Total assets measured at fair value	227,886,000.00	53,899,027.52	5,528,693,163.82	5,810,478,191.34
(vi) Derivative financial liabilities		86,977,859.51		86,977,859.51
Total liabilities measured at fair value		86,977,859.51		86,977,859.51
II. Non-continuous fair value measurement	–	–	–	–

XIV. Related Parties and Related Party Transactions

1. Information on the Parent Company of the Enterprise

Name of Parent Company	Registered Location	Nature of Business	Registered Capital	Parent Company's Shareholding Proportion in This Enterprise	Parent company's voting rights proportion in this enterprise
Xuzhou Construction Machinery Group Co., Ltd.	Jiangsu Xuzhou	Production and Sales	¥2,675,573,600	20.83%	20.83%

The ultimate controlling party of this enterprise is the State-owned Assets Supervision and Administration Commission of Xuzhou Municipal People's Government.

2. Subsidiary Information

Details of the Company's subsidiaries are provided in Note 10.1.

3. Joint Ventures and Associates of the Enterprise

Details of the Company's significant joint ventures or associates are provided in Note 10.3.

Other joint ventures or associates that have engaged in related party transactions with the Company during the current period, or that have outstanding balances from related party transactions with the Company in prior periods, are as follows:

Name of Joint Venture or Associate	Relationship with the Company
------------------------------------	-------------------------------

in Full	
Xuzhou Xugong Equity Investment Co., Ltd.	Associated enterprise
Xuzhou Vika Electronic Control Technology Co., Ltd.	Joint venture
Xuzhou Licensed Machinery Co., Ltd.	Joint Venture
Xuzhou Meritor Axle Co., Ltd.	Associated Company
Xuzhou Rotorad Slewing Bearing Co., Ltd.	Associated Enterprise
XCMG Kaigong Heavy Industry Nanjing Co., Ltd.	Joint Venture
Hongshuhui Gold (Shanghai) Asset Management Co., Ltd.	Joint Venture
Xingxian Xingjie Environmental Services Co., Ltd.	Joint Venture
Inner Mongolia Yiji Xugong Special Equipment Co., Ltd.	Joint Venture
Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	Associated Company
Jiangsu Pengcheng Environmental Sanitation Co., Ltd.	Associated Enterprise
Hongxin Construction Development Co., Ltd.	Joint Venture
Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd.	Joint Venture

4. Other Related Parties

Name of Other Related Party	Relationship with the Company
Chongqing Runpeng New Energy Technology Co., Ltd.	Under the control of XCMG Group
Xuzhou Zehui Human Resources Co., Ltd.	Controlled by XCMG Group
Xuzhou XCMG Heavy Vehicle Co., Ltd.	Controlled by XCMG Group
Xuzhou XCMG Intelligent Cloud Warehouse Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG Cloud Power Smart Energy Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG New Energy Vehicle Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG New Energy Technology Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG New Energy Power Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou XCMG Logistics Co., Ltd.	Controlled by XCMG Group
Xuzhou XCMG Excavator Machinery Leasing Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG Commercial Vehicle Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou XCMG Automobile Manufacturing Co., Ltd.	Under the control of XCMG Group
Xuzhou XCMG Engineering Construction Co., Ltd.	Controlled by XCMG Group
Xuzhou Runzheng Real Estate Co., Ltd.	Controlled by XCMG Group
Xuzhou Runyun New Energy Technology Co., Ltd.	Under the control of XCMG Group
Xuzhou Runwa New Energy Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou Runshi New Energy Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou Runmei Real Estate Co., Ltd.	Controlled by XCMG Group
Xuzhou Runlv New Energy Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou Run Dai New Energy Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou Liancheng Smart Home Co., Ltd.	Controlled by XCMG Group
Xuzhou Lishan Construction Engineering Co., Ltd.	Controlled by XCMG Group
Xuzhou Gongxin Construction Machinery Co., Ltd.	Controlled by XCMG Group
Xuzhou Gongrun Real Estate Co., Ltd.	Controlled by XCMG Group
Xuzhou Gongrun Industrial Development Co., Ltd.	Controlled by XCMG Group
Xuzhou Gongrun New Energy Construction Co., Ltd.	Controlled by XCMG Group
Xuzhou Gongrun Construction Technology Co., Ltd.	Controlled by XCMG Group
Xuzhou Construction Machinery Technician College	Controlled by XCMG Group
XCMG Leasing (Tianjin) Co., Ltd.	Controlled by XCMG Group
XCMG Financial Leasing (Tianjin) Co., Ltd.	Controlled by XCMG Group
XCMG Automotive Nigeria Limited	Under the same control as XCMG Group
XCMG Group Commercial Factoring (Xuzhou) Co., Ltd.	Under the same control as XCMG Group
XCMG Group Industrial Investment Development (Xuzhou) Co., Ltd.	Controlled by XCMG Group
XCMG Brazil Investment Co., Ltd.	Under the control of XCMG Group
Tianjin Hanbang No. 1 Leasing Co., Ltd.	Under the same control as XCMG Group
Nanjing XCMG Vehicle Manufacturing Co., Ltd.	Controlled by XCMG Group
Jiangsu Zehong Equipment Manufacturing Co., Ltd.	Controlled by XCMG Group
Jiangsu Zehan Manufacturing Outsourcing Co., Ltd.	Controlled by XCMG Group
Jiangsu XCMG Education Technology Group Co., Ltd.	Under the control of XCMG Group

in Full	
Jiangsu Junneng Equipment Technology Co., Ltd.	Under the control of XCMG Group
Jiangsu Jida Feng Digital Technology Co., Ltd.	Controlled by XCMG Group
Jiangsu Gongxin Asset Management Co., Ltd.	Under the control of XCMG Group
Xuzhou Yunhan Private Equity Fund Management Co., Ltd.	Parent company's associate enterprise
Xuzhou XCMG Jiuxing Energy Technology Co., Ltd.	Parent company's associate enterprise
Xuzhou Xugong Fudi Battery Technology Co., Ltd.	Parent Company's Associated Enterprise
Xuzhou Supeng Energy Technology Co., Ltd.	Parent Company Joint Venture
Xuzhou Hengxin Financial Leasing Co., Ltd.	Parent Company Affiliate
Shanghai Hongxin Equipment Engineering Co., Ltd.	Associated Subsidiary
Shanghai Hongxin Construction Technology Co., Ltd.	Subsidiary of Joint Venture
Shanghai Jing Shi Investment Management Centre (Limited Partnership)	Partnership Enterprise Invested in by the Company
Jiangsu Jicui Road Engineering Technology and Equipment Research Institute Co., Ltd.	Company in which this company holds a stake
Xuzhou Daqi Leading Enterprise Management Consulting Partnership (Limited Partnership)	The Partnership Enterprises Invested in by Our Company
Xuzhou DaDao Interconnection Enterprise Management Consulting Partnership (Limited Partnership)	The partnership enterprises in which our company has invested
Xuzhou Daren Dengfeng Enterprise Management Consulting Partnership (Limited Partnership)	Partnerships in which the Company has invested
Haian Rubber Group Co., Ltd.	Company in which this company holds a stake

5. Related Party Transactions

(1) Related-party transactions involving the purchase and sale of goods, and the provision and receipt of services

Procurement of Goods/Receipt of Services Schedule

Unit: Yuan

Related Party	Nature of Related Party Transaction	Current Period Amount	Previous Period Amount
Xuzhou Xugong New Energy Vehicle Co., Ltd. Company	Purchase of goods	839,242,940.84	480,342,282.03
Xuzhou XCMG Automotive Manufacturing Co., Ltd.	Procurement of Goods	1,779,187,043.22	1,301,254,248.85
Xuzhou Vika Electronic Control Technology Co., Ltd. Company	Purchased goods	432,566,117.94	511,950,567.01
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Procurement of goods and financial services	229,788,843.38	230,426,995.52
Xuzhou Xugong Commercial Vehicle Technology Co., Ltd. Company	Procurement of goods	206,598,318.50	11,323,371.68
Jiangsu Zehan Manufacturing Outsourcing Co., Ltd.	External Processing Labour Fees, etc.	169,541,449.55	687,341,037.39
Xuzhou Rotor Bearing Co., Ltd. Company	Purchased goods	144,364,803.51	124,008,900.62
Xuzhou XCMG New Energy Power Technology Co., Ltd. Co., Ltd.	Material Procurement	127,575,993.86	687,715.27
Xuzhou Meritor Axle Co., Ltd.	Procurement of Goods	95,674,543.74	145,862,845.56
XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co., Ltd.	Financial Services	84,811,141.96	34,642,647.47
XCMG Financial Leasing (Tianjin) Co., Ltd. Company	Procurement of Goods	71,451,261.13	1,759,681.69
Xuzhou Special Machinery Co., Ltd.	Procurement of Goods	27,846,726.00	32,240,576.98
Xuzhou Xugong Logistics Co., Ltd.	Procurement of Goods	21,103,310.93	6,103,915.81

in Full			
Xuzhou Xugong Yundian Smart Energy Co., Ltd. Company	Procurement of Goods	11,613,018.67	
Inner Mongolia Yiji XCMG Special Equipment Co., Ltd. Co., Ltd.	Procurement of Goods	22,211,047.78	49,945,534.52
Xuzhou Runyun New Energy Technology Co., Ltd. Company	Procurement of goods	3,567,702.72	128,210.06
Xuzhou Zhehui Human Resources Co., Ltd.	Outsourced processing labour fees, etc.	3,328,182.38	15,116,172.93
XCMG Leasing (Tianjin) Co., Ltd.	Procurement of Goods	3,207,300.88	
Jiangsu XCMG Education Technology Group Co., Ltd. Company	Procurement of Goods	2,499,502.28	1,357,091.85
Xuzhou Gongrun Industrial Development Co., Ltd.	Procurement of Goods and Financial Services	2,135,078.19	3,319,793.26
Xuzhou Construction Machinery Technician College	Other Services	2,016,988.51	417,426.68
Xuzhou Runli New Energy Technology Co., Ltd. Company	Procurement of Goods	1,404,785.96	
Jiangsu Gongxin Asset Management Co., Ltd. Company	Financial Services	1,037,138.83	10,813.21
Chongqing Runpeng New Energy Technology Co., Ltd. Company	Other Services	1,033,101.46	
Xuzhou Xugong Fudi Battery Technology Co., Ltd. Company	Procurement of Goods	1,024,384.60	
Xuzhou Run Dai New Energy Technology Co., Ltd. Company	Other Services	894,362.68	823,014.22
Xuzhou Xugong New Energy Technology Co., Ltd. Company	Other Services	690,265.49	
Xuzhou Xugong Jiuxing Energy Technology Co., Ltd. Company	Procurement of Goods	655,451.33	
Xuzhou Runshi New Energy Technology Co., Ltd. Company	Other Services	647,620.61	
Xuzhou Runwa New Energy Technology Co., Ltd. Company	Procurement of Goods	179,878.83	
Xuzhou Xugong Equity Investment Co., Ltd.	Financial Services	140,088.49	9,452,830.20
Xuzhou Runmei Real Estate Co., Ltd.	Other Services	64,916.54	
Xuzhou Construction Machinery Group Co., Ltd.	Procurement of Goods	707.96	
Jiangsu Zehong Equipment Manufacturing Co., Ltd.	External Processing Labour Fees, etc.		369,561,841.45
Xingxian Xingjie Environmental Services Co., Ltd.	Financial services		636.88
XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	Procurement of Goods		35,398,230.08
Xuzhou Gongrun Construction Technology Co., Ltd.	Procurement of Goods		10,549,365.01

in Full			
Xuzhou Gongrun Real Estate Co., Ltd.	Research and Development Services		151,200.00
Xuzhou Lishan Construction Engineering Co., Ltd.	Procurement of Goods		158,276,617.54
Xuzhou Xugong Electric Technology Co., Ltd.	Procurement of Goods		142,593,373.87
Xuzhou XCMG Excavator Machinery Leasing Co., Ltd. Company	Procurement of Goods		4,087,541.64
Xuzhou XCMG Heavy Vehicle Co., Ltd.	Procurement of Goods	241,118,849.56	721,150.43

Statement of Goods Sold/Services Provided

Unit: Yuan

Related Parties	Related Party Transaction Details	Current Period Amount	Previous Period Amount
Shanghai Hongxin Equipment Engineering Co., Ltd.	Sale of Goods	1,251,412,630.38	1,226,961,164.54
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Sales of goods and financial services	2,582,475,019.21	3,994,447,456.52
Xuzhou XCMG Logistics Co., Ltd.	Sale of goods	262,277,003.47	70,955,332.97
XCMG Leasing (Tianjin) Co., Ltd.	Sales of Goods	114,551,947.19	
Xuzhou XCMG Heavy Vehicle Co., Ltd.	Sale of goods	88,412,305.24	158,969,755.15
Xuzhou XCMG New Energy Vehicle Co., Ltd.	Sales of Goods	53,277,823.09	316,908,287.60
XCMG Group Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	Sales of goods	32,340,568.88	1,769,911.50
XCMG Financial Leasing (Tianjin) Co., Ltd.	Sale of Goods	28,702,278.87	227,353,404.39
Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	Sales of Goods	23,225,183.21	344,294,602.34
Xingxian Xingjie Environmental Services Co., Ltd.	Sale of Goods and Financial Services	22,525,708.76	39,735,010.76
Tianjin Hanbang No. 1 Leasing Co., Ltd.	Sale of Goods	22,087,000.00	
Xuzhou Xugong New Energy Power Technology Co., Ltd. Company	Sales of Goods	9,341,207.30	1,827,797.91
Inner Mongolia Yiji XCMG Special Equipment Co., Ltd. Company	Sales of goods	4,410,961.51	3,211,305.83
Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd.	Sales of Goods and Financial Services	3,468,849.64	
Xuzhou Xugong Fudi Battery Technology Co., Ltd. Company	Sale of goods	1,782,109.91	
Xuzhou Weika Electronic Control Technology Co., Ltd. Company	Other Services	1,281,585.57	8,392,678.83
Xuzhou Xugong Jiuxing Energy Technology Co., Ltd. Company	Sale of Goods	615,675.26	
Xuzhou Franchise Machinery Co., Ltd.	Other Services	436,376.36	416,599.11
Xuzhou Runyun New Energy Technology Co., Ltd.	Sale of Goods	300,485.65	81,437.72
Jiangsu Gongxin Asset Management Co., Ltd. Company	Sale of goods	287,432.14	44,133.56

		in Full	
Xuzhou Meichi Axle Co., Ltd.	Research and Development and Technical Services	261,764.48	252,808.92
Xuzhou Engineering Machinery Technician College	Sales of Goods	179,960.26	91,983.11
XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co., Ltd.	Sale of goods	156,238.31	8,824.28
Jiangsu Pengcheng Environmental Sanitation Co., Ltd.	Sales of goods and other services	126,736.35	21,015,044.17
Xuzhou Rotor Bearing Co., Ltd. Co.	Sale of goods	99,219.08	2,227.18
Xuzhou Xushang Commercial Vehicle Technology Co., Ltd.	Other Services	95,884.96	555,942.82
Xuzhou Runzheng Real Estate Co., Ltd.	Other Services	44,247.71	
Xuzhou Zehui Human Resources Co., Ltd.	Sales of goods	665,268.03	265,591.81
XCMG Group Industrial Investment Development (XCMG) Zhou) Co., Ltd.	Sale of goods	38,828.43	21,607.98
Xuzhou XCMG Cloud Power Smart Energy Co., Ltd. Company	Sales of goods	38,022.32	2,949,557.52
Xuzhou Runmei Real Estate Co., Ltd.	Sale of Goods	34,008.70	21,638.31
Jiangsu Junneng Equipment Technology Co., Ltd.	Sales of Goods	32,920.35	573,529.21
Xuzhou Xugong Equity Investment Co., Ltd.	Sales of Goods	31,734.50	46,541.95
Xuzhou Xugong Excavator Machinery Leasing Co., Ltd. Company	Sales of goods	29,979.00	24,766.08
Xuzhou Gongxin Construction Machinery Co., Ltd.	Sale of goods	26,031.40	16,488.05
Xuzhou XCMG New Energy Technology Co., Ltd.	Sales of Goods	23,240.48	18,870.80
Jiangsu Jida Feng Digital Technology Co., Ltd.	Other Services	23,116.41	
Xuzhou Yunhan Private Equity Fund Management Co., Ltd. Co.	Sale of Goods	11,978.00	9,093.91
Xuzhou Gongrun Industrial Development Co., Ltd.	Sale of Goods	11,137.67	30,414.74
Jiangsu Xugong Education Technology Group Co., Ltd. Company	Other services	9,925.03	
Xuzhou Supeng Energy Technology Co., Ltd.	Sale of Goods	8,269.69	1,120.35
Jiangsu Zehan Manufacturing Outsourcing Co., Ltd.	Sales of Goods	141,424.83	69,022.79
Xuzhou Xugong Intelligent Cloud Warehouse Co., Ltd.	Goods sold	2,746.48	7,684.70
Xuzhou Hengxin Financial Leasing Co., Ltd. Company	Sales of goods	1,495.58	8,707.13
Hongshuhui Gold (Shanghai) Asset Management Co., Ltd. Co., Ltd.	Sale of goods	1,157.52	1,725.66
Jiangsu Jicui Road Engineering Technology and Equipment Research Institute Co., Ltd.	Sales of goods	170,851.59	2,936,406.16
Shanghai Hongxin Construction Technology Co., Ltd.	Sales of Goods	50,299,778.73	12,455,752.21
XCMG Group Brazil Investment Co., Ltd.	Sales of Goods	288,457,213.01	109,930,519.09

in Full			
XCMG Automotive Nigeria Limited	Sales of Goods		1,436,499.62
Xuzhou Gongrun Construction Technology Co., Ltd.	Sale of goods		13,097,303.01
Xuzhou Lishan Construction Engineering Co., Ltd.	Sale of Goods	23,647,822.89	124,671.92
Xuzhou Liancheng Smart Home Co., Ltd.	Sales of Goods		11,397.90
Xuzhou Xugong Electric Technology Co., Ltd.	Sale of Goods		7,651,505.40
Xuzhou Xugong Engineering Construction Co., Ltd.	Sales of goods		44,542,300.95

(2) Related party leasing arrangements

The Company as Lessor:

Unit: Yuan

Lessee Name	Type of Leased Asset	Lease income recognised for the period	Lease income recognised in the previous period
XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	Equipment	28,694,551.19	32,318,368.04
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Factory Buildings	269,724.77	
Xuzhou Gongxin Construction Machinery Co., Ltd.	Factory Buildings	115,596.33	
Xuzhou Engineering Machinery Technician College	Equipment	14,743.36	
Xuzhou XCMG Electric Technology Co., Ltd.	Factory Buildings		1,345,682.31
Xuzhou Xugong Automobile Manufacturing Co., Ltd.	Equipment		1,200,000.00

This company as the lessee:

Unit: Yuan

Lessor's Name	Type of Leased Asset	Lease payments recognised in the current period	Lease payments recognised in the previous period
Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	Premises	3,221,242.50	
Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	Equipment	20,284,059.00	28,694,779.62
XCMG Group Brazil Investment Co., Ltd.	Factory Buildings	14,004,353.32	29,802,894.00
Xuzhou Gongrun Industrial Development Co., Ltd.	Residential Property	11,785,200.00	11,666,400.00
Total		49,294,854.82	70,164,073.62

(3) Trademark usage fees collected

Unit: Yuan

Related parties	Amount of revenue recognised for the period	Revenue recognised in the previous year
Xuzhou Xugong Automobile Manufacturing Co., Ltd.		2,169,811.32
Total		2,169,811.32

(4) Related-party asset transfers and debt restructuring

Unit: Yuan

Related Party	Related Party Transaction Details	Current Period Amount	Previous Period Amount
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	Transfer of Directed Asset-Backed Notes	201,000,000.00	250,000,000.00

6. Related Party Receivables and Payables

(1) Accounts Receivable Item

Unit: Yuan

Item Name	Related Party	Balance at End of Period		Opening Balance	
		Book Balance	Bad Debt Allowance	Book balance	Bad Debt Allowance
Accounts receivable	Shanghai Hongxin Equipment Engineering Co., Ltd.	256,093,182.81	5,121,863.66	4,440,843.67	222,338.47
Accounts receivable	XCMG Group Brazil Investment Co., Ltd.	119,561,958.26	2,391,239.16	157,385,429.95	3,147,708.60
Accounts receivable	Xuzhou Xugong Logistics Co., Ltd.	39,471,655.00	789,433.10		
Accounts receivable	Jiangsu Gongxin Asset Management Co., Ltd.	36,577,500.00	731,550.00	5,174,500.00	579,290.00
Accounts Receivable	Tianjin Hanbang No. 1 Leasing Co., Ltd.	24,958,310.00	499,166.20		
Accounts Receivable	Xingxian Xingjie Environmental Services Co., Ltd.	23,410,409.80	468,208.20	31,263,085.50	625,261.71
Accounts receivable	Shanghai Hongxin Construction Technology Co., Ltd.	22,462,587.98	449,251.76	14,075,000.00	281,500.00
Accounts receivable	Jiangsu XCMG Engineering Machinery Machinery Leasing Co., Ltd.	12,474,268.25	1,275,815.41	83,494,964.74	3,403,541.99
Accounts Receivable	Jiangsu Jicui Road Engineering Technology and Equipment Research Institute Co., Ltd.	12,144,837.17	242,896.74	3,925.03	196.25
Accounts receivable	Xuzhou Xugong Automotive Manufacturing Co., Ltd.	10,909,942.80	338,181.29	44,211,657.42	1,060,146.22
Accounts receivable	Xuzhou Gongrun Construction Technology Co., Ltd.	9,777,498.75	965,450.85	17,858,432.80	357,168.65
Accounts receivable	Xuzhou Xugong New Energy Power Technology Co., Ltd.	9,009,725.63	180,194.51	1,335,056.60	19,720.00
Accounts receivable	Xuzhou Xugong Heavy Vehicle Co., Ltd.	8,438,833.10	402,437.08	50,545,644.32	1,091,880.54
Accounts receivable	XCMG Financial Leasing (Tianjin) Co., Ltd.	6,755,832.80	675,583.28	18,540,214.80	370,804.30
Accounts receivable	Xuzhou Lishan Construction Engineering Co., Ltd.	6,377,337.05	127,546.74		
Accounts Receivable	XCMG Group Industrial Investment Development (Xuzhou)	2,639,508.41	52,790.17		

in Full					
	Co., Ltd.				
Accounts Receivable	XCMG Leasing (Tianjin) Jin) Co., Ltd.	2,496,894.00	49,937.88		
Accounts receivable	Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd. Co., Ltd.	2,333,100.00	46,662.00		
Accounts Receivable	Xuzhou Construction Machinery Technical Engineering College	2,200,929.81	215,792.18	2,497,319.81	124,711.49
Accounts receivable	Xuzhou Xugong Cloud Power Intelligence Energy Co., Ltd.	1,610,000.00	161,000.00	1,610,000.00	32,200.00
Accounts receivable	Xuzhou Xugong Engineering Construction Co., Ltd.	874,247.35	87,424.74	8,955,028.55	1,099,314.28
Accounts receivable	Xuzhou Xugong Fudi Electric Technology Co., Ltd.	319,225.00	6,384.50		
Accounts Receivable	Xuzhou Xugong Jiuxing Energy Technology Co., Ltd.	226,326.84	4,526.54		
Accounts Receivable	Xuzhou Xugong Commercial Vehicle Technology Co., Ltd.	165,490.20	16,549.02	165,490.20	3,309.80
Accounts receivable	XCMG Group Commercial Guarantee	130,730.00	2,614.60		
	(Xuzhou) Co., Ltd. Company				
Accounts Receivable	Xuzhou XCMG New Energy Automobile Co., Ltd.	106,187.41	2,123.75	643,765.37	15,175.74
Accounts receivable	Jiangsu Junneng Equipment Technology Co., Ltd. Technology Co., Ltd.	7,440.24	148.80	210,808.00	10,540.40
Accounts receivable	Jiangsu Jida Feng Digital Technology Co., Ltd.	456.52	9.13		
Accounts Receivable	Inner Mongolia Yiji Xugong Special Equipment Co., Ltd. Co.			2,223,744.32	124,630.74
Accounts Receivable	XCMG Automotive Nigeria Asia Co., Ltd.			788,899.46	15,777.99
Accounts Receivable	Jiangsu Pengcheng Environmental Sanitation Co. Co., Ltd.			78,646.90	1,572.94
Notes Receivable	Xuzhou Xugong Automotive Manufacturing Co., Ltd. Manufacturing Co., Ltd.	6,594,597.58	32,972.99	3,850,000.00	19,250.00
Notes receivable	Xuzhou Lishan Construction Engineering Engineering Co., Ltd.	1,100,000.00	5,500.00		
Notes receivable	Xuzhou Xugong Fudi Electric	832,132.00	4,160.66		

in Full					
	Technology Co., Ltd.				
Notes receivable	Inner Mongolia Yiji XCMG Special Equipment Co., Ltd. Co.	162,241.00	811.21	463,862.00	2,319.31
Accounts receivable financing	Jiangsu XCMG Engineering Machinery Machinery Leasing Co., Ltd.	30,170,244.08			
Accounts receivable financing	Xuzhou XCMG Automotive Manufacturing Co., Ltd.	5,456,853.26		1,830,000.00	
Accounts Receivable Financing	Xuzhou XCMG Heavy Vehicle Vehicle Co., Ltd.	650,000.00		1,040,000.00	
Accounts receivable financing	Xuzhou Xugong New Energy Power Technology Co., Ltd. Co.	232,850.25			
Accounts receivable financing	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Company	100,000.00			
Accounts receivable financing	Xuzhou XCMG Intelligent Cloud Warehousing Co., Ltd.	100,000.00			
Accounts Receivable Financing	Jiangsu Junneng Equipment Technology Co., Ltd. Technology Co., Ltd.	11,286.37			
Accounts receivable financing	Xuzhou XCMG New Energy Automobile Co., Ltd.			3,160,000.00	
Other receivables	XCMG Financial Leasing (Tianjin) Co., Ltd. Co.	162,844,080.83	5,096,781.28	161,889,455.14	
Other receivables	XCMG Leasing (Tianjin) Co., Ltd. Jin) Co., Ltd.	26,381,238.60			
Other receivables	Xingxian Xingjie Environmental Services Co., Ltd.	22,784,141.00	398,696.50	11,628,711.00	
Other receivables	Xuzhou XCMG Excavator Equipment Leasing Co., Ltd.	19,595,923.39			
Other receivables	Jiangsu XCMG Engineering Machinery Machinery Rental Co., Ltd.	16,660,902.22	15,645.00	34,706,559.73	
Other Receivables	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Company	8,674,656.72	1,315.33	12,547,259.48	
Other receivables	Xuzhou Gongrun Construction Technology Co., Ltd. Technology Co., Ltd.	1,383,072.67			
Other receivables	Xuzhou XCMG Heavy Vehicle Co., Ltd.	1,200,000.00		1,200,000.00	

in Full					
Other receivables	Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	660,400.00	100.00	640,200.00	10.00
Other receivables	Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd.	300,000.00			
Other receivables	Xuzhou Lishan Construction Engineering Co., Ltd.	83,160.00			
Other receivables	Xuzhou Xugong New Energy Power Technology Co., Ltd.	50,000.00		10,944.00	10.00
Other Receivables	Xuzhou Construction Machinery Technical College Engineering College	20,000.00	2,000.00	23,200.00	1,000.00
Other receivables	Xuzhou Runli New Energy Technology Co., Ltd.			205,619.24	
Other receivables	Xuzhou Zhehui Human Resources Co., Ltd.			12,915.00	
Prepaid Accounts	XCMG Group Brazil Investment Investment Co., Ltd.	54,608,416.11		6,237,406.74	
Prepaid Accounts	Xuzhou Xugong Automobile Manufacturing Co., Ltd.	21,411,120.40		345,000.00	
Prepaid Accounts	Jiangsu XCMG Engineering Machinery Machinery Leasing Co., Ltd.	3,718,628.49		80,617.69	
Prepaid Accounts	XCMG Leasing (Tianjin) Co., Ltd.	2,180,675.00			
Prepaid Accounts	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Company	1,474,269.09			
Prepaid Accounts	XCMG Financial Leasing (Tianjin) Co., Ltd.	1,041,795.00		1,554,954.34	
Prepaid Accounts	Inner Mongolia Yiji XCMG Special Equipment Co., Ltd. Co.	696,861.46			
Prepaid Accounts	Xuzhou Zhehui Human Resources Co., Ltd.	593,736.00			
Prepaid Accounts	Xuzhou Xushang Commercial Vehicles Technology Co., Ltd.	200,000.00			
Prepaid Accounts	Xuzhou Runyun New Energy Technology Co., Ltd.	100,000.00			
Prepaid Accounts	Xuzhou Lishan Construction Engineering Co., Ltd.	98,000.00			

in Full					
Prepaid Accounts	XCMG Leasing (Tianjin) Co., Ltd. Branch	66,117.00			
Prepaid Accounts	Xuzhou Weika Electronic Control Technology Co., Ltd.	60,360.50		60,360.50	
Prepaid Accounts	Xuzhou Construction Machinery Technical Engineering College	56,957.00			
Prepaid Accounts	Xuzhou XCMG Heavy Vehicle Vehicle Co., Ltd.	51,855.68			
Prepaid Accounts	Jiangsu XCMG Education Technology Group Co., Ltd.	1,140.00			
Dividends receivable	Xuzhou Rotor Ad Reverse Transition Support Co., Ltd.	68,000,000.00		76,000,000.00	
Dividends receivable	Xuzhou Vika Electronic Control Technology Co., Ltd.	27,441,005.22		61,793,979.26	
Dividends receivable	Hongshuhui Gold (Shang)	12,703,466.68			
	Ocean) Asset Management Co. Limited				
Dividends Receivable	Hongxin Construction Development Co., Ltd. Co., Ltd.	7,070,320.98			
Dividends Receivable	XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Company	6,392,653.79			
Dividends receivable	Xuzhou XCMG Equity Investment Co., Ltd.	1,672,894.45		1,672,894.45	
Dividends Receivable	Shanghai Jing Shi Investment Management Centre (Limited Partnership) Partnership)	1,200,000.00			
Dividends receivable	Xuzhou Meichi Axle Co., Ltd. Limited			8,566,271.00	
Loans and Advances	Xingxian Xingjie Environmental Services Co., Ltd.	171,650,692.68	908,375.47	197,398,296.60	5,329,754.01
Other Non-Current Assets	Xuzhou Lishan Construction Engineering Engineering Co., Ltd.	2,690,664.30		105,837.59	

(2) Project Payables

Unit: Yuan

Item Name	Related Parties	Balance at End of Period	Opening Balance
Accounts Payable	Xuzhou Xugong Automobile Manufacturing Co., Ltd.	885,184,721.79	932,250,235.60
Accounts Payable	Xuzhou XCMG New Energy Vehicle Co., Ltd.	271,943,553.53	214,322,192.22
Accounts Payable	Xuzhou Weika Electronic Control Technology	234,476,447.58	194,460,279.85

		in Full	
	Co., Ltd.		
Accounts Payable	Xuzhou XCMG Heavy Vehicle Co., Ltd.	130,630,835.89	7,503,486.83
Accounts Payable	Xuzhou Rotor Bearing Co., Ltd.	68,171,663.00	64,801,578.14
Accounts Payable	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	64,882,253.79	17,102,251.96
Accounts Payable	Xuzhou XCMG New Energy Power Technology Co., Ltd.	55,220,993.89	
Accounts Payable	Xuzhou XCMG Commercial Vehicle Technology Co., Ltd.	52,307,901.81	12,619,000.00
Accounts Payable	Xuzhou Meichi Axle Co., Ltd.	24,178,184.90	25,839,094.88
Accounts Payable	Xuzhou XCMG Logistics Co., Ltd.	22,293,466.41	981,627.50
Accounts Payable	Xingxian Xingjie Environmental Services Co., Ltd.	16,893,176.36	
Accounts Payable	Jiangsu Zhanhan Manufacturing Outsourcing Co., Ltd.	13,171,997.48	
Accounts Payable	Xuzhou Lishan Construction Engineering Co., Ltd.	11,298,395.59	28,636,815.95
Accounts Payable	Inner Mongolia Yiji Xugong Special Equipment Co., Ltd.	8,548,259.96	15,303,818.87
Accounts Payable	Xuzhou Special Machinery Co., Ltd.	5,695,517.65	3,265,005.50
Accounts Payable	Xuzhou Gongrun Industrial Development Co., Ltd.	4,960,600.43	4,085,371.06
Accounts Payable	Xuzhou Xugong Engineering Construction Co., Ltd.	4,874,668.00	2,659,926.82
Accounts Payable	Xuzhou Gongrun Construction Technology Co., Ltd.	3,591,717.08	2,136,403.15
Accounts Payable	Xuzhou Xugong Yundian Smart Energy Co., Ltd.	3,578,497.42	
Accounts Payable	Nanjing XCMG Vehicle Manufacturing Co., Ltd.	1,311,561.72	703,270.72
Accounts Payable	Xuzhou XCMG New Energy Technology Co., Ltd.	580,000.00	
Accounts Payable	Jiangsu XCMG Education Technology Group Co., Ltd.	361,637.00	
Accounts Payable	Jiangsu Jicui Road Engineering Technology and Equipment Research Limited Company	268,720.00	840,642.78
Accounts Payable	Xuzhou Runyun New Energy Technology Co., Ltd.	234,102.70	21,941.62
Accounts Payable	Xuzhou Runli New Energy Technology Co., Ltd.	187,457.63	
Accounts Payable	Xuzhou Gongxin Construction Machinery Co., Ltd.	179,536.00	
Accounts Payable	Xuzhou Zehui Human Resources Co., Ltd.	176,174.00	3,000.00
Accounts Payable	Xuzhou Construction Machinery Technician College	82,068.00	
Accounts Payable	Chongqing Runpeng New Energy Technology Co., Ltd.	16,626.73	
Accounts Payable	XCMG Group Brazil Investment Co., Ltd.		4,813,072.00
Accounts Payable	XCMG Commercial Factoring (Xuzhou) Co., Ltd. Co.		130,817,974.98
Accounts Payable	Xuzhou XCMG Electric Technology Co., Ltd.		64,299,859.03
Accounts Payable	Xuzhou Gongxin Construction Machinery Co., Ltd.		179,536.00
Accounts Payable	XCMG Automotive Nigeria Limited		1,493,003.62
Other Payables	Shanghai Hongxin Equipment Engineering Co., Ltd.	82,740,321.00	82,740,821.00
Other payables	Xuzhou Gongrun Industrial Development Co., Ltd.	33,922,702.81	40,078,270.89

in Full			
Other payables	Xuzhou Daqi Leading Enterprise Management Consulting Partnership (Limited Partnership)	15,070,108.19	
Other payables	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co.	10,654,944.20	
Other payables	Xuzhou Avenue Interconnected Enterprise Management Consulting Partnership (Limited Partnership)	8,324,951.86	
Other payables	XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	6,000,000.00	12,000,000.00
Other payables	Xuzhou Daren Dengfeng Enterprise Management Consulting Partnership (Limited Partnership)	5,916,901.05	
Other payables	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	5,142,955.25	133,535,815.08
Other payables	Jiangsu Zehong Equipment Manufacturing Co., Ltd.	4,698,768.27	4,086.87
Other payables	Xuzhou Xugong Logistics Co., Ltd.	3,351,606.66	3,810,799.72
Other payables	Jiangsu Jicui Road Engineering Technology and Equipment Research Co., Ltd.	1,341,625.00	
Other payables	Xuzhou Zehui Human Resources Co., Ltd.	866,201.00	292,017.00
Other payables	Xuzhou Xugong Equity Investment Co., Ltd.	781,566.17	188,670.00
Other payables	Xuzhou XCMG Heavy Vehicle Co., Ltd.	519,400.00	1,381,500.00
Other payables	Xuzhou Lishan Construction Engineering Co., Ltd.	366,240.37	289,890.30
Other payables	Xingxian Xingjie Environmental Services Co., Ltd.	300,983.23	185,396.87
Other payables	Jiangsu Zehan Manufacturing Outsourcing Co., Ltd.	300,000.00	6,827,206.37
Other payables	Anhui Hezhou Xuhuan Urban Environmental Services Co., Ltd. Company	296,100.00	
Other payables	Xuzhou Xugong New Energy Vehicle Co., Ltd.	231,078.00	50,000.00
Other payables	Xuzhou XCMG Automobile Manufacturing Co., Ltd.	195,265.00	231,565.00
Other payables	Xuzhou Construction Machinery Technician College	99,030.00	20,257.00
Other payables	Xuzhou Gongxin Construction Machinery Co., Ltd.	74,817.33	69,817.33
Other payables	Xuzhou Texie Machinery Co., Ltd.	50,000.00	
Other payables	Haian Rubber Group Co., Ltd.	50,000.00	
Other payables	Jiangsu Pengcheng Environmental Sanitation Co., Ltd.	26,146.76	
Other payables	Xuzhou Gongrun New Energy Construction Co., Ltd.	10,000.00	
Other payables	Jiangsu Xugong Education Technology Group Co., Ltd.	693.00	36,400.00
Other payables	Xuzhou Xugong Electric Technology Co., Ltd.		132,491.62
Other payables	Xuzhou Xugong New Energy Technology Co., Ltd.		200,000.00
Other payables	Xuzhou Weika Electronic Control Technology Co., Ltd.		96,073.72
Other payables	Xuzhou Rundai New Energy Technology Co., Ltd.		65,904.79
Other payables	Xuzhou Supeng Energy Technology Co., Ltd.		630.00
Contract liabilities	Jiangsu Xugong Construction Machinery Leasing Co., Ltd.	35,110.41	
Contractual liabilities	Jiangsu Gongxin Asset Management Co., Ltd.	17,447.60	

		in Full		
Contractual liabilities	Xuzhou Runmei Real Estate Co., Ltd.	5,347.20		
Contractual liabilities	Shanghai Hongxin Equipment Engineering Co., Ltd.	85,926,763.64		78,207,997.47
Contract liabilities	Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	5,977,336.50		
Contract liabilities	Xuzhou Gongxin Construction Machinery Co., Ltd.	116,771.62		5,110.00
Contract liabilities	Shanghai Hongxin Construction Technology Co., Ltd.	106,960.56		474,947.54
Contract liabilities	Xuzhou Lishan Construction Engineering Co., Ltd.	7,686.60		
Contract liabilities	Inner Mongolia Yiji Xugong Special Equipment Co., Ltd.			649,031.00
Contract liabilities	Jiangsu Jida Feng Digital Technology Co., Ltd.			19,200.00
Contract liabilities	Xuzhou Xugong Electric Technology Co., Ltd.			2,842.90
Notes payable	Xuzhou XCMG Vehicle Manufacturing Co., Ltd.	681,875,112.77		398,466,618.07
Notes payable	Xuzhou Weika Electronic Control Technology Co., Ltd.	220,612,120.09		183,269,000.00
Notes payable	Xuzhou XCMG Heavy Vehicle Co., Ltd.	143,154,000.00		
Notes payable	Xuzhou XCMG Commercial Vehicle Technology Co., Ltd.	131,015,599.91		
Notes payable	Xuzhou Xugong New Energy Vehicle Co., Ltd.	26,500,200.02		10,040,000.00
Notes payable	Xuzhou Special Machinery Co., Ltd.	13,936,268.30		9,000,000.00
Notes payable	Xuzhou Lishan Construction Engineering Co., Ltd.	6,000,000.00		5,000,000.00
Notes payable	Xuzhou Gongrun Construction Technology Co., Ltd.	5,931,163.84		1,500,000.00
Notes payable	Xuzhou Xugong New Energy Power Technology Co., Ltd.	4,033,469.00		
Notes payable	Xuzhou XCMG Electric Technology Co., Ltd.			33,125,300.00
Long-term payables	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	257,014,318.41		497,717,052.38
Long-term payables	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co.	19,210,275.80		19,039,793.89
Non-current liabilities due within one year	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.	208,671,286.28		307,429,261.17
Non-current liabilities due within one year	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co.			54,164,231.75
Short-term borrowings	Jiangsu XCMG Construction Machinery Leasing Co., Ltd.			500,000,000.00
Other current liabilities	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co.	49,633,182.61		183,460,873.70
Other non-current liabilities	XCMG Group Commercial Factoring (Xuzhou) Co., Ltd. Co.	124,959,982.19		124,960,400.00

XV. Share-based Payments

1. Overall Share-Based Payment Situation

☒ Applicable ☐ Not applicable

Unit: Yuan

Category of grantees	Current Period Grant		Exercises in Current Period		Current Period Unlocked		Expired in Current Period	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount

in Full							
Management Personnel						4,121,100.00	7,795,322.36
Technical Staff						1,409,000.00	2,673,613.65
Sales Personnel						315,000.00	628,101.81
Production Personnel						607,000.00	1,210,342.23
Total						6,452,100.00	12,307,380.05

Share options or other equity instruments outstanding at the end of the period

☐ Applicable ☒ Not applicable

2. Equity-settled share-based payments

☒ Applicable ☐ Not applicable

Unit: Yuan

Method for Determining the Fair Value of Equity Instruments on the Grant Date	Closing Price on the Benchmark Date
Reasons for Significant Differences Between Current and Previous Period Estimates	None
Cumulative Amount of Equity-Settled Share-Based Payments Recognised in Capital Surplus	207,942,418.65
Total expense recognised for equity-settled share-based payments in the current period	125,750,300.76

3. Cash-settled share-based payments

☐ Applicable ☒ Not applicable

4. Share-based payment expenses for the current period

☒ Applicable ☐ Not applicable

Unit: Yuan

Category of grantees	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Management	70,210,476.22	
Technical personnel	33,414,891.91	
Sales personnel	13,189,793.19	
Production Personnel	8,935,139.44	
Total	125,750,300.76	

5. Modifications and Terminations of Share-Based Payments

None

XVI. Commitments and Contingent Liabilities

1. Significant Commitments

Significant commitments existing at

the balance sheet date: None

2. Contingent Liabilities

(1) Significant contingent liabilities existing at the balance sheet date

(1) Contingent liabilities arising from pending litigation or arbitration and their financial impact: None.

(2) Contingent liabilities arising from debt guarantees provided to other entities and their financial impact

① On 28 April 2024, the 17th Meeting of the Ninth Board of Directors of XCMG Machinery approved the Company to provide repurchase guarantees for mortgage sales operations.

The cumulative guarantee amount shall not exceed RMB 11.5 billion, with each transaction term not exceeding five years and the guarantee amount utilisation period not exceeding one year.

As at 31 December 2024, the cumulative balance of customer mortgage loans for the Company and its subsidiaries stood at RMB 8,848,277,300.

② On 28 April 2024, the 17th meeting of the Ninth Board of Directors of XCMG Machinery approved the provision of equity purchase guarantees for the company's financial leasing operations.

purchase guarantees for its financial leasing operations. The lease term for each individual Financial Leasing Contract shall not exceed 6 years, with the cumulative guarantee amount not exceeding RMB 63 billion.

As at 31 December 2024, the cumulative balance of the equity purchase obligations committed by the Company and its subsidiaries on behalf of lessees for finance lease payments amounted to RMB 3,029,582.14 million.

The cumulative guarantee balance amounted to RMB 3,029,582.14 million.

The Company and its subsidiaries entered into an agreement with Jiangsu XCMG Construction Machinery Leasing Co., Ltd. The agreement stipulates that Jiangsu XCMG Construction Machinery Leasing Co., Ltd. shall provide financial leasing services for the sales of the Company's and its subsidiaries' construction machinery series products through financial leasing arrangements, with the Company and its subsidiaries undertaking repurchase obligations for such products.

As at 31 December 2024, the cumulative guarantee balance for the obligation to repurchase the finance lease payments payable by the lessee through Jiangsu XCMG Construction Machinery Leasing Co., Ltd. and its subsidiaries stood at RMB 2,644,737,870.

The cumulative guarantee balance for the repurchase obligations under finance leases payable by lessees stood at RMB 2,644,737.87 million.

③ On 28 April 2024, the seventeenth meeting of the ninth board of directors of XCMG Machinery approved the Company to provide counter-guarantees for supply chain finance operations

The guarantee amount shall not exceed RMB 12 billion, with each guarantee term not exceeding **three** years and the utilisation period of the guarantee amount not exceeding **one** year.

As at 31 December 2024, the cumulative balance of supply chain finance business guaranteed by the Company and its subsidiaries amounted to RMB 1,186,157.28 million.

(3) There are no contingent liabilities related to investments in joint ventures or associates.

(4) Other contingent liabilities and their financial impact: Nil.

(2) The Company has no material contingent matters requiring disclosure, and this should also be stated.

The Company has no material contingent matters requiring disclosure.

XVII. Events After the Balance Sheet Date

1. Significant non-adjusting events

As at the date of authorisation for issue of these financial statements, no material non-adjusting events subsequent to the balance sheet date have occurred that would affect the reading and understanding of these financial statements.

2. Profit Distribution

On 26 April 2025, following deliberation at the 32nd meeting of the Ninth Board of Directors, the Company resolved to distribute a cash dividend of RMB 1.80 (including tax) per 10 shares to all shareholders, based on the total number of shares entitled to profit distribution as of the record date for profit distribution.

The Company distributed a cash dividend of RMB 1.80 (including tax) per 10 shares to all shareholders. Shares held by the Company through its special repurchase account are not entitled to participate in profit distribution.

3. Sales

Returns:

Nil.

4. Other Significant Non-Adjusting Events After the Balance Sheet Date

None.

XVIII. Other Significant Matters

1. Segment information

(1) Basis for Identifying Reportable Segments and Accounting Policies

In accordance with the Company's internal organisational structure, management requirements and internal reporting system, the Company's business operations are divided into multiple operating segments. The Company's management periodically evaluates the operating results of these segments to determine resource allocation and assess performance. Based on these operating segments, the Company has identified the following reportable segments:

- (1) Crane Machinery Segment: Research, development, production, and sales of crane products including truck cranes, all-terrain truck cranes, crawler cranes, truck-mounted cranes, and tower cranes;
- (2) Handling Machinery Division: Research, development, production, and sales of machinery products including forklift trucks, wheel loaders, motor graders, and forklifts;
- (3) Road Machinery Division: Research, development, production, and sales of machinery products including pavers, road rollers, cold recyclers, road milling machines, asphalt spreaders, and asphalt mixing plants;
- (4) Aerial Work Machinery Division: Research, development, production and sales of aerial work platforms, aerial work vehicles, fire engines and related machinery;
- (5) Piling Machinery Division: Research, development, production and sales of mechanical products including rotary drilling rigs, diaphragm wall hydraulic grabs, twin-wheel trenchers, static pile drivers, rock bolt drills, pipe jacking machines and tunnel boring machines;
- (6) Concrete Machinery Division: Research, development, production and sales of concrete pump trucks, concrete mixer trucks, concrete spraying trucks, concrete batching plants, concrete placing booms, industrial pump systems and other mechanical products;
- (7) Excavation Machinery Division: Research, development, production and sales of mechanical products including mountain excavators, crawler excavators and hydraulic excavators;
- (8) Mining Machinery Division: Research, development, production and sales of mining excavators, mining articulated haulers, crushing and screening equipment, tunnel construction equipment and other mechanical products;
- (9) Other Machinery Division: Research, development, production and sales of mechanical products including mine clearance vehicles, mining excavators, sanitation machinery and tractors;
- (10) Financial Services Division: Engineering machinery product loans, interbank lending with financial institutions, financial leasing, etc.

Segment assets and liabilities are not disclosed as they are not regularly reported to the Company's chief operating decision-maker and are centrally managed by the Company.

XIX. Notes to Principal Items in the Parent Company Financial Statements

1. Trade Receivables

(1) Disclosed by ageing

Unit: Yuan

Ageing	Closing Balance	Opening balance
Within 1 year (including 1 year)	7,232,487,531.27	5,703,876,184.08
1 to 2 years	543,046,310.33	456,614,118.72
2 to 3 years	163,016,469.05	209,137,044.90
Over 3 years	304,299,621.32	383,680,683.17
Total	8,242,849,931.97	6,753,308,030.87

(2) Disclosure by bad debt provisioning method

Unit: Yuan

Category	Closing Balance					Opening Balance				
	Book Balance		Bad Debt Allowance		Book Value	Book balance		Bad debt provision		Book value
	Amount	Ratio	Amount	Provision Ratio		Amount	Ratio	Amount	Proportion of Provision	
Accounts receivable for which bad debt provisions are made on an individual basis	8,398.14 9.01	0.10%	8,398.14 9.01	100.00%		56,255.9 95.92	0.83%	46,453.2 64.93	82.57%	9,802.73 0.99
Of which :										
Accounts receivable for which bad debt provisions are made on a portfolio basis	8,234.45 1,782.96	99.90%	488,716, 732.88	5.94%	7,745.73 5,050.08	6,697.05 2,034.95	99.17%	538,759, 835.29	8.04%	6,158.29 2,199.66
Of which :										
Age Group Total	3,531.06 5,247.00	42.84%	488,716, 732.88	13.84%	3,042.34 8,514.12	3,647.29 0,540.32	54.01%	538,759, 835.29	14.77%	3,108.53 0.705.03
Other groups Total	4,703.38 6,535.96	57.06%			4,703.38 6,535.96	3,049.76 1,494.63	45.16%			3,049.76 1,494.63
Total	8,242.84 9,931.97	100.00%	497,114, 881.89		7,745.73 5,050.08	6,753.30 8,030.87	100.00%	585,213, 100.22		6,168.09 4,930.65

Note: Other portfolios comprise accounts receivable from subsidiaries for which individual bad debt provisions are made:

Unit: Yuan

in Full

Name	Balance at End of Period			
	Book Balance	Bad Debt Allowance	Provision Ratio	Reason for Provision
Customer 1	4,740,803.35	4,740,803.35	100.00%	Credit impairment, uncollectible
Customer 2	2,658,360.00	2,658,360.00	100.00%	Credit impairment, irrecoverable
Customer 3	524,000.00	524,000.00	100.00%	Credit impairment, irrecoverable
Customer 4	324,491.80	324,491.80	100.00%	Credit impairment, irrecoverable
Customer 5	124,121.10	124,121.10	100.00%	Credit impairment, irrecoverable
Other Customers	26,372.76	26,372.76	100.00%	Credit impairment, irrecoverable
Total	8,398,149.01	8,398,149.01		

Provision for bad debts by portfolio:

Unit: Yuan

Name	Closing Balance		
	Book Balance	Bad Debt Allowance	Provision Ratio
Within 1 year (including 1 year)	2,543,325,482.81	50,866,509.38	2.00%
1~ 2 years (inclusive)	520,423,673.82	52,042,367.50	10.00%
2~ , 3 years (inclusive)	163,016,469.05	81,508,234.68	50.00%
Over 3 years	304,299,621.32	304,299,621.32	100.00%
Total	3,531,065,247.00	488,716,732.88	

Provision for bad debts on accounts receivable calculated using the expected credit loss general model:

☐ Applicable ☒ Not applicable

(3) Provisions for bad debts made, recovered or reversed during the current period

Provisions for bad debts made during the current period:

Unit: Yuan

Category	Opening Balance	Current Period Adjustment Amount			Closing Balance
		Accrued or Reversed	Write-off or Write-down	Other Changes	
Accounts receivable	585,213,100.22	-28,916,438.02	59,181,780.31		497,114,881.89
Total	585,213,100.22	-28,916,438.02	59,181,780.31		497,114,881.89

(4) Actual Write-offs of Accounts Receivable for the Period

Unit: Yuan

Item	Amount Written Off
Actual Write-off of Accounts Receivable	62,534,367.98

Significant Write-offs of Accounts Receivable:

Unit: Yuan

Company Name	Nature of Receivable	Amount Written Off	Reason for Write-off	Write-off Procedure Followed	Whether the Amount Arises from Related Party Transactions
Unit 1	Goods payment	16,966,366.02	Uncollectible	Internal Control Procedures	No
Unit 2	Goods payment	15,144,471.96	Uncollectible	Internal Control	No

in Full					
				Procedures	
Unit 3	Goods payment	8,442,973.91	Uncollectible	Internal Control Procedures	No
Unit 4	Goods payable	5,264,267.12	Uncollectible	Internal Control Procedures	No
Unit 5	Goods payable	3,669,000.00	Uncollectible	Internal Control Procedures	No
Other entities	Goods payable	13,047,288.97	Uncollectible	Internal control procedures	No
Total		62,534,367.98			

(5) Top five accounts receivable and contract assets by debtor at period-end

Unit: Yuan

Entity Name	Accounts Receivable Ending Balance	Contract Assets Ending Balance	Balance of Accounts Receivable and Contract Assets at Period-End	Proportion of Total Balance of Accounts Receivable and Contract Assets	Balance of Bad Debt Allowance for Accounts Receivable and Impairment Allowance for Contract Assets at End of Period
Unit 6	57,517,453.68		57,517,453.68	0.70%	1,816,313.37
Unit 7	56,375,253.87		56,375,253.87	0.68%	9,822,591.13
Unit 8	49,850,079.24		49,850,079.24	0.60%	997,001.58
Unit 9	39,272,800.00		39,272,800.00	0.47%	785,456.00
Unit 10	38,376,174.04		38,376,174.04	0.46%	767,523.48
Total	241,391,760.83		241,391,760.83	2.91%	14,188,885.56

2. Other receivables

Unit: Yuan

Item	Closing Balance	Opening Balance
Dividends Receivable	597,163,559.02	450,352,632.61
Other receivables	8,661,872,913.40	3,709,773,498.02
Total	9,259,036,472.42	4,160,126,130.63

(1) Dividends receivable

1) Classification of Dividends Receivable

Unit: Yuan

Item (or investee entity)	Closing Balance	Opening Balance
Xuzhou Jianji Construction Machinery Co., Ltd.	300,000,000.00	300,000,000.00
XCMG Fire Safety Equipment Co., Ltd.	191,000,000.00	
Xuzhou Rotor Bearing Co., Ltd.	68,000,000.00	76,000,000.00
Xuzhou Wika Electronic Control Technology Co., Ltd.	27,441,005.22	61,793,979.26
XCMG Kaigong Heavy Industry Nanjing Co., Ltd.	6,392,653.80	
Uzbekistan-XCMG Joint Venture Co., Ltd.	4,329,900.00	3,992,382.35
Xuzhou Meritor Axle Co., Ltd.		8,566,271.00
Total	597,163,559.02	450,352,632.61

(2) Other receivables

1) Classification of Other Receivables by Nature of Funds

Unit: Yuan

in Full		
Nature of Receivables	Balance at End of Period	Opening Balance
Other receivables from subsidiaries	8,629,354,066.78	3,666,321,961.70
Other balances including deposits and advances	33,019,912.53	44,708,874.00
Total	8,662,373,979.31	3,711,030,835.70

2) Disclosure by Age

Unit: Yuan

Ageing	Balance at End of Period	Opening Balance
Within 1 year (including 1 year)	6,725,513,004.03	3,632,218,989.24
1 to 2 years	1,936,684,220.28	5,929,648.71
2 to 3 years		3,214,040.46
Over 3 years	176,755.00	69,668,157.29
Total	8,662,373,979.31	3,711,030,835.70

3) Provisions for bad debts accrued, recovered or reversed during the period

Provision for bad debts made during the period:

Unit: Yuan

Category	Opening balance	Current Period Adjustment Amount				Closing Balance
		Accrual	Recovered or Reversed	Write-off or Write-down	Other	
Other receivables	1,257,337.68		756,271.77			501,065.91
Total	1,257,337.68		756,271.77			501,065.91

4) Other receivables by top five debtors at period-end

Unit: Yuan

Entity Name	Nature of the Amount	Balance at End of Period	Ageing	Proportion of Total Other Receivables at End of Period	Provision for Bad Debts - Ending Balance
Xuzhou Xugong Mining Machinery Co., Ltd.	Wholly-owned subsidiary transactions	1,510,783,762.80	Within 1 year	17.44%	
Xuzhou XCMG Schwing Machinery Leasing Co., Ltd. Company	Wholly-owned subsidiary current account	1,331,354,605.27	Within 1 year	15.37%	
Xuzhou XCMG Foundation Engineering Machinery Co., Ltd. Engineering Machinery Co., Ltd.	Wholly-owned subsidiary Payments	947,369,500.26	Within 1 year	10.94%	
Xuzhou Heavy Machinery Co., Ltd.	Wholly-owned subsidiary Transactions	817,377,924.21	Within 1 year	9.44%	
Xuzhou Xugong Materials Supply Co., Ltd.	Wholly-owned subsidiary Accounts	773,713,669.28	Within 1 year	8.93%	
Total		5,380,599,461.82		62.12%	

3. Long-term equity investments

Unit: Yuan

in Full

Item	Closing Balance			Opening Balance		
	Book Value	Impairment Reserve	Book value	Book balance	Impairment provision	Carrying Amount
Investment in subsidiaries	27,892,167,026.68	207,961,622.92	27,684,205,403.76	27,136,639,401.68	207,961,622.92	26,928,677,778.76
Investments in joint ventures and equity-accounted enterprises	3,026,036,113.69		3,026,036,113.69	2,995,800,090.54		2,995,800,090.54
Total	30,918,203,140.37	207,961,622.92	30,710,241,517.45	30,132,439,492.22	207,961,622.92	29,924,477,869.30

(1) Investment in subsidiaries

Unit: Yuan

Investee entity	Opening Balance (Carrying Amount)	Opening Balance of Impairment Allowance	Increases and decreases during the period				Closing Balance (Carrying Amount)	Impairment reserve - opening balance
			Additional investment	Reduction in Investment	Provision for impairment ent	Other		
XCMG Group Financial Services Co., Ltd.	3,500,000.00.00						3,500,000.00.00	
Company								
Xuzhou Heavy Machinery Co., Ltd. Company	1,889,986.506.53						1,889,986.506.53	
Xuzhou XCMG Excavator Machinery Co., Ltd.	3,151,587.859.34						3,151,587.859.34	
Xuzhou Engineering Machinery Group Import and Export Limited Company	1,366,958.208.58						1,366,958.208.58	
Xuzhou XCMG Industrial Investment Partnership (Limited Partnership) Partner)	3,345,000.00.00		446,000.00.00	500,000.00.00			3,291,000.00.00	
Xuzhou XCMG International Investment Development Limited Company	1,850,000.00.00						1,850,000.00.00	
XCMG (Hong Kong) International Hong Kong) International Development Limited Company	274,133.256.23		98,369,300.00.00				372,502.556.23	

in Full								
Xuzhou Xugong Investment Co., Ltd. Company	1,250,000.00 00.00			450,000.00 0.00			800,000.00 0.00	
Xuzhou XCMG Foundation Engineering Machinery Co., Ltd. Company	1,059,674.72 24.39		350,000.00 0.00				1,409,674.72 24.39	
Jiangsu XCMG Guanglian Machinery Leasing Co., Ltd. Company	403,421.96 7.05						403,421.96 7.05	
Xuzhou Construction Machinery Engineering Machinery Co., Ltd.	731,351.74 7.26	184,461.85 4.57					731,351.74 7.26	184,461.85 4.57
Xuzhou Xugong High-end Equipment Manufacturing Industry Development Fund Partnership (Limited Partnership) Partnership)	832,643.24 7.79						832,643.24 7.79	
Xuzhou XCMG Environmental Technology Co., Ltd.	556,470.00 0.00		140,000.00 0.00				696,470.00 0.00	
XCMG Fire Safety Equipment Co., Ltd.	887,610.00 0.00						887,610.00 0.00	
Xuzhou XCMG Shiyiing Machinery Machinery Co., Ltd. Company	627,893.56 1.80		246,800.00 0.00				874,693.56 1.80	
Jiangsu XCMG Construction Machinery Research Institute	460,000.00 0.00						460,000.00 0.00	
Limited								
Xuzhou Xugong Huijin Merger and Acquisition Industry Fund (Limited Partnership) Partnership)	434,333.33 3.33						434,333.33 3.33	

in Full								
Xuzhou Xugong Energy Equipment Co., Ltd.	400,000.00 0.00						400,000.00 0.00	
Xuzhou Xugong Transmission Technology Co., Ltd.	400,000.00 0.00						400,000.00 0.00	
Xuzhou XCMG Tracked Undercarriage Co., Ltd.	300,000.00 0.00						300,000.00 0.00	
Xuzhou Xugong Mining Machinery Co., Ltd.	334,594.34 7.96						334,594.34 7.96	
Xuzhou XCMG Port Machinery Co., Ltd.	283,381.78 2.43						283,381.78 2.43	
Xuzhou XCMG Special Construction Machinery Co., Ltd. Company	300,466.00 5.01						300,466.00 5.01	
Xuzhou Xugong Precision Industry Technology Co., Ltd. Company	314,783.63 8.26						314,783.63 8.26	
Xuzhou Xugong Agricultural Equipment Technology Co., Ltd. Company	342,741.02 6.90		256,276.28 6.37				599,017.31 3.27	
Dalian Riquan Electric Motor Co., Ltd. Company	240,663.60 0.29	23,499,768. 35					240,663.60 0.29	23,499,768. 35
Xuzhou Xugong Road Construction Machinery Co., Ltd.	177,265.78 9.07						177,265.78 9.07	
XCMG AMERICA INC	277,937.50 0.00		98,655,760. 00				376,593.26 0.00	
XCMG Chongqing Construction Machinery Co., Ltd.	150,000.00 0.00						150,000.00 0.00	
Xuzhou Xugong Hydraulic Components Co., Ltd.	254,343.20 6.47						254,343.20 6.47	

in Full								
Xuzhou Xugong Truck-mounted Crane Co., Ltd. Company	109,850,048.02						109,850,048.02	
XCMG Marketing Co., Ltd.	100,000,000.00						100,000,000.00	
Xuzhou Xugong New Environmental Protection Industrial Development Co., Ltd. Company	56,971,943.41						56,971,943.41	
Xuzhou Xugong	22,845,378.						22,845,378.	
Daojin Special Robot Technology Co., Ltd. Co.	86						86	
Xuzhou XCMG Materials Supply Co., Ltd.	44,951,809.97						44,951,809.97	
Uzbekistan-XCMG Joint Venture Limited Liability Company Co., Ltd.	20,354,476.46			20,354,476.46				
XCMG Group Shenyang Construction Machinery Co., Ltd. Company	30,000,000.00						30,000,000.00	
Xuzhou XCMG Maintenance Machinery Co., Ltd.	28,000,000.00						28,000,000.00	
Jiangsu Ruikong Electrical Technology Co., Ltd. Co., Ltd.	21,600,000.00		14,400,000.00				36,000,000.00	
Xuzhou Xugong Rongpiao Electronic Technology Co., Ltd. Company	20,000,000.00						20,000,000.00	
XCMG HanClouds Technology Co., Ltd. Co., Ltd.	12,803,450.99						12,803,450.99	
Jiangsu XCMG E-Commerce Co., Ltd. Company	12,000,000.00						12,000,000.00	

in Full								
Xuzhou XCMG Zhilian Logistics Services Co., Ltd. Company	52,059,362.36						52,059,362.36	
Xuzhou Xugong Electric Technology Co., Ltd. Co., Ltd.			75,380,755.09				75,380,755.09	
Total	26,928,677,778.76	207,961,622.92	1,725,882.101.46	970,354.476.46			27,684,205,403.76	207,961,622.92

(2) Investment in joint ventures and cooperative enterprises

Unit: Yuan

Investee entity	Openi ng Balan ce (Book Value)	Openi ng Balan ce of Impai rment Allow ance	Increases and decreases during the period								Closin g Balan ce (Carr ying Amo unt)	Impai rment reserv e - openi ng balan ce
			Additi onal invest ment	Redu ction in Invest ment	Invest ment gains or losses recog nised under the equity meth od	Adjus tment s to other compre hensive income	Other Chan ges in Equit y	Decla ration of Cash Divid ends or Profit Distri bution	Provis ion for Impai rment	Other		
I. Joint Ventures												
Inner Mongolia Yiji Xugong Special Equipment Co., Ltd. Limited Company	16,185,868.72				-9,685,794.28						6,500,074.44	
Xuzhou XCMG	39,558		34,760		1,061,					-		
Electrical Technology Co., Ltd.	582.78		786.25		386.06					75,380,755.09		
Xuzhou Wika Electronic Control Technology Co., Ltd. Company	246,067,132.06		680,680.00		42,567,797.69	206,424.53		27,441,005.22			262,081,029.06	
Subtotal	301,811,583.56		35,441,466.25		33,943,389.47	206,424.53		27,441,005.22		75,380,755.09	268,581,103.50	
II. Joint Ventures												
Jiangsu XCMG Construction Machinery Leasing Co., Ltd. Company	1,582,082,632.73				59,205,623.98						1,641,288,256.71	
Xuzhou Meichi Axle Co., Ltd. Company	80,233,735.48				4,928,306.16			8,836,318.67			76,325,722.97	
Xuzhou Rotor Bearing Co., Ltd. Company	878,490,520.96		318.413.33		80,630,633.83			68,000,000.00			891,439,568.12	

in Full											
XCMG Kaigong Heavy Industry Nanjing Co., Ltd. Co., Ltd.	149,139,352.90		212.275.56		3,287.075.03			6,392,653.80		146,246,049.69	
Xuzhou Xugong Equity Investment Co., Ltd.	4,042.264.91				1,886,852.21					2,155,412.70	
Subtotal	2,693,988,506.98		530,688.89		146,164,786.79			83,228,972.47		2,757,455,010.19	
Total	2,995,800,090.54		35,972,155.14		180,108,176.26	206.424.53		110,669,977.69		75,380,755.09	3,026,036,113.69

Recoverable amount determined as fair value less costs to sell

☐ Applicable ☒ Not applicable

Recoverable amount determined based on the present value of estimated future cash flows

☐ Applicable ☒ Not applicable

4. Revenue and Cost of Sales

Unit: Yuan

Item	Current Period Amount		Previous Period Amount	
	Revenue	Cost	Revenue	Cost
Principal business	13,147,965,247.73	11,497,547,971.31	12,906,795,246.61	11,223,157,276.53
Other Business	552,876,825.54	211,928,947.60	1,095,449,816.36	737,270,613.12
Total	13,700,842,073.27	11,709,476,918.91	14,002,245,062.97	11,960,427,889.65

Information relating to the transaction price allocated to the remaining performance obligations:

The amount of revenue corresponding to performance obligations under contracts entered into but not yet fulfilled or completed at the end of the reporting period was RMB 474,266,192.63, of which

RMB 474,266,192.63 is expected to be recognised as revenue in the financial year ending 2025.

5. Investment Income

Unit: Yuan

Item	Current Period Amount	Previous Period Amount
Income from long-term equity investments accounted for using the cost method	3,006,311,255.64	2,986,635,178.02
Long-term equity investment income accounted for under the equity method	180,108,176.26	210,521,566.97
Financial assets derecognised at amortised cost Gains	-35,838,020.31	-27,148,855.22
Discount interest on receivables financing	-1,334,392.69	-5,128,271.12
Gain on disposal of long-term equity investments	-3,330,176.46	815,277.64
Loss on settlement of forward foreign exchange contracts	18,025,014.44	
Gain on debt restructuring	11,758,152.47	
Total	3,175,700,009.35	3,165,694,896.29

XX. Supplementary Information

1. Schedule of Non-Recurring Gains and Losses for the Period

☒ Applicable ☐ Not applicable

Unit: Yuan

Item	Amount	Description
Gain/Loss on Disposal of Non-Current Assets	-22,039,308.12	Gains or losses arising from the disposal of fixed assets and related assets
Government grants recognised in profit or loss for the period (excluding grants closely related to the company's ordinary business operations, compliant with national policy provisions, received in accordance with established criteria, and having a continuing impact on the company's profit or loss)	365,509,361.93	Government project support funds and incentive payments, etc.
Gains or losses arising from changes in fair value of financial assets and liabilities held by non-financial enterprises, and gains or losses arising from disposal of financial assets and liabilities, excluding effective hedging activities related to the company's ordinary business operations	-210,508,881.52	
Reversal of impairment allowance for individually tested receivables	75,858,036.44	
Gains arising from the acquisition cost of investments in subsidiaries, associates and joint ventures being less than the fair value of the investee's identifiable net assets at the time of acquisition	1,750,123.98	
Other non-operating income and expenses not included in the above items	49,049,929.03	
Other profit and loss items meeting the definition of non-recurring gains and losses	1,054,306.13	
Less: Income tax effect	24,274,537.79	
Impact on minority interests (after tax)	22,490,656.67	
Total	213,908,373.41	—

Details of other profit or loss items meeting the definition of non-recurring gains or losses:

☐ Applicable ☒ Not applicable

The Company has no other profit or loss items meeting the definition of non-recurring gains or losses.

Classification of non-recurring items listed in the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities – Non-recurring Items" as recurring items

Explanation of circumstances

☐ Applicable ☒ Not applicable

2. Return on net assets and earnings per share

Reporting Period Profit	Weighted average return on equity	Earnings per share	
		Basic earnings per share (yuan/share)	Diluted earnings per share (yuan/share)
Profit attributable to ordinary shareholders of the Company	10.30%	0.51	0.51
Net profit attributable to ordinary shareholders of the company, excluding non-recurring gains and losses	9.94%	0.49	0.49

3. Differences in accounting data under domestic and international accounting standards

(1) Differences in net profit and net assets between financial reports disclosed under International Financial Reporting Standards and Chinese Accounting Standards

☐ Applicable ☒ Not applicable

(2) Differences in net profit and net assets between financial reports disclosed under overseas accounting standards and those under Chinese accounting standards

☐ Applicable ☒ Not applicable

(3) Explanation of reasons for discrepancies in accounting data under domestic and international accounting standards. Where adjustments have been made to data audited by overseas audit institutions, the name of the overseas institution shall be stated.