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**SANY HEAVY INDUSTRY CO., LTD.**

**三一重工股份有限公司**

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

**(Stock Code: 6031)**

## **CONTINUING CONNECTED TRANSACTION IN RELATION TO 2026 DEPOSIT SERVICES FRAMEWORK AGREEMENT**

### **2026 DEPOSIT SERVICES FRAMEWORK AGREEMENT**

On 5 December 2025, the Board considered and approved the 2026 Deposit Services Framework Agreement to be entered into between the Company and Sanxiang Bank, pursuant to which Sanxiang Bank agreed to provide deposit services to the Group from 1 January 2026 to 31 December 2026 (both days inclusive).

As of the date of this announcement, SANY Group, one of the controlling shareholders of the Company, is entitled to directly and indirectly through our Company exercise or control the exercise of 30% voting rights at the general meeting of Sanxiang Bank. Accordingly, Sanxiang Bank is a connected person of our Company, and the transactions contemplated under the 2026 Deposit Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the annual caps under the 2026 Deposit Services Framework Agreement exceeds 0.1% but all the applicable percentage ratios are less than 5%, the transactions contemplated thereunder (including the annual caps) are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

According to the Listing Rules of the Shanghai Stock Exchange, the transactions contemplated under the 2026 Deposit Services Framework Agreement shall be subject to the approval of the Shareholders.

## 2026 DEPOSIT SERVICES FRAMEWORK AGREEMENT

On 5 December 2025, the Board considered and approved the 2026 Deposit Services Framework Agreement to be entered into between the Company and Sanxiang Bank, pursuant to which Sanxiang Bank agreed to provide deposit services to the Group from 1 January 2026 to 31 December 2026 (both days inclusive).

The principal terms of the 2026 Deposit Services Framework Agreement to be entered into are set out below:

<b>Parties</b>	(1) the Company; and  (2) Sanxiang Bank
<b>Subject</b>	Sanxiang Bank will provide deposit services to the Group on normal commercial terms. The parties shall, during the term of the 2026 Deposit Services Framework Agreement, enter into individual written agreements which set out the terms and provisions of the specific deposit services to be conducted in accordance with the principles and terms of the 2026 Deposit Services Framework Agreement.
<b>Term</b>	from 1 January 2026 to 31 December 2026 (both days inclusive)
<b>Pricing policy</b>	the interest rates offered by Sanxiang Bank to the Group shall not be lower than (i) the interest rates in respect of the same type of deposit service quoted by the People's Bank of China for the same period; and (ii) the interest rates in respect of the same type of deposit service provided by major domestic commercial banks in the PRC to the Group for the same period, subject to compliance with the prevailing regulatory policy in the PRC.
<b>Annual cap for daily balance of deposits and estimated interests derived thereof</b>	The annual cap for the year ending 31 December 2026 in respect of the daily balance of deposits placed by the Group with Sanxiang Bank and the expected interests derived thereof under the 2026 Deposit Services Framework Agreement are RMB6,000 million and RMB138 million, respectively.

## Historical Amounts

The historical amounts in respect of the maximum daily balance of deposits placed by the Group with Sanxiang Bank and the total interests derived thereof for the three years ended December 31, 2024, and the six months ended 30 June 2025 are set out as follows:

	For the year ended December 31,			For the six months ended 30 June
	2022	2023	2024	2025
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
Actual amount for maximum daily balance of deposits	2,851,953	4,985,924	4,464,340	2,805,077
Actual amount for total interests derived thereof	34,818	112,557	134,631	218,303

## Basis of the annual caps

In arriving at the annual caps for the deposit services under the 2026 Deposit Services Framework Agreement, the Directors considered the following:

- (i) the historical maximum daily balance of the deposits placed by the Group with Sanxiang Bank and the total annual interest derived thereof;
- (ii) interest rates offered by Sanxiang Bank for deposits placed by the Group will comply with the relevant guidelines and regulations issued by the People's Bank of China as published on its official website, and will take into account the rates set by major domestic commercial banks in the PRC. The current interest rates offered by Sanxiang Bank for RMB deposits range from 0.2%-2.0% per annum, depending on the deposit amount and term. In any event, the specific interest rates for the deposit services under the 2026 Deposit Services Framework Agreement shall be agreed upon by the parties in accordance with the pricing policy set out above and the internal control measures of the Company; and
- (iii) the Group's cash position and its working capital requirements.

## **INTERNAL CONTROLS**

The Company has adopted the following internal control measures with respect to the transactions contemplated under the 2026 Deposit Services Framework Agreement in order to better safeguard the interests of the Shareholders:

- (i) the Company has adopted a treasury management policy for managing its cashflow and utilising surplus cash reserves;
- (ii) before placing any new deposit with Sanxiang Bank, the finance department of the Group will obtain interest rates quoted by People's Bank of China and two major domestic commercial banks in the PRC. Such information together with the quote by Sanxiang Bank will be submitted to the chief financial officer of the Company for approval to ensure terms offered by Sanxiang Bank shall not be less favourable to the Group than terms offered by commercial banks who are Independent Third Parties;
- (iii) the capital settlement accounting team will be responsible for monitoring the deposits placed with Sanxiang Bank and the interest income to ensure the annual caps will not be exceeded. When the transaction limit reaches 80% of the annual cap set under the 2026 Deposit Services Framework Agreement, he/she will promptly inform the chief financial officer such that the Group can arrange for a revision of the annual cap as appropriate, compliance with all relevant requirements under Chapter 14A of the Listing Rules;
- (iv) the internal audit department of the Group will conduct regular checks to review and assess whether the deposit services have been provided in accordance with the terms of the relevant agreements and on normal commercial terms; and
- (v) the Company has engaged external auditors to conduct annual review of these continuing connected transactions.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 DEPOSIT SERVICES FRAMEWORK AGREEMENT**

The Directors are of the view that the transactions under the 2026 Deposit Services Framework Agreement are beneficial to the Group for the following reasons:

- (i) the Group has been placing certain deposits with Sanxiang Bank in the ordinary course of business and has established a good relationship with it over the years. Sanxiang Bank is familiar with the Group's operations, capital structure and working capital management, which may enable Sanxiang Bank to render more expedient, efficient and flexible deposit services to the Group than other commercial banks and independent financial institutions in the PRC. Taking into account the relationship of the Group with Sanxiang Bank, the Group can get a good understanding and update of the operation status of Sanxiang Bank in a timely manner, which will make the potential risks arising from such deposits more controllable for the Group than those provided by independent commercial banks and financial institutions; and

- (ii) by entering into the 2026 Deposit Services Framework Agreement with Sanxiang Bank, the Group will have more flexibility to manage its assets more efficiently according to its working capital requirements. As the terms offered by Sanxiang Bank are no less favorable to the Group than terms offered by other PRC commercial banks for similar deposits, the Group is able to better utilize its temporarily idle funds to make effective investment and increase the Group's earnings.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms of the 2026 Deposit Services Framework Agreement are determined through arm's length negotiation on normal commercial terms or better, and the proposed transactions and annual caps thereunder are fair and reasonable, entered into in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

Mr. XIANG Wenbo, Mr. YU Hongfu, Mr. LIANG Wengen and Mr. LIANG Zaizhong, all being Directors, have abstained from voting on the Board resolution approving the 2026 Deposit Services Framework Agreement and the transactions contemplated thereunder, due to their relationship with Sany Group.

Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the 2026 Deposit Services Framework Agreement who shall abstain from voting on the Board resolution for considering and approving the same.

## **IMPLICATION UNDER THE LISTING RULES**

As of the date of this announcement, SANY Group, one of the controlling shareholders of the Company, is entitled to directly and indirectly through our Company exercise or control the exercise of 30% voting rights at the general meeting of Sanxiang Bank. Accordingly, Sanxiang Bank is a connected person of our Company, and the transactions contemplated thereunder the 2026 Deposit Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios in respect of the annual caps under the 2026 Deposit Services Framework Agreement exceeds 0.1% but all the applicable percentage ratios are less than 5%, the transactions contemplated thereunder (including the annual caps) are subject to the reporting, announcement and annual review requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INFORMATION ON THE COMPANY**

The Company is a global leader in the construction machinery industry and is committed to the research and development, manufacturing, sales, and servicing of a comprehensive range of construction machinery, including excavating machinery, concrete machinery, hoisting machinery, piling machinery, and road machinery.

## INFORMATION ON SANXIANG BANK

Sanxiang Bank is a commercial bank principally engaged in banking services in the PRC.

As at the date of this announcement, based on the information available to the Company, Sanxiang Bank is held by Sany Group (ultimately controlled by Mr. Liang Wengen) as to 18.0%, Hunan Hansen Pharmaceutical (a company listed on the Shenzhen Stock Exchange (stock code: 002412)) as to 15.0%, Hunan Sany Intelligent (a wholly-owned subsidiary of the Company) as to 12.0%. The remaining approximately 55% equity interests in Sanxiang Bank are held by seven shareholders, each of whom holds less than 10% equity interests.

## OTHER

According to the Listing Rules of the Shanghai Stock Exchange, the transactions contemplated under the 2026 Deposit Services Framework Agreement shall be subject to the approval of the Shareholders.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“2026 Deposit Services Framework Agreement”	the deposit services framework agreement to be entered into by and between the Company and Sanxiang Bank, pursuant to which Sanxiang Bank agrees to provide deposit services to the Group from 1 January 2026 to 31 December 2026 (both days inclusive)
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	SANY Heavy Industry Co., Ltd., a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Hong Kong Stock Exchange under the stock code 6031 and the A Shares of which are listed on the Shanghai Stock Exchange under the stock code 600031
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hunan Hansen Pharmaceutical”	Hunan Hansen Pharmaceutical Co., Ltd.* (湖南漢森製藥股份有限公司), a company with limited liability established under the laws of the PRC, listed on the Shenzhen Stock Exchange under the stock code 002412
“Hunan Sany Intelligent”	Hunan Sany Intelligent Controls Equipment Co., Ltd.* (湖南三一智能控制設備有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Independent Shareholders”	the Shareholders who are not interested in or involved in the 2026 Deposit Services Framework Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sanxiang Bank”	Hunan Sanxiang Bank Co., Ltd.* (湖南三湘銀行股份有限公司), a regulated financial institution established under the laws of the PRC
“Sany Group”	SANY Group Co., Ltd. (三一集團有限公司), a limited liability company established in the PRC on 18 October 2000
“Share(s)”	the A Share(s) and/or the H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Hong Kong Stock Exchange”    The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”                has the meaning ascribed to it under the Listing Rules

“%”                                    per cent

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

Hong Kong, 5 December 2025

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

\*    *for identification purpose only*