Work Together, Win Together

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国机集团 SINOMACH

THE GLOBAL COMPACT
WE SUPPORT

China National Machinery Industry Corporation 2024 Social Responsibility Report

2024
Social Responsibility Report

China National Machinery Industry Corporation

Mind Dirves
The World

About this Report

Reporting Period

The time frame of this Report is from January 1, 2024 to December 31, 2024. Some content is beyond the scope mentioned above.

Reporting Cycle

This is the fifteenth annual social responsibility report released by China National Machinery Industry Corporation (hereinafter referred to as "SINOMACH").

References

In this Report, "SINOMACH", "the Group", "the Company", or "We" refer to China National Machinery Industry Corporation.

Reporting Scope

China National Machinery Industry Corporation headquarters and its subsidiaries (see organizational structure in the "About Us" section).

Data Sources

All data in this Report comes from SINOMACH's statistical reports, financial reports and other official documents, and has been reviewed by the Company.

Access to this Report

This Report is prepared and released in both Chinese and English versions, and is available in paper and electronic formats. If you need the Report, please contact us.

Compilation Conformance

Guidelines to the State-owned Enterprises Directly under the Central Government on High-Standard Fulfillment of Corporate Social Responsibilities in the New Era by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)

GRI Sustainability Reporting Standards (GRI Standards) by Global Sustainability Standards Board (GSSB)

ISO 26000 - Guidance on Social Responsibility (2010) by International Organization for Standardization (ISO)

The 2030 Agenda for Sustainable Development by the United Nations

GB/T 36001-2015 Guidance on Social Responsibility Reporting by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and National Standardization Administration

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) by Chinese Academy of Social Sciences (CASS)

Guidelines on Social Responsibility of Chinese Industrial Enterprises and Industrial Associations by China Federation of Industrial Economics

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Message from the Chairman

The year 2024 marked the pivotal year for SINOMACH to deepen reform, enhance the quality and efficiency, and write a new chapter of high-quality development. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Group earnestly studied and implemented General Secretary Xi Jinping's important instructions on the work of state-owned assets and SOEs, firmly embraced high-quality development as its primary task. Staying true to the principle of "developing strengths of SINOMACH to serve the needs of the country", the Group focused on strengthening core functions and enhancing core competitiveness, while giving full play to its role in technological innovation, industrial control, and security support. SINOMACH stood as a pacesetter in advancing high-level scientific and technological self-reliance, modernizing industrial systems, and developing new quality productive forces, thereby making solid contributions to national strategies and new industrialization. In recognition of these efforts, SINOMACH was rated level A in both the 2024 annual and the 2022–2024 term performance assessment of central SOE executives, and was honored as an Outstanding Central SOE for Scientific and Technological Innovation in 2024.

In 2024, we embraced innovation and tackled challenges head-on, striving to strengthen and excel in our core businesses and to play a vital role in advancing new industrialization. We continuously enhanced our extreme manufacturing capabilities, successfully developing several landmark pieces of domestically produced equipment, including the world's largest FB2 intermediate-pressure rotor and the world's first RCC-M standard forged pump casing for the Hualong One main pump, thereby providing strong support for major national engineering projects. We promoted the high-quality development of agricultural machinery by addressing the "big and small" bottlenecks in the sector: successfully trial-producing the domestically manufactured maximum power (450 HP) continuously variable transmission (CVT) model, DongFangHong LW4504 tractor and launching mass production of hilly-terrain tractors, thereby contributing to national food security. We also enhanced competitiveness in specialized equipment by achieving new breakthroughs in core technologies across textile machinery, forestry machinery, geological equipment, passenger cableways, and automotive engineering machinery. We further advanced high-level scientific and technological self-reliance, with four projects winning the National Science and Technology Progress Award (Second Prize), over 1,000 invention patents granted, and more than 500 standards formulated or revised. State key laboratories operated at a high standard, and significant progress was made in building the original technology hub. Deeper integration of technological and industrial innovation accelerated the development of new quality productive forces. The "Agricultural Machinery Cloud" and the "Machinery Equipment Industry Cloud" were officially launched, while the National Agricultural Machinery Operation Command and Dispatch Platform was launched and operational. The establishment of SINOMACH-DIA and SINOMACH Special Equipment Testing marked key steps toward cultivating a "second growth curve". In serving high-quality Belt and Road cooperation, we delivered outstanding results: the China-Belarus Industrial Park achieved strong progress in construction and operations; major projects such as the China-aided Tajik government building and the Mahosot General Hospital in Laos were successfully completed; imports and exports of electromechanical equipment remained at a high level; convention and exhibition platforms continued to play their role; and the capacity for international industrial cooperation and supply chain integration was further strengthened.

In 2024, we focused on transformation and embraced green development , painting a new chapter of sustainable development through concrete actions. Actively responding to China's goals of carbon peaking and carbon neutrality, we advanced the implementation of the *Carbon Peaking Action Plan* and the *Implementation Plan for Building a Beautiful China*, signing carbon peaking and carbon neutrality responsibility agreements with subsidiaries to build a unified momentum across the Group for green and low-carbon transformation. We took a firm stand in the battle against pollution by strengthening the treatment of wastewater, waste gas, solid waste, noise, and soil contamination, while reinforcing environmental risk prevention and control. Targeting energy conservation and carbon reduction, we carried out large-scale equipment renewal, with over 1,100 sets of equipment upgraded across subsidiaries. We fostered an integrated green value chain by promoting green equipment, green technologies, green design, green engineering, and green services. We also advocated low-carbon lifestyles by organizing "Energy Conservation Publicity Week" and "Low-Carbon Day" campaigns, fostering a new trend of green and low-carbon living. Thanks to our proactive contribution to the major national ecological protection and restoration projects, the Chongqing Tongluo Mountain mining area ecological restoration project was selected as an Outstanding Case under the UN Decade on Ecosystem Restoration, marking SINOMACH's contribution to biodiversity conservation.

In 2024, we advanced inclusive well-being and collaborative development, fulfilling our responsibilities to help create a better and happier life for all. We always placed the highest priority on protecting human life and safety. We carried out the *Three-Year Action Plan for Fundamental Work Safety Improvement* to strengthen the foundations of work safety, and established a Safety Standardization Alliance, firmly safeguarding the bottom line of safety. Aiming for a collaborative and win–win ecosystem, we deepened strategic partnerships with governments, central SOEs, and universities, and worked to build a safe, stable, and mutually beneficial responsible supply chain. Leveraging our planning, design, and industrial advantages, we explored innovative rural vitalization models and thus were rated as "good", the highest rating, in the assessment of the paired assistance by central SOEs for seven consecutive years. We actively contributed to social welfare through volunteer initiatives, giving back to society with sincerity and commitment. Anchored in a people-centered approach, we advanced the implementation of the *Talent Development Planning for the "14th Five-Year Plan" Period,* deepened the reform of industrial workforce development, and continued to optimize compensation and benefits systems. With genuine care for employees in need and for retirees and diverse cultural activities, we strengthened employees' sense of fulfillment, happiness, and security.

The year 2025 marks a pivotal moment as China concludes the 14th Five-Year Plan and charts the course for the 15th. Staying committed to the principle of pursuing progress while maintaining stability, and to the mission of "developing strengths of SINOMACH to serve the needs of the country", we will actively fulfill the "three roles" and strive to be the "pacesetter in implementing the new development philosophy, innovation-driven development, and major national strategies". Looking ahead, we will further strengthen our ESG governance capacity, shoulder our responsibility as a mainstay in advancing new industrialization, and accelerate the high-end, intelligent, and green development of the equipment manufacturing industry. In doing so, we will make new and greater contributions to building China into a great country and advancing national rejuvenation through Chinese path to modernization.

China National Machinery Industry Corporation

Chairman

Zhang Xiaolun

About Us

Company profile

China National Machinery Industry Corporation (SINOMACH) was established in 1997. With owning 11 listed companies, SINOMACH employs 120,000 employees across China and operates over 350 offices and branches in more than 100 countries and regions.

SINOMACH ranks first among China machinery industry companies and holds a leading position in the "Top 250 International Contractors" and "Top 225 International Design Firms" rankings.

SINOMACH is organized into three business units: advanced equipment manufacturing, R&D and services, as well as engineering contracting and supply chain. With advanced and high-end manufacturing capabilities across key machinery sectors, our enterprise develops, manufactures and services a wide range of products including heavy equipment, agricultural machinery, textile machinery, forestry machinery, and geological equipment, which have been widely used for the industrial development in both China and the rest of the world. With a portfolio of distinctive, high-performance technologies. Many of our premier branded products have been exported to global market.

We offer professional engineering services on a global scale, covering the entire industrial chain from project development and financing, engineering planning, surveying, design, construction, to equipment integration, and operation and maintenance management. Our diverse business operations span sectors such as power, transportation, industry, environmental protection, civil construction, and automotive engineering.

We strive for good returns to our investors, quality services for customers, promising development for employees, and contributions to the society. With the mission of "leading mechanical engineering development and endeavoring to build a better future", and pursue the sustainable development on the road towards a "world-class comprehensive equipment industrial enterprise".

Employees in total

120,000

Listed companies

11

Overseas service agencies established in over 100 countries and regions

350+

Listed companies

Shanghai Stock Exchange

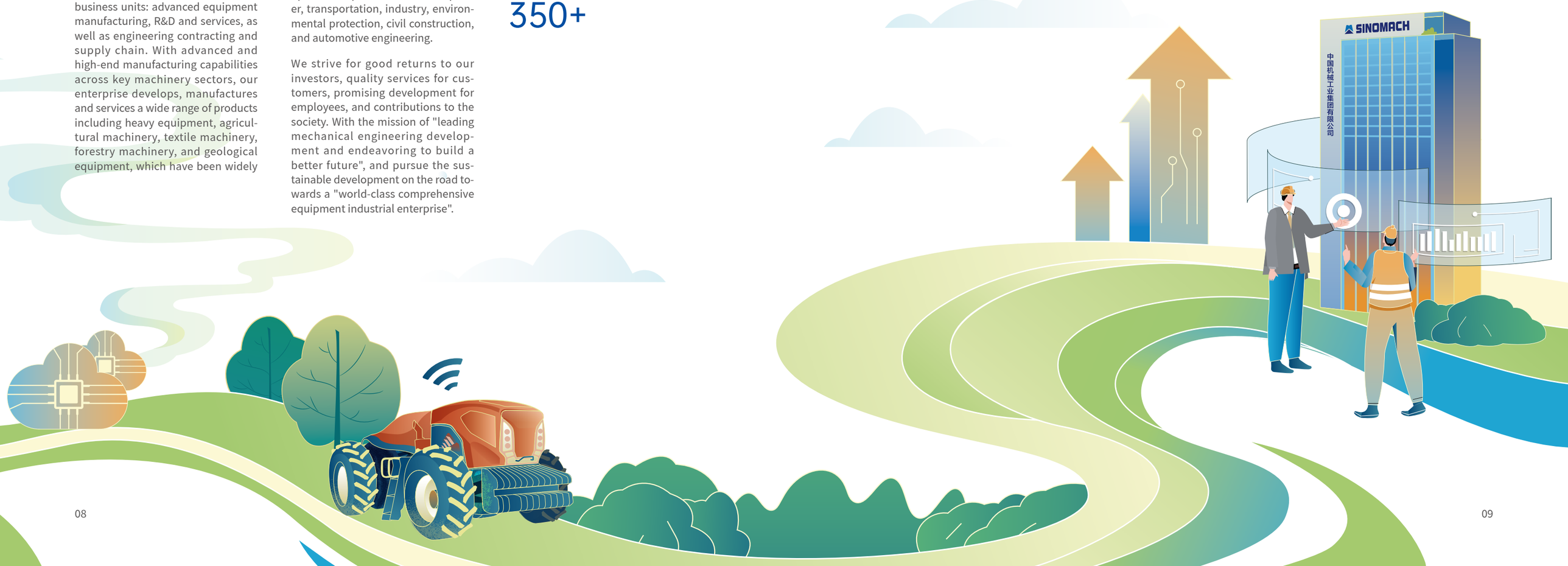
SUMEC	LH	SINOMACH AUTO	FIRST TRACTOR
600710.SH	600099.SH	600335.SH	601038.SH
SINOMACH General Machinery	**CEI**	**LANPEC**	**SINOMACH-HE**
600444.SH	688128.SH	601798.SH	601399.SH

Shenzhen Stock Exchange

CAMCE	SINOMACH-PI
002051.SZ	002046.SZ

Hong Kong Exchanges and Clearing Limited

FIRST TRACTOR	CHTC Fong's INT
00038.HK	00641.HK



Development strategy

Strategic goal

By 2025, we aim to significantly enhance our industrial control capabilities, sci-tech innovation capacities, and security support strength. We also pursue notable progress in supporting national strategies, reforming a market-oriented operation mechanism, and building a world-class cluster of leading specialized enterprises. We will actively serve as the mainstay in the new industrialization and promote high-quality development.

Main responsibilities and primary businesses

Forging three forces

- A safeguard for the security of the industrial chain of advanced equipment
- A strategic technological force in the machinery industry
- A support for international capacity cooperation and supply chain integration

Three primary businesses

- Advanced equipment manufacturing
- Industrial foundation development and services
- Project contracting and supply chains

Six approaches

- Optimizing business layout
- Strengthening sci-tech innovation
- Supporting strategic security
- Reinforcing capital operation
- Deepening reform continually
- Enhancing internal coordination

Eight major tasks

- Enhancing industrial foundation
- Achieving breakthroughs in major technical equipment
- Building a sci-tech innovation system
- Developing leadership in modern industrial chain
- Fostering gradient development of leading specialized enterprises
- Ensuring security of industrial and supply chains
- Transforming toward digital, networked, intelligent, and green development
- Improving industrial engineering design

Guarantee measures

- Strengthening strategy implementation
- Attracting talents to empower SINOMACH
- Reinforcing financial management
- Improving risk management
- Tightening work safety management
- Enhancing branding and cultural management

Brand culture

Mission

Guide the development of the machinery industry
Promote the progress of the human society

Brand Philosophy

Brand positioning:
Develop advanced equipment manufacturing
Lead new industrialization
Brand slogan:
Develop strengths of SINOMACH
Serve the needs of the country
Brand personality:
Exceptional craftsmanship
Far-reaching innovation

Vision

To be a world-class comprehensive mechanical and equipment industrial group

Core Value

Work together,
Win together

CSR(ESG) Philosophy

Lead the green innovation in the machinery industry
Dedicate to sustainable social development
Create the future of the machinery industry together

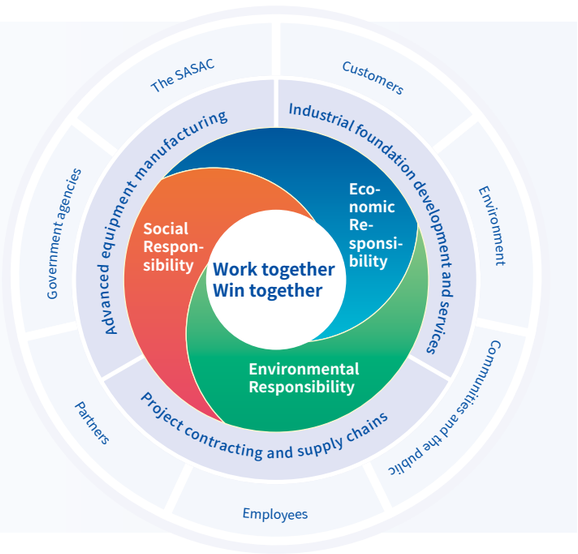
"Harmony" Culture

Harmonious co-existence
Harmony in diversity

ESG Management

SINOMACH ESG Management Model

In line with the core value of "work together, win together", SINOMACH strives to create economic, social and environmental values. We join hands with all stakeholders to move towards a better future of sustainable development.



SINOMACH ESG Management Model

ESG Management System

SINOMACH actively explores an effective path to integrate the sustainability philosophy into our strategy and business development. Specifically, we strengthen the top-level design, systems and the organizational structure of ESG management to standardize functions and responsibilities and optimize the operation mechanisms, thus continuously improving the Group's ESG management capability.

SINOMACH ESG Management System

Release and Communication of Social Responsibility Report

SINOMACH has diversified the formats for releasing and communicating its reports, seizing the opportunity of the Machinery Industry Memorial Day to hold a dedicated release event that serves as a bridge for dialogue between the Group and the wider community. By producing interactive dynamic infographics, easy-to-understand explainer videos, and creatively incorporating the SINOMACH IP image, the Group has made its reports more engaging and approachable. These efforts vividly showcase its practices and achievements, deepening public and stakeholder recognition of the central SOEs' commitment, and significantly enhancing SINOMACH's reputation as a responsible and trustworthy brand as well as its influence within the industry.

On the occasion of the fifth Machinery Industry Memorial Day, SINOMACH officially released its *2023 Social Responsibility Report* at the event.

Honor

2023 SINOMACH Social Responsibility Report was honored

with the GoldenBee Excellent Corporate Sustainability Report 2024 • Three-Star Evergreen Award

ESG management of controlled listed companies

SINOMACH has integrated ESG work into its overall CSR management, covering organizational leadership, institutional mechanisms, and communication strategies, proactively seizing opportunities and addressing challenges brought by ESG development. The Group has promoted the ESG disclosure among its listed subsidiaries. As a result, all 11 controlled listed companies publishing ESG reports, achieving full coverage.

2024 ESG reports of controlled listed companies

Material ESG Topics Management

We continue to improve the process of identifying, evaluating, and analyzing material CSR topics. Based on the general trends in global sustainable development and the development plan of the Group as well as the expectations and demands of stakeholders, we select SINOMACH's 2024 material ESG topics from the two perspectives of "importance to SINOMACH's sustainable development" and "importance to stakeholders".

Topic identification

Based on the principles of "sustainability context" and "stakeholder inclusiveness" and taking consideration of national policies, characteristics of the industry, domestic and international social responsibility standards and the reality of the Group, we identify material ESG topics that have significant impact on the sustainable development of SINOMACH.

Topic review

Reviewing material topics both internally and externally:

> Reviewed by the Board and the Committee

> Reviewed by all functional departments and subsidiaries

> Reviewed by external agencies

Continuous improvements

Continuously improving the material topics based on previous review:

> Setting new performance goals

> Initiating new projects

> Communicating with stakeholders

Procedure for identifying material ESG topics of SINOMACH in 2024

List of material ESG topics of SINOMACH

Economical

> Deepening reform
> Sound management
> Corporate governance
> Risk management
> Serving national strategies
> Work safety
> Technological innovation
> Industry leadership
> International operation
> Product quality and services

Environmental

> Contributing to carbon peaking and carbon neutrality
> Green management
> Green and low-carbon development
> Green office
> Environmental charity
> Biodiversity conservation

Social

> Industry development
> Partnership
> Employee development
> Public welfare
> Common prosperity
> Community co-development
> Philanthropy
> Overseas CSR fulfillment

Stakeholder Engagement

Bearing in mind the expectations and demands of stakeholders, we strive to expand and enrich the communication channels and participation methods of stakeholders and improve our business transparency.

Key stakeholders	Expectations and demands	Ways of communication and participation
Government agencies	• Supporting macro-regulation • Serving rural vitalization • Paying taxes according to law • Driving local economic development	• High-level meetings • Communications and exchanges • Information reporting • Conferences participation
The SASAC	• Operational compliance • Value maintenance and appreciation of assets • Work safety	• Featured report • Information reporting • Conferences participation • Company announcement
Communities, the Public and NGOs	• Improving community environment • Respecting community culture • Supporting philanthropy	• Community publicity • Community communication meetings • Seminars
Customers	• Honoring commitments • Quality products and services • Unblocked communication and service channels	• Business meeting • Service hotlines • Business visits
Employees	• Occupational health and safety protection • Shared growth • Compensation and benefits guarantee • Humanistic care • Employee localization	• Worker's Congress • Petition • SINOMACH News • Social responsibility report • Chairman mailbox
Environment	• Energy conservation and emissions reduction • Ecological protection • Environmental charity • Serving China's goals of carbon peaking and carbon neutrality	• Strengthening information disclosure • Regularly reporting energy-saving and emission-reduction information to regulatory authorities
Suppliers/ Contractors	• Fair competition • Integrity and honesty • Information confidentiality	• Supplier conference • Bidding information disclosure • Strategic cooperation • Cooperation agreement
Partners	• Regular communication • Long- term stable relationship	• High-level visits • Strategic cooperation
Peers	• Fair competition • Promoting industrial development	• Enhancing communication within peers • Attending industrial forums and meetings • Launching study tours and paying exchange visit
Media	• Information disclosure and transparency	• SINOMACH's official website • WeChat official account of SINOMACH • Social responsibility report • Company announcement • Interview • Press conference

Harnessing SINOMACH's Strengths to Serve National Needs and Taking Bold Action in Advancing New Industrialization

Actively driving forward the development of new industrialization is both the country's most fundamental interests and a central task for state-owned enterprises (SOEs) in the new journey of the new era. As a witness, participant, and contributor to this transformation, SINOMACH embraces its mission and responsibility, driving the in-depth implementation of the "Eight Major Projects".

In recent years, China has celebrated a steady stream of breakthroughs in major innovations, flagship projects, and critical infrastructure. SINOMACH's expertise has been deeply embedded in many of these landmark achievements. For example, we developed a series of high-performance aerospace forgings for the C919 passenger jet, which are deployed in core components such as wings and landing gears, ensuring the self-developed and controllable critical systems. We designed and produced the world's first 26MW offshore wind turbine main bearing and gearbox bearing, achieving full self-reliance and control over the entire range of high-capacity wind turbine bearings. We delivered the domestically manufactured maximum power (450 HP) continuously variable transmission (CVT) model, DongFangHong LW4504 tractor. We engineered aerospace-grade special bearings applied in the Chang'e-6 lunar mission drill, providing crucial support for the world's first successful sample return from the far side of the moon. We produced China's first domestically built 260MPa ultra-high-pressure polyethylene reactor, closing a long-standing domestic technology gap. We developed thinning and edge-grinding wheels for processing third-generation semiconductor materials of silicon carbide (SiC), offering efficient, precision, and high-volume manufacturing solutions for SiC wafers.

Upholding the ethos of "not claiming credit but always making sure to contribute our share to the success of the cause", we have consistently delivered results of enduring value. We play an irreplaceable role in industrial fundamental research, critical and major equipment, core components, specialized and sophisticated technologies, industrial and supply chain services, as well as engineering design and factory construction. We strive to make a distinct SINOMACH contribution to strengthening industrial and supply chains, particularly in advancing the development of a modern industrial system.

Major progress on the "Eight Major Projects"

Enhancing industrial foundation. We increased R&D investment and optimized its allocation, initiating 71 major scientific and technological projects across the Group. We also advanced the high-quality implementation of key national projects, including the development of China's first 63-meganewton titanium alloy extrusion production line, the largest of its kind domestically, and a series of high-efficiency ultra-precision machining tools that meet international advanced standards. We continued to strengthen our foundational technical service capabilities: two national quality standard laboratories in smart home appliances and functional materials for instrumentation were submitted and passed preliminary review, and a "Superhard Materials and Products" platform proposed by our subsidiary was approved as a National Technical Innovation Center by the State Administration for Market Regulation.

Achieving breakthroughs in major technical equipment. The Components Consortium successfully passed the SASAC's first-cycle construction and operation assessment, completed the formulation, submission, and defense of its follow-up construction plan, and was set to establish additional collaborative platforms for breakthroughs in castings, forgings, and pressure vessels. Demonstrating strong momentum, the consortium achieved a series of notable outcomes, including a prototype of a new high-pressure, low-noise canned motor pumps; the world's first 26MW offshore wind turbine main bearing and a full series of gearbox bearings; low-permeability, high-humidity and corrosion-resistant rubber seals for GIS equipment; and a prototype nuclear-grade high-temperature pressure sensor.

Building a sci-tech innovation system. We vigorously advanced the construction of strategic scientific research platforms, completing evaluations for 6 state key laboratories and 17 national-level R&D platforms under the Group. Efforts were made to promote the development of high-altitude laboratories, and further refined the construction plan for the National Innovation Center for Basic Components of General Machinery. The 2024 annual progress meeting on the High-Performance Special Bearings and Advanced Sealing Technology Innovation Center and the "Two Committees" meeting were convened. We intensified efforts to develop and nurture original technology hubs. 2 hubs in components and agricultural machinery successfully passed the mid-term evaluation by the SASAC, while the hydrogen energy hub was approved as a part of the SASAC's new key support directions. These technology hubs have produced significant outcomes, including ultra-high-pressure reactors over 260 MPa, ultra-high-pressure catalyst feed pumps, TRB spindle bearings, 320-hp power-shift tractors, 660-hp large-scale forage harvesters, intelligent high-speed rice transplanters, 6-rope large square balers, and 50–80 hp hilly-terrain tractors. We independently developed multi-functional continuous casting machines, cultivating industrial mother machine technology hubs.

Developing leadership in modern industrial chain. We focused on four key links of supply chains i.e. consolidating the foundation, addressing technological gaps, enhancing integration, and optimizing development, in the implementation of "Ten Major Projects", delivering 28 specific tasks, and 102 targeted measures. We continuously refined the agricultural machinery technology roadmap, tackled core and critical technologies, and filled gaps in high-end intelligent equipment. To promote industrial chain collaboration, we fostered clusters of specialized and sophisticated enterprises. By the end of 2024, 82 suppliers had been approved as "Specialized and Sophisticated Enterprises", "Little Giants," or "Single Champion" enterprises, and 212 suppliers received support to improve quality control and process management capabilities. Leveraging integration to drive development, we successfully hosted the Agricultural Machinery Industry Chain Integration and Development Forum, with nearly 200 participating organizations, continuously expanding the industry's influence.

Fostering gradient development of leading specialized enterprises. Focusing on strengthening industrial fundamentals and advancing major technical equipment, we actively fostered a three-tiered cluster of leading specialized enterprises: Tier 1-specialized and sophisticated SMEs; Tier 2-national specialized and sophisticated "Little Giants" enterprises; and Tier 3-"Single Champion" manufacturers and world-class professional leading demonstration enterprises. By the end of 2024, we had developed 99 leading enterprises across all tiers, an increase of 11 from 2023. This included 8 national-level "Single Champion" manufacturers, ranking eighth among central SOEs, and 4 newly recognized national-level specialized and sophisticated "Little Giants". Enterprises in Tiers 2 and 3 totaled 38, accounting for 38.78% of the Group's leading enterprise portfolio.

Ensuring security of industrial and supply chains. We continuously enhanced our supply chain service capabilities in alignment with the Group's core businesses and national strategic priorities. In 2024, the Group exported mechanical and electrical equipment worth USD 2.05 billion and imported USD 4.65 billion, effectively ensuring the security and stability of the relevant industrial and supply chains. Leveraging the role of exhibitions as vital platforms and communication bridges, we improved collaborative efficiency and promoted smooth dual circulation through major events such as the 7th China International Import Expo, the 135th and 136th China Import and Export Fairs, the 2nd China International Supply Chain Expo, the 21st China-ASEAN Expo, the 2024 World Manufacturing Convention, the 2024 China International Agricultural Machinery Exhibition, and the 2024 Equipment Manufacturing Forum, thereby facilitating the smooth flow of the "dual circulation" strategy.

Transforming toward digital, networked, intelligent, and green development. With strengthened top-level design, we convened the briefing for the *Special Implementation Plan of SINOMACH for Digital Transformation Actions* to coordinate the advancement of informatization and digital transformation efforts. We advanced the construction of the "One Center and Three Platforms", enhancing unified construction and management. We had been expanding the provision of intelligent manufacturing system solutions, contributing "SINOMACH solutions" to support new-type industrialization and the strategy of building a manufacturing powerhouse, while steadily advancing the application of digital scenarios and cultivating high-quality digital engineering projects. Key digital platforms were launched, including the National Agricultural Machinery Operation Command and Dispatch Platform, "Agricultural Machinery Cloud 2.0", and the "Machinery Equipment Industry Cloud", promoting industrial model innovation.

Improving industrial engineering design. By leveraging international engineering projects, we promoted the going global of Chinese design standards and advanced the internationalization of "SINOMACH Design". The establishment of the "SINOMACH Intelligent Manufacturing System Integration Collaborative Innovation Alliance" was underway, with the Alliance's inaugural conference and the "AI+" seminar successfully convened. We continued to develop exemplary pilot projects and benchmark engineering achievements in key industries. Additionally, we worked to drive business synergy and deepen the construction of regional hubs, capitalizing on engineering companies' overseas market resources and channels to spearhead the expansion of the equipment manufacturing industry into global markets.

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Advancing with Resolve to Consolidate the Foundations of High-Quality Development

SINOMACH has resolutely implemented the important instructions of General Secretary Xi Jinping. The Group actively fulfills the "three roles" and strives to be the "pacesetter in implementing the new development philosophy, innovation-driven development, and major national strategies", fully practicing the new development philosophy, deepening reform innovation, and continuously unleashing strong growth drivers for value creation. By steadily improving its modern governance system, SINOMACH has stood firm and progressed with confidence amid the tides of the times, providing solid support for advancing new industrialization and achieving high-quality development.

Contributions to UN SDGs:

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Rated level **A** in the 2024 performance assessment of central SOE executives

Rated level **A** in the 2022–2024 term performance assessment of central SOE executives

Total assets	Revenue	Total profits
RMB **329.6** billion	RMB **311.4** billion	RMB **8** billion

Advancing Reform and Tackling Challenges to Energize Development

SINOMACH has strengthened top-level planning for reform and development, steadily advanced the initiative to deepen reform and realize management improvement, and vigorously implemented its brand-led strategy. The Company continues to enhance modern corporate governance and value-creation capabilities, effectively promoting high-quality and sustainable development of enterprises.

Deepening reform innovation

SINOMACH remains firm in its reform confidence and precise in its reform direction. The Group has issued the *Implementation Guidelines on Further Deepening Reform* and refined its action plans and work trackers for the initiative to deepen reform, driving reform initiatives forward in a steady and well-structured manner.

SINOMACH was rated **level A** in both the 2024 and the 2022–2024 term performance assessment of central SOE executives.

10 "Science and Technology Reform Demonstration Enterprises" and "Double Hundred Enterprises" were all rated "**benchmarking**" or "**excellent**" in the special assessment by the SASAC in 2024.

Streamlining and improving operations

A special work promotion meeting on the initiative to deepen reform was held to continuously strengthen the management of legal entities, consolidate foundational property rights data, and drive the battle for a leaner and more robust organizational structure, thereby enhancing the Group's operational quality and efficiency. In 2024, the total number of legal entities at all levels of SINOMACH was reduced to 920, and the corporate hierarchy was streamlined from eight to six levels.

Deepening market-oriented operational reforms

The Group reinforces the scientific and challenging nature of contractual targets for management team members at all levels, ensuring strict assessment and fulfillment of contracts. Efforts are strengthened in competitive recruitment, adjustment of underperforming personnel, and the removal of those deemed unfit. Income distribution mechanisms are implemented according to the principles of precision and standardization.

Advancing specialized reforms

SINOMACH has advanced specialized reform initiatives such as "Science and Technology Reform Demonstration Enterprises" and the "Double Hundred Enterprises" initiatives, with continued efforts to strengthen R&D investment management, establish a scientific and effective remuneration and incentive system, improve evaluation for researchers and scientific achievements, and enhance systems for technology commercialization and intellectual property protection.

Striving to build a first-class SINOMACH

SINOMACH has accelerated the implementation of benchmarking against world-class management standards, highlighting the practical application of benchmarking outcomes. The initiative prioritizes addressing gaps and weaknesses, consolidating foundational strengths, and leveraging core advantages. The Group has successfully completed its value creation action task with high quality, demonstrating its commitment to advancing Chinese path to modernization and promoting the development of new industrialization.

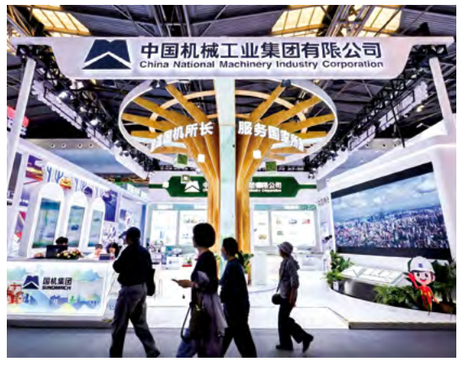
Driving brand leadership

SINOMACH has formulated the *SINOMACH Brand Leadership Action Implementation Plan*, establishing the "12355" brand strategy system and organizing specialized training programs to elevate the Group's brand-building capabilities. The Group continues to strengthen its brand soft power by actively developing compelling brand narratives and crystallizing brand values. Through multi-dimensional storytelling, the "SINOMACH brand story" is showcased on high-profile platforms such as the "China Brand Day" events and the China Brand Expo, accelerating the international recognition and influence of the SINOMACH brand.

Case | **"Dongfanghong" selected as one of the first outstanding achievements in the Central SOE Brand Leadership Initiative**

On May 11, 2024, the China Brand Development Conference State-Owned Assets and Enterprises Brand Building Meeting, hosted by the SASAC, was held, during which the first batch of outstanding achievements under the Central SOE Brand Leadership Initiative was officially announced. SINOMACH's "Dongfanghong" brand was showcased as one of 20 exemplary product brands. The inception of China's tractor industry is marked by the birth of the "Dongfanghong" tractor. Since 1958, "Dongfanghong" products have cumulatively delivered more than 3.7 million tractors and over 3.2 million power machinery units to society. The brand has continually achieved major breakthroughs in power-shift, continuously variable transmission, hybrid tractors, and high-capacity combine harvesters, making significant contributions to safeguarding national food security.

Scan the QR code to watch Zhang Xiaolun, Chairman of SINOMACH, on the *Dialogue* program of China Central Radio and Television, where he shares insights on "The Industrial Code of the Equipment Manufacturing Industry".



SINOMACH showcased at the 2024 China Brand Expo under the exhibition theme "Green Vision, Innovative Future".

Honors

SINOMACH's "Dongfanghong" was selected as one of the 20 outstanding product brands in the first batch of

exemplary achievements under the Central SOE Brand Leadership Initiative.

Forging "Three Forces" to Play A Vital Role In New Industrialization was included

in the *Towards World-Class Enterprises: Central SOEs' Practices in Building a Strong Brand Nation*, jointly compiled by the *CPPCC Daily* and the SASAC News Center.

Ensuring Steady and Sustainable Development through Modern Governance

SINOMACH continuously enhances corporate governance by strengthening risk management, legal compliance, and integrity-based operational systems, ultimately providing a solid institutional foundation to support the advancement of new industrialization.

Standardizing corporate governance

In accordance with China's *Company Law* and the *Enterprise State-owned Assets Law*, SINOMACH consistently improves its modern enterprise system with Chinese characteristics. The Group strengthens corporate governance, continuously improves the Group's decision-making system on major decisions, important personnel appointments and removals, major project arrangements, and large-scale financial operations, and clearly defines the boundaries of responsibilities and authorities among governance entities to ensure that all entities have statutory and transparent powers and responsibilities, coordinated operation, and effective balances.

Powers and responsibilities of governance entities

The SASAC, as the body responsible for exercising the rights of state investors, acts on behalf of the State Council in accordance with relevant laws, administrative regulations, and authorizations from the State Council, and exercises the rights and interests of the state as an investor in the company.

The Board of Directors serves as the Company's decision-making body for operations, responsible for strategy formulation, decision-making, and risk prevention, exercising its duties in accordance with laws, regulations, and the Company's Articles of Association.

The management team functions as the Company's executive body, responsible for operational planning, implementation, and management enhancement.

Annual work overview of the Board of Directors

The Board of Directors has four specialized committees:

- the Strategy and Investment Committee
- Nomination Committee
- Compensation and Assessment Committee
- Audit and Risk Committee

In 2024, the Board held 12 meetings, during which it reviewed 39 proposals, received 13 reports, and conducted 1 study session. Additionally, the Board's specialized committees convened 15 meetings, and 9 dedicated communication sessions with external directors were held. The Board of Directors deliberates on a broad range of matters within its authority, including financial budgeting and final accounts, major investment and financing decisions, profit distribution, internal restructuring, asset disposal, internal control and risk management, and fundamental management systems.

2024 Collective Investor Communication Event for Listed Companies

Strengthening risk management

SINOMACH advances the integrated development of internal control, risk management, and compliance, implementing an "early detection, early reporting, early warning, and early resolution" risk prevention mechanism to further enhance the effectiveness of its risk management framework.

Risk management measures

Integration of management manuals. SINOMACH has issued the *Integrated Internal Control, Risk Management, and Compliance Manual for Domestic and Overseas Engineering Contracting* and the *Integrated Internal Control, Risk Management, and Compliance Manual for Trading Operations*. These manuals embed key risk management and compliance requirements into business internal control processes, ensuring full-process risk management.

Establishment of risk management mechanisms. Leveraging its "monthly early-warning, quarterly monitoring, and annual assessment" risk management mechanism, SINOMACH has institutionalized monthly risk alerts and issues the *Legal, Compliance, and Risk Advisory Bulletin*. Quarterly risk reports are prepared to strengthen the dynamic monitoring of key risk indicators. On an annual basis, SINOMACH conducts comprehensive forecasting and assessment of major risks, including systematic evaluation, quantitative analysis, and prioritization. A dedicated risk management responsibility register is maintained to ensure accountability and to prevent localized risks from escalating, spreading, or transmitting across the organization.

Strengthening risk prevention and control in overseas operations. SINOMACH promotes lawful and compliant operations abroad and has issued the *SINOMACH Overseas Integrity and Compliance Guidelines* to effectively prevent and mitigate overseas compliance risks. The Group carries out targeted inspections and alerts in key overseas business areas, conducts forward-looking research and early warnings on major overseas risk events, and provides compliance recommendations to relevant enterprises. These measures help enhance compliance awareness and prevent regulatory violations and penalties.

Coordinating integrated supervision and evaluation of internal control, risk management, and compliance. SINOMACH has integrated the inspection and evaluation of internal control, risk management and compliance, with a strong focus on improving the quality and effectiveness of evaluations. The Group is committed to achieving full coverage of the supervision and evaluation for its internal control system within a three-year cycle.

Enhancing informatization of internal control, risk management, and compliance supervision. SINOMACH has developed a Group-wide legal, risk and compliance information system, enabling the digital and intelligent transformation of its legal and risk management functions.

Upholding operational compliance

SINOMACH continues to advance law-based governance by strengthening the responsibilities and institutional framework for law-based management across all subsidiaries. The Group works to improve its compliance management system, reinforce legal and compliance reviews, and build stronger capabilities for compliant operations. At the same time, SINOMACH promotes awareness of legal and compliance practices through extensive education and outreach, fostering a strong culture of lawfulness and compliance that serves as a guiding beacon for the Group's lawful and compliant development.

Measures

Improving mechanisms

SINOMACH ensures that each of our subsidiaries appoints a Chief Compliance Officer (CCO) where necessary, and promotes the active involvement of senior leaders in fulfilling their responsibilities as key organizers, promoters, and implementers of legal governance. Leaders at all levels are expected to lead by example in adhering to legal principles. The Group also encourages subsidiaries to align their internal governance structures with the Group's regulatory framework, fostering the development and improvement of their own tiered and categorized systems.

Strengthening audits

SINOMACH focuses on proactively addressing legal risk prevention by moving critical risk control points upstream. The Group actively provides legal reviews and consulting services for major risk management, investments, mergers and acquisitions, and asset disposals. The Compliance Review Committee is organized at both the Group and subsidiary levels to conduct legal and compliance assessments of significant decision-making processes. This approach strengthens the effective identification, proactive prevention, and root cause management of major compliance risks.

Raising awareness

SINOMACH prepares and issues the *Decoding Risk-A Compilation of Legal, Risk Management and Accountability Cases of SINOMACH*, and promotes the *SINOMACH Integrated Internal Control, Risk Management, and Compliance Manual for Domestic and Overseas Engineering Contracting Business* and the *Regulations on Disciplinary Actions for Managers of State-Owned Enterprises*, aiming to strengthen employees' compliance awareness.

Sessions of the SINOMACH Legal & Risk Management Lecture	Sessions of Central SOE Lecture: interpretation of the new company law	Participants trained
2	2	2,000+

Practicing business integrity

SINOMACH focuses on strengthening the development and management of its integrity-based business philosophy as a core approach, laying a solid foundation of business ethics. By driving better protection and utilization of intellectual property, the Company safeguards its innovation-driven development. Adhering to anti-unfair competition principles, SINOMACH maintains a fair market order, comprehensively stimulating innovation and development within the industry.

Intellectual property protection

SINOMACH strictly adheres to relevant laws and regulations, including the *Patent Law, Trademark Law*, and *Copyright Law*, as well as *SINOMACH Intellectual Property Management Measures*. The Company standardizes intellectual property practices and strengthens the creation, application, management, and protection of intellectual property. With a strong emphasis on intellectual property strategy, SINOMACH continues to increase investment in R&D, enhancing its capacity for independent innovation. In key areas such as core technologies and critical equipment, SINOMACH actively pursues patent applications, trademark registrations, and copyright filings, while also managing renewals. This has resulted in a series of innovative achievements with proprietary intellectual property. At the same time, the Company conducts thorough checks for trademark violations and unauthorized usage, enhancing compliance management for trademark licensing. We also strengthen guidance and oversight of intellectual property-related cases in subsidiaries, supporting the creation of a favorable intellectual property ecosystem.

Anti-unfair competition

SINOMACH strictly complies with China's *Anti-Unfair Competition Law, Anti-Monopoly Law*, and other relevant laws and internal management systems. In its interactions with competitors, suppliers, and other stakeholders, the Company upholds principles of fair, just, and transparent market competition. SINOMACH firmly opposes practices such as commercial bribery, false advertising, and malicious defamation, striving to maintain a fair competitive market order. In 2024, the Company has not faced any lawsuits or significant administrative penalties due to unfair competition practices.

02

Leading with Innovation to Forge Ahead on the Journey of New Industrialization

SINOMACH has implemented multiple measures to strengthen its core functions and enhance overall competitiveness. Focusing on making "SINOMACH-made" products more advanced, intelligent, and green, we are consolidating and optimizing our advanced equipment manufacturing business, continuously driving technological innovation to support high-level scientific and technological self-reliance. At the same time, we actively expand our presence in strategic emerging industries, cultivate new advantages and growth drivers, promote high-quality Belt and Road cooperation, and steadily enhance international capacity cooperation and integrated supply chain support, paving a smoother path toward new-type industrialization.

Contribution to UN SDGs:

Academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering

5

State Key Laboratories

6

State Scientific and Technological Progress Awards

4

Integrating High-End Intelligence to Drive Key Equipment Development

SINOMACH deeply embraces the new connotations and requirements of advancing new industrialization. Focusing on the high-end, intelligent, and green development of the equipment manufacturing industry, the Company works to enhance China's self-reliance in equipment manufacturing. Specifically, we promote the deep integration of next-generation information technologies across the entire manufacturing process and all production elements, with the aim to strengthen heavy equipment manufacturing, refine agricultural machinery, expand the textile industry, and optimize forestry and geological equipment. Our goal is to serve the development of the manufacturing and agricultural powerhouse.

Heavy equipment: equipment of strategic importance forges the backbone of industry

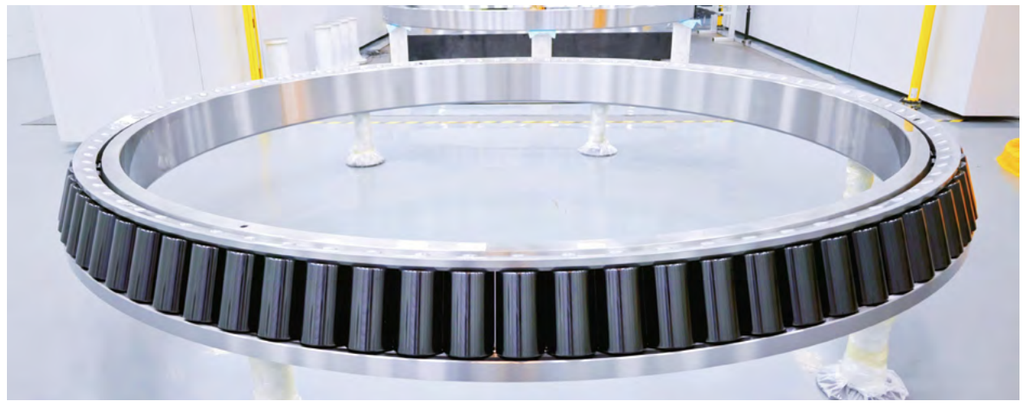
In the metallurgy, energy, petrochemicals, and other key sectors, SINOMACH strengthens R&D of critical core technologies for major technical equipment. We continue to enhance extreme manufacturing capabilities and intelligence levels, promote green development of major equipment, and accelerate the development of clean energy equipment. Our proactive engagement in advancing new industrialization will safeguard the security of the national industrial chain.

Case | The world's largest FB2 intermediate-pressure rotor developed and delivered

Erzhong (Deyang) Heavy Equipment Co.,Ltd.(EHEC), a subsidiary of SINOMACH, successfully developed and delivered the first domestically manufactured FB2 intermediate-pressure (IP) rotor of the world's largest grade. This achievement marks the Group's breakthrough in mastering the full-process critical core technologies for IP rotor forgings of ultra-super-critical units at the gigawatt level, achieving complete import substitution for the full series of FB2 rotor forgings. The FB2 IP rotor is a key component for today's highest commercial operation temperature class of 1,000 MW ultra-supercritical units. Weighing over 50 tons with a diameter exceeding 1,200 mm, it is currently one of the heaviest and largest martensitic heat-resistant steel rotor forgings in the world. It will be used in a 1,000 MW, 620° C ultra-supercritical secondary reheating unit, significantly accelerating the domestic application of FB2 rotor technology and carrying profound practical significance and long-term impact.

FB2 Intermediate-pressure rotor

EHEC successfully developed and delivered the world's first 500MW impact hydropower unit spherical valve casting. This component will be used in the 500 MW impact hydropower unit of the Zara Hydropower Station, the first major technical equipment project in China's national energy sector developed by Dongfang Electric Machinery Co., Ltd. The development of this spherical valve casting fills a critical technological gap in China's large-scale impact hydropower units and holds significant importance for future state key hydropower projects, contributing directly to the achievement of China's "carbon peaking and carbon neutrality" goals.



Luoyang Bearing Research Institute Co., Ltd. successfully developed the world's first 26 MW-class wind turbine main shaft and gearbox bearings. This milestone signifies that China's large-capacity wind turbine bearing technology has reached a world-leading level and contributed to the generator being recognized as one of the "Top Ten National Key Equipment of Strategic Importance of Central SOEs in 2024" by the SASAC.

Leader of the modern high-end agricultural machinery industry chain: safeguarding China's food security

To "enhance agricultural machinery capabilities and safeguard national food security", we actively fulfill our role as the "chain leader" of the modern high-end agricultural machinery industry. We build the original technology hub at a faster pace, implement three major initiatives to build up strength in agricultural machinery equipment, and continuously strengthen strategic resource security across the industry and supply chain, thereby promoting the comprehensive, full-process, and high-quality development of agricultural mechanization.

SINOMACH, in collaboration with the China Federation of Industrial Economics, the China Agricultural Machinery Distribution Association, the China Association of Agricultural Mechanization, and the China Association of Agricultural Machinery Manufacturers, held the 2024 Agricultural Machinery Industry Chain Integration and Development Forum in Changsha, Hunan. The event served as a high-level platform for open collaboration and mutual benefit, fostering in-depth discussions on the strategic direction, pathways, and enabling mechanisms for developing new quality productive forces in the agricultural machinery sector, with a shared commitment to advancing agricultural mechanization and the high-quality development of the agricultural machinery industry.

FIRST TRACTOR Company Limited successfully trial-produced the domestically manufactured maximum power (450 HP) continuously variable transmission (CVT) model, DongFangHong LW4504 tractor. This model eliminates the need for traditional mechanical gear shifting, enabling the operator to simply press the accelerator while the system automatically adjusts to deliver optimal performance, significantly reducing labor intensity.

CFMC, in partnership with Nanjing Forestry University under an "enterprise + university" joint innovation model, successfully developed China's first self-propelled intelligent walnut harvester. This breakthrough not only fills the domestic gap in self-propelled walnut harvesting machinery, but also ends the long-standing dominance of foreign brands in the high-end walnut harvester market.

Textile equipment: green and intelligent manufacturing reshapes the industry

We leverage the three-year revitalization initiative for the textile machinery sector to advance equipment R&D, enhance product quality, and drive the high-end, intelligent, and green development of textile machinery.

Case | Successful trial production of the world's largest Lyocell film evaporator

The world's largest-capacity Lyocell film evaporator, developed and produced by ZFJ Textile Machinery Co., Ltd. under SINOMACH, has successfully completed trial production and rolled off the line, marking another leap in new quality productive forces of the green fiber and a breakthrough in green production capacity. In the field of high-speed winding head technology, the company achieved key technological breakthroughs in the 1,800 mm long spindle shaft with small-diameter POY chuck and precision winding formation software, reaching an unwinding rate of over 93%. This accomplishment fills a domestic technology gap and meets international advanced standards.

Lyocell film evaporator

Honors

The "Single-Line, Single-Kettle 50,000 t/a Lyocell Fiber Complete Equipment and Process" developed by Hi-tech Heavy Industry Co., Ltd.

was awarded the First Prize of the 2024 CNTAC Science and Technology Progress Award

Honors

The "Ring Spinning Frame Automatic Splicing Robot and Collaborative Intelligent System", jointly developed with participation from Jingwei Textile Machinery Co.,Ltd.,

was awarded the First Prize of the 2024 CNTAC Science and Technology Progress Award

Geological equipment: precision exploration empowers resource development

We have intensified efforts in technological R&D and institutional reform, continuously enhancing the capabilities of geological equipment.

The ZJ50DB/XD70DB automated deep drilling rig, jointly developed by China Geological Equipment Group Co., Ltd. (CGEG) and other parties through collaborative innovation, has successfully passed acceptance testing. This achievement marks the successful development of China's first set of deep drilling equipment capable of meeting multiple application needs, including standardized oil and gas drilling to depths of 5,000 meters, new energy drilling, and core sampling to depths of 7,000 meters, adding a powerful tool for China's drive to explore the Earth's deep resources.

Instruments and meters: precision measurement and control supports advanced manufacturing

We actively expand our presence in fields including industrial automation instruments, sensors and sensing elements, intelligent instruments and meters, optical instruments, testing machines, and geological instruments. This effort has help us progressively build a strategically autonomous and controllable industrial support system that continuously fuels the development of China's instrumentation sector. In 2024, three subsidiaries of SINOMACH were recognized for their achievements in the instrumentation sector and were included in the eighth batch of national-level single-product champion enterprises by the Ministry of Industry and Information Technology.

Company Name	Flagship Products
Sinotest Equipment	High-temperature, long-duration creep-fatigue testing machine
China National Heavy Machinery Research Institute Co.,Ltd.	Specialized temperature sensors
Shenyang Academy of Instrumentation Science Co., Ltd.	Precision optical filters for biomedical applications

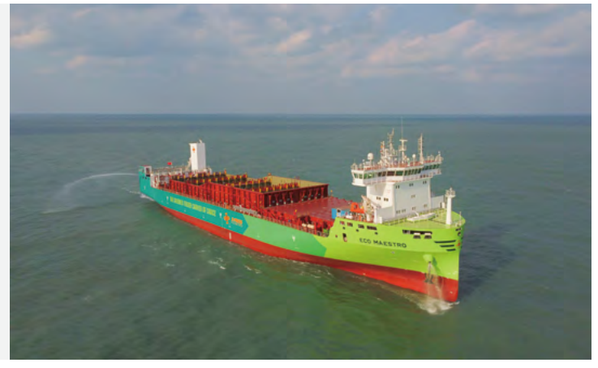
Precision optical filters for biomedical applications

Other advanced equipment

SINOMACH-PI has successfully completed testing of its meticulously engineered 6×95 MN six-sided press, which will be rolled out to the market in phases. The press offers a pressure capacity of 100 MPa, a single-cylinder thrust of 95 MN, and a cylinder diameter of Φ1,100 mm, currently the largest known single-cylinder thrust for a six-sided press in China. Six-sided presses are critical for synthesizing superhard materials such as synthetic diamond and cubic boron nitride. The successful development of this 6×95 MN cast six-sided press will not only help diamond manufacturers reduce costs, improve efficiency, and enhance product value, but will also significantly contribute to increasing diamond production.

SINOMACH-HE has independently developed the world's first RCC-M standard forged pump casing for the Hualong One main pump, closing the gap in RCC-M standard forged pump casing manufacturing. The RCC-M standard, established by the French Society for Design and Construction rules for Nuclear Island Components (AFCEN), governs the design and construction of mechanical equipment for French pressurized water reactor (PWR) nuclear power plants and has been adopted by the French government. The forged pump casing has successfully obtained the M140 certification from the Nuclear Equipment Product Technical Appraisal Center of the Nuclear Power Institute of China. It will be used in a full-flow test rig for nuclear power projects, and the associated technological achievements will be applied to the development of additional nuclear power equipment, providing strong support for the construction of national nuclear power engineering projects.

SUMEC Marine, a subsidiary of SINOMACH, has successfully delivered China's first domestically built 950 TEU methanol dual-fuel feeder container ship, ECO MAESTRO. This milestone marks significant progress for SUMEC Marine in diversifying beyond its established bulk carrier market to the research, development, and expansion of high value-added vessel types. It also represents an important step in the SUMEC Marine's commitment to focusing on new industrialization and high-end equipment manufacturing, driving the development of new quality productive forces.



Consolidating Science and Technology Foundations to Lead the Machinery Industry

President Xi Jinping has stressed that the core of manufacturing lies in innovation and in mastering critical technologies. Guided by the principle that "we must regard science and technology as our primary productive force, talent as our primary resource, and innovation as our primary driver of growth", SINOMACH is building the original technology hub and intensifying efforts to overcome key technological bottlenecks. We are driving deeper integration of technological innovation with talent development, and of technological breakthroughs with industrial advancement. We continue to build strategic technological strength while striving to enhance our influence in shaping global standards.

Consolidating the research foundations of the equipment manufacturing industry

We regard innovation as the fundamental driving force of new industrialization and are fully implementing an innovation-driven development strategy. We are building state key laboratories to the highest standards, advancing the development of national-level research platforms with high quality, and actively fostering the original technology hub. By establishing innovation alliance and continuously improving the deeply integrated industry-university-research innovation system, we are building strategic technology capabilities that support high-level self-reliance and self-strengthening in science and technology. We also take an active role in the development of national talent hubs and platforms for attracting and gathering top professionals, laying a solid talent foundation for fulfilling our role as a mainstay in advancing new industrialization.

Strengthening top-level planning for technological innovation

We issued the 2024 SINOMACH Technological Innovation Priorities, SINOMACH Three-Year Action Plan for Technological Innovation, and SINOMACH Work Plan for Accelerating the Development of New Quality Productive Forces Through Technological Innovation. We convened the 2024 SINOMACH Science and Technology Conference to launch research on the technological innovation plan for the "15th Five-Year" period, systematically plan development objectives, and identify key areas for focused technological breakthroughs.

Advancing the development of high-level innovation platforms

We enhance the high-quality operation of six state key laboratories and other national-level R&D platforms, while advancing the development and operation of the Plateau Laboratory and the National Innovation Center for Basic Components of General Machinery. The "Superhard Materials and Products" platform has been approved as a National Technical Innovation Center by the State Administration for Market Regulation, and the Components Alliance has successfully passed the SASAC's first-cycle construction and operation assessment.

Enhancing talent incentives

Combining project-driven initiatives with stronger innovation incentives, we accelerate talent development and bolstered our talent pool. Selection and recognition of the SINOMACH Science and Technology Awards, Outstanding Patent Awards, Outstanding Standard Awards, and Outstanding Journal Awards are organized, granting 34 science and technology awards, 27 outstanding patent awards, 19 outstanding standard awards, and 22 outstanding journal awards. We also carry out talent recommendations, expert evaluations and commendations, and the development of expert teams, further stimulating innovation vitality among our sci-tech professionals.

SINOMACH's national-level research and service platforms

State Key Laboratories
6

National Engineering Research Centers (Engineering Laboratories)
10

National Engineering Technology Research Centers
7

National Manufacturing Innovation Centers
2

International Technological Cooperation Bases
5

National Enterprise Technology Centers
19

Postdoctoral Scientific Research Stations
32

National Quality Inspection and Testing Centers
26

International and National Standardization Committees
84

President Units of National Industrial and Technological Innovation Alliances
7

Professionals and technicians

Academicians of the Chinese Academy of Sciences and Chinese Academy of Engineering
5

National engineering survey & design experts
7

National leading technological talents
25

Experts receiving the special government allowance granted by the State Council
945

Various professionals and technicians
50,760

Hosting the 2024 SINOMACH Science and Technology Conference

Overcoming challenges in industrial foundation

Focusing on major national strategic needs, we conduct technology foresight, and guided by the Industrial Base Reconstruction and Major Technology Equipment R&D programs, we steer our subsidiaries in targeted technological research. Our efforts concentrate on overcoming weak-link technologies in the industrial foundation, promoting the continuous advancement of industrial technologies from mid- to high-end, and building strategic national science and technology capabilities.

R&D investment intensity
2.76%

R&D personnel
13,400+

Provincial and ministerial-level technological awards and above
200+

Patents granted
2,100+

Invention patents granted
1,000+

Active patents held as of the end of 2024
18,000+

Honor

In 2024, SINOMACH was recognized as an Outstanding Central SOE for Scientific and Technological Innovation.

Four scientific and technological achievements were awarded the Second Prize of the National Science and Technology Progress Awards.

- Design, Manufacturing, and Maintenance Technology for Long-Life Large-Scale Ethylene Cracking Reactors
- Key Technologies and Applications for High-Quality, High-Efficiency Abrasive Processing of Semiconductor Materials
- Key Technologies and Engineering Applications for Centrifugal Pumps under Complex and Variable Operating Conditions
- Key Preparation and Processing Technologies and Applications for High-Performance Copper and Precious Metal Wire Materials

Four scientific and technological innovation achievements were included in the *Product Manual of Scientific and Technological Innovation Achievements of Central State-Owned Enterprises (2023 Edition).*

- Strut-Type Overrunning Clutch for Aero-Propulsion System
- Welded Rotor Forgings for Conventional Island Steam Turbines in Nuclear Power Units
- Intelligent Control System for Round Bale Cotton Pickers
- 4MY-3A Round Bale Cotton Picker

2 technological achievements won the Special Award for Scientific and Technological Progress of the China Machinery Industry;

9 technological achievements were awarded the First Prize of the China Machinery Industry Science and Technology Awards;

23 technological achievements were awarded the Second Prize;

11 technological achievements were awarded the Third Prize.

- Key Technologies and Applications in the Development of Forged Main Pipes for Third-Generation Nuclear Power
- Steel Pipe Manufacturing Technologies and Complete Equipment for National Major Pipeline Projects

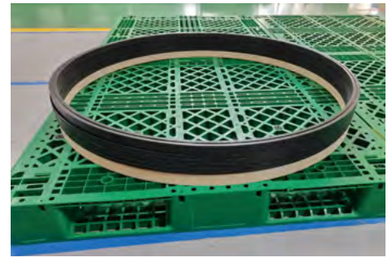
Case | Full-line hot load trial success of the 1,780mm hot strip mill project

The 1,780mm hot strip mill project at the Indonesian hot rolling plant, with China National Heavy Machinery Research Institute Co., Ltd.(SINO-HEAVYMACH) responsible for the electromechanical-hydraulic EPC contract and Erzhong (Deyang) Heavy Equipment Co., Ltd. handling electromechanical design and supply, has successfully completed a full-line hot load trial. During the trial, all equipment operated stably, and the steel coils exhibited excellent shape quality. Leveraging precise design, meticulous manufacturing, rigorous quality control, and dedicated service, the project integrated advanced equipment such as high-reliability, high-precision finishing mills and high-rigidity roughing mills, along with innovative technologies including the next-generation bending-crowning roll system and saturated-steam blow system for hot coil boxes. This resulted in a high-quality, high-performance, and highly stable hot strip production line capable of efficiently rolling up to 4.5 million tons per year of multiple grades of carbon steel and a variety of high-quality stainless steel products in a mixed production mode. The successful trial provides strong support for advancing the high-end, intelligent, and green development of metallurgical equipment.

Full-line hot load trial success of the 1,780mm hot strip mill project

Case | Supporting the hydraulic cylinders for the world's largest piling vessel to roll off the line

In response to the demanding requirements of piling vessels characterized by large sealing dimensions, harsh operating environments, and extended service life, Guangzhou Mechanical Engineering Research Institute Co., Ltd. innovated in both sealing structure design and manufacturing processes. The team overcame key technical challenges, including excessive sealing compression deformation, rapid aging, high water absorption, and low reliability. The result was the successful development of a new domestically produced V-ring sealing material capable of withstanding extreme working conditions. This breakthrough supported the hydraulic cylinders for the world's largest piling vessel to roll off the line successfully. It marks a major step forward in achieving localized substitution of critical components for ultra-large, heavy-duty hydraulic cylinders and securing independent control over core technologies.



Main hydraulic cylinder of the world's largest piling vessel

Case | China's first homegrown high-strength pickling line flying shear successfully commissioned

China's first homegrown high-strength pickling line flying shear project, part of the localization project, undertaken by SINO-HEAVYMACH has been successfully commissioned. The equipment, fully proprietary and independently developed, outperforms imported counterparts across all performance metrics. During implementation, the company focuses on meeting production specifications, improving steel plate shearing precision, and enhancing equipment reliability. Key improvements have been made to components such as the crankshaft bearing support assembly and the knife beam synchronization system, significantly boosting dynamic performance and reliability while extending the service life of both the shear blades and transmission components.

Successful commissioning of the high-strength pickling line flying shear localization project

Building an ecological matrix for the standard system of the equipment manufacturing industry

Leveraging our industry platforms and resource advantages, we actively participate in the formulation and revision of domestic and international standards. We continue to strengthen capabilities in standardization, testing, and certification, thereby enhancing the advancement and leadership of standards, and bolstering China's influence in the global industrial chain.

Standards formulated and revised

500+

Case | IEC international standard led by SINOMACH officially released

The IEC TS 63290:2024 ED1 Supplementary requirements for intelligent assemblies, an IEC international standard with Tianjin Research Institute of Electric Science Co., Ltd. as the lead formulator, has been officially released. This marks the first time China has proposed and taken the lead in formulating an IEC international standard in the field of low-voltage assemblies, breaking new ground for China in this field. The standard takes a forward-looking approach by introducing intelligent features into the IEC/SC121B low-voltage assembly field for the first time, significantly enhancing the global competitiveness of Chinese products and technologies in this field.

Case | International standards Rolling bearings-Test and assessment methods for cleanliness and Household and similar electrical rice cookers-Methods for measuring the performance led by SINOMACH released

The *Rolling bearings-Test and assessment methods for cleanliness* led by Luoyang Bearing Research Institute Co., Ltd. has been released. This is the first method standard in the rolling bearing sector to be led by China, marking the first time a domestically developed methodology has been adopted as an international standard in this field.

CVC Testing Technology Co. Ltd., a subsidiary of China Electric Institute, spearheaded the release of *IEC 63399:2024 Household and similar electrical rice cookers-Methods for measuring the performance*. This is the first international performance testing method standard for electric rice cookers, filling a gap in global standardization. It establishes a unified international benchmark for performance testing and is expected to significantly enhance product quality across the global rice cooker industry.

Forging new engines of new quality productive forces in equipment manufacturing through strategic emerging industries

We actively explore new technologies, products, application scenarios, and business models, leveraging our international strengths to open up new fields and markets. By actively establishing strategic emerging enterprises, we are fully committed to driving the advancement of new industrialization.

Revenue from strategic emerging industries

RMB56.61billion

Year-on-year growth

33.2%

Case | Chairman Zhang Xiaolun presents flag to the first "New Quality Productive Forces Youth Commando"

In April 2024, at the production site of an equipment of strategic importance, the 80,000-ton die-forging press, SINOMACH held the flag-presenting ceremony for its first "New Quality Productive Forces Youth Commando". Zhang Xiaolun, Chairman of SINOMACH, presented the flag to the Youth Innovation and Efficiency Team of the 80,000-ton die-forging press. Focusing on technological innovation and the self-development and controllability of large aerospace forgings, the team has set multiple records in the development of high-end, extreme-specification products. Notably, they successfully developed the first titanium alloy precision frame-section die forgings for the C919 aircraft, among other premium aerospace forgings, contributing youthful energy to building China into a manufacturing powerhouse.

Flag-presenting ceremony for the "New Quality Productive Forces Youth Commando"

Case | SINOMACH-DIA successfully founded

Jointly established by SINOMACH-PI and Henan New Materials Investment Group Co., Ltd., SINOMACH-DIA upholds the mission of leading the high-quality development of the superhard materials industry. The company focuses on consolidating and enhancing the international competitiveness of the superhard materials and products value chain. Its core business spans key upstream, midstream, and downstream segments of the diamond industry, with strategic emphasis on raw and auxiliary materials, critical equipment, structured applications, functional applications, new diamond consumption cultivation, and standards and testing services. Guided by technological innovation, SINOMACH-DIA aspires to become a world-class, technology-driven leader in the global diamond industry.

Case | SINOMACH Special Equipment Testing approved as one of China's first Class-A, A1-level inspection units

Established in 2023, SINOMACH Special Equipment Testing specializes in inspection and testing of pressure-bearing equipment, electromechanical lifting machinery, passenger cableways, and other special equipment. Its services include risk assessment, type testing, experimental testing, safety evaluation, and failure analysis, providing critical technical support for the safe operation of China's major equipment and for advancing industry technology. In 2024, the company was approved by the State Administration for Market Regulation as one of the first domestic Class-A, A1-level special equipment inspection units. This certification underscores SINOMACH's deep engagement in and strong support for the development of strategic emerging industries, while also enhancing the international competitiveness of China's special equipment testing sector and related professional fields.

Driving digital and intelligent layout through the development of "Agricultural Machinery Cloud" and "Machinery Equipment Industry Cloud"

Seizing the opportunities presented by the digital technology revolution, we accelerate the deep integration of the real economy with the digital economy. By accelerating the development of Agricultural Machinery Cloud and Machinery Equipment Industry Cloud, we foster new growth drivers through informatization, while continuously advancing the transformation of the equipment manufacturing sector toward higher-end, smarter, and greener development. In 2024, we convened the inaugural meeting of the "SINOMACH Intelligent Manufacturing System Integration Collaborative Innovation Alliance" and the "AI+" Seminar. We officially launched the National Agricultural Machinery Operation Command and Dispatch Platform and officially rolled out the "Agricultural Machinery Cloud" and the "Machinery Equipment Industry Cloud" to contribute to the national strategies of "Made in China" and "Digital China".

Case | Three projects with SINOMACH's participation recognized as "Lighthouse Factories"

Two projects designed by CMCU Engineering Co. Ltd. have been awarded the prestigious "Lighthouse Factory". These include the Hisense Hitachi Huangdao Factory, recognized as the world's first multi-connected unit "Lighthouse Factory", and the SANY Renewable Energy's Shaoshan Blade Factory, honored as the world's first "Lighthouse Factory" in the wind power industry. The Zhengzhou Coal Mining Machinery Smart Industrial Park, designed with the participation of SIPPR Engineering Group Co., Ltd., was recognized as the world's first "Lighthouse Factory" in the coal machinery sector. "Lighthouse Factories" represent the pinnacle of intelligent manufacturing and digital transformation in today's global manufacturing sector. The Hisense Hitachi Huangdao Factory achieves automated, intelligent, and flexible production through the adoption of advanced Industry 4.0 technologies and concepts. The SANY Renewable Energy's Shaoshan Blade Factory employs AGV and robotic systems guided by lasers or vision cameras to perform assembly, finishing, and coating operations. Omnidirectional AGV-robot combinations with LiDAR enable automated obstacle avoidance, ensuring safe and efficient operations while increasing factory automation by 50% and product quality by 30%. The Zhengzhou Coal Mining Machinery Smart Industrial Park integrates logistics and automated production equipment to achieve fully automated manufacturing, including automatic loading and unloading, material distribution, card positioning, welding, and unloading.

Case | Intelligent manufacturing system solution rated at the highest level in its field

The intelligent manufacturing system solution developed by SIPPR Engineering Group Co., Ltd.(SIPPR) has been awarded the highest recognition in the integration and implementation category (AAA level). In the field of intelligent manufacturing, the company has followed an implementation path of "technology R&D, standards leadership, platform promotion, and integrated deployment", carrying out a series of highly effective initiatives and building substantial technological advantages. It has served as the lead or co-author of 13 national intelligent manufacturing standards, including those for smart factories, green industrial buildings evaluation, and manufacturing engineering design information model applications. SIPPR has also led or participated in 52 major national science and technology projects in green and intelligent manufacturing, such as the *Guidelines for Smart Factory Construction Standard Research and Experimental Verification Platform*. It has taken a leading role in six major projects in the smart factory domain and has undertaken nearly 100 consulting and planning projects for new intelligent manufacturing models and pilot demonstration projects, thereby fostering distinctive core technological capabilities.

Case | The "Agricultural Machinery Cloud" and "Machinery Equipment Industry Cloud" officially launched, empowering industry development with the "Digital & Intelligent SINOMACH" initiative

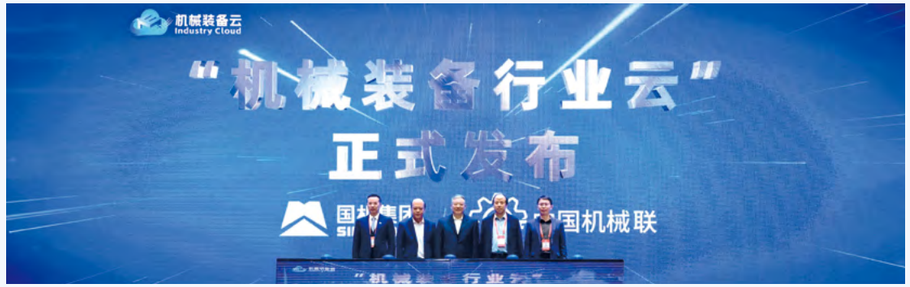
In 2024, SINOMACHDT focused on its strategic positioning as "the core support and coordinating platform for SINOMACH's digital transformation, and a driving force for new industrialization and agricultural modernization". The company has assumed a leading role in constructing the industry's public cloud infrastructure, accelerating the development of new quality productive forces in the agriculture and equipment manufacturing sectors, and supporting SINOMACH to establish itself as a benchmark for digital transformation.

In April The "National Agricultural Machinery Operation Command and Dispatch Platform" was launched. The platform leverages advanced information technologies, including BDS positioning, 5G, IoT, big data analytics, and large-model applications, enabling nationwide capabilities to "track machinery location, monitor machinery status, and achieve precise dispatch". It will help enhance the informatization of agricultural mechanization and improve disaster prevention, mitigation, and relief capacities in agriculture.

In May The "Agricultural Machinery Cloud" was released. Designed to meet industry application needs and built on new digital infrastructure, it integrates leading technologies in the agricultural sector to create a foundational industry platform. As a state-owned public cloud with independent innovation capabilities, it serves as a secure and reliable digital foundation supporting smart agriculture and digital rural development, empowering agricultural and rural data applications while ensuring data security in the agricultural sector.

In September The "Agricultural Machinery Cloud 2.0" was launched, accompanied by the signing of a strategic cooperation agreement with the Department of Agriculture and Rural Affairs of Hainan Province. The partnership aims to jointly promote agricultural industry innovation and development and realize comprehensive application of digital agriculture across Hainan Province.

In December The "Machinery Equipment Industry Cloud" was released. This platform establishes a trusted data space for the machinery industry, enabling secure data sharing and interaction across the entire industry chain and product lifecycle. It also builds an intelligent manufacturing operations and maintenance ecosystem, further deepening industrial chain collaborative innovation through "integration of digital and physical systems", "cloud-enabled production", and "cloud-industry symbiosis". By integrating digital solutions across vertical sectors, the platform drives the high-end, green, and intelligent transformation of traditional industries.



Launch of the "Machinery Equipment Industry Cloud" at the 2024 Equipment Manufacturing Development Conference

Release of the "Agricultural Machinery Cloud" at the Central SOEs Smart Cloud Forum, part of the 7th Digital China Summit · Intelligent Computing Cloud Ecosystem Conference

Facilitating Domestic and International Circulation to Unblock Economic Flows

Leveraging its deep expertise in new industrialization and global resource integration capabilities, SINOMACH actively supports coordinated regional development within China while simultaneously advancing industrialization in BRI partner countries. By injecting strong momentum into local economic development and improvements in people's livelihoods, the Company has established a comprehensive platform for technological exchange and trade facilitation between Chinese and foreign enterprises. In doing so, SINOMACH actively integrates into and serves the "dual circulation" development strategy, contributing to the building of a shared future for humanity.

Supporting national regional development strategies

SINOMACH proactively seizes domestic market opportunities and leverages its business strengths to actively support key regional development initiatives, including the coordinated development of the Beijing-Tianjin-Hebei region, integrated development of the Yangtze River Delta, development of the Guangdong-Hong Kong-Macao Greater Bay Area, development of the Hainan Free Trade Port, and the Chengdu-Chongqing economic circle.

Case | Advancing the sustainable socioeconomic development of the Yangtze River Economic Belt

By the end of 2024,CMIE secured the Phase I contract for the expansion of No.1 Wastewater Treatment Plant in Wangcheng District, Changsha, Hunan Province, one of the district's key municipal environmental protection infrastructure projects. The project team integrated green energy utilization with advanced wastewater treatment processes, implementing energy-saving and consumption-reducing measures in its engineering design. On the intelligence front, the plant's automation system is seamlessly connected with smart water management, energy efficiency, and security systems, aiming to establish a highly efficient, energy-conscious, and intelligent wastewater treatment facility. Upon completion, the plant will significantly enhance regional wastewater treatment capacity and play a crucial role in protecting water quality in the Yangtze River basin, thereby contributing to ecological preservation and sustainable development along the Yangtze River Economic Belt.

Project rendering

Case | Innovative models deliver full-cycle services for county-level economies

As a central SOE rooted in Zhejiang for over 40 years, China United Engineering Corporation (CUC) has been deeply involved in the Green Rural Revival Program, contributing to the integration of urban and rural development. In March 2024, CUC co-launched the "Action to Develop Strong Industrial Counties", providing planning and consulting to support regional development. The company leveraged industrial innovation to drive local economies, mobilized capital to promote county-level growth, and facilitated precise investment invitation to ensure sustainable project outcomes apart from supporting local brand visibility in a targeted, context-sensitive manner. Through its "CUC Model", "CUC Technology" and "CUC Talent", the company continuously explores integrated, systematic service solutions that span the entire value chain of county-level economic development, offering whole-process, full-cycle support tailored to local needs.

Contributing to the industrialization of BRI partner countries

SINOMACH continuously enhances its international business capabilities while strengthening compliance and risk management for overseas operations. The Company accelerates the construction of key international projects, highlighting green and low-carbon development and localized operations throughout the project lifecycle. By doing so, we actively support the improvement of people's livelihood and poverty reduction in developing countries.

Honor

International Torch Park

wins major contribution award for China-Belarus economic and trade cooperation

As of the end of 2024

Overseas enterprises established, including subsidiaries, joint ventures, and branch offices (representative offices), across 97 countries and 4 regions

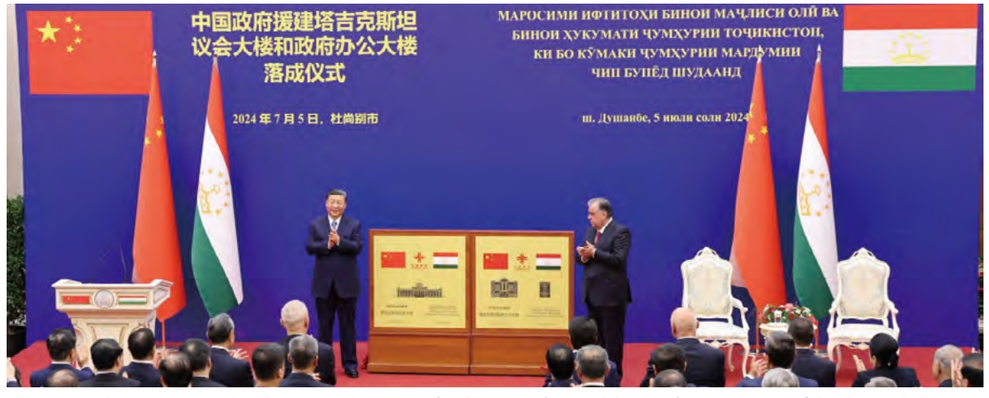
366

Large and medium-sized engineering projects undertaken in BRI partner countries

2,000+

Case | Bilateral leaders witness completion of new China-aided Tajik government building designed by SINOMACH

On July 5, 2024, Chinese President Xi Jinping and Tajikistan President Emomali Rahmon jointly attended the completion ceremony of the Chinese-aided parliament building and government building in Tajikistan. The two leaders toured the project exhibition panels, unveiled the buildings together, and delivered speeches. The Government Building project was jointly designed by Chinese and Tajik teams, with the Tajik side responsible for the design scheme, personally selected by President Rahmon. IPPR undertook the detailed project design and full-process management. The architectural teams from both countries harmonized the building's exterior and interior design in a European classical style, organically integrating Islamic cultural elements and modern architectural features. The design blends seamlessly with the surrounding landscape and urban environment, demonstrating a perfect fusion of modern Chinese construction technology and traditional Tajik architectural artistry. The completion of this landmark building is expected to elevate China–Tajikistan relations and provide a new blueprint for bilateral cooperation.



Chinese President Xi Jinping and Tajikistan President Emomali Rahmon jointly attend the completion ceremony of the China-aided Parliament Building and Government Building in Dushanbe. (Photo source: Xinhua News Agency)

Case | Prime Ministers of China and Laos jointly witness the completion of the Mahosot General Hospital building in Laos, designed by SINOMACH

On October 12, 2024, Chinese Premier Li Qiang and Lao Prime Minister Sonexay jointly attended the completion ceremony of the China-aided Mahosot General Hospital in Vientiane. This hospital project is the largest investment in a Chinese overseas health aid construction project to date and a landmark initiative in China's Belt and Road humanitarian infrastructure efforts. IPPR undertook the design and project management. Guided by the principles of "low energy consumption and high quality", the design integrates Chinese and Lao cultural elements, featuring the Lao national flower, Champa, as a design motif. The building combines traditional Lao sloped roofs with modern architectural technology and employs deep eaves, green courtyards, and semi-outdoor corridors to achieve natural ventilation and lighting. This approach reduces energy consumption and costs while creating a garden-style medical environment. Upon completion, the hospital became the largest and most advanced medical facility in Laos, with an average daily patient volume exceeding 2,000. It was praised by the Lao Prime Minister as a "landmark project symbolizing the China-Laos community with a shared future".

Chinese Premier Li Qiang and Lao Prime Minister Sonexay jointly attend the completion ceremony of the China-aided Mahosot General Hospital in Vientiane. (Photo source: Xinhua News Agency)

Case | Deepening the development of the China-Belarus Industrial Park to promote bilateral cooperation

SINOMACH leveraged its global operational and supply chain capabilities to advance the China-Belarus Industrial Park as a model project. By implementing the joint statement on establishing all-weather comprehensive strategic partnership, the Company promoted investment attraction, multi-platform functionality, and other key initiatives, fostering mutually beneficial cooperation with Belarus across industrial and other sectors. By the end of 2024, the Park achieved year-on-year growth in total industrial output, fixed-asset investment, export volume, employment, and tax contributions, generating substantial economic and social benefits for Belarus. The Park hosted a total of 142 enterprises with a committed investment of USD 1.53 billion. Standard factory occupancy reached 99.46%, and residential units were fully occupied. A total of 28 new enterprises settled in 2024, marking the second consecutive year of record-breaking growth.

Case | Two projects featured in the 2024 Best Practices of Sustainable Infrastructure Projects Undertaken by Chinese International Contractors

CMEC's EPC project for the Sanaga Drinking Water Treatment Plant and its supporting facilities in Yaoundé, Cameroon, along with Bales No 1 Sugar Factory project contracted by CAMCE in Ethiopia, were successfully included in the *2024 Best Practices of Sustainable Infrastructure Projects Undertaken by Chinese International Contractors*. The casebook, comprising 45 exemplary project cases, aims to showcase outstanding ESG practices of Chinese enterprises in overseas projects, promote the BRI narrative, and strengthen the brand image of "responsible Chinese contractors".

Cover and partial table of contents of 2024 Best Practices of Sustainable Infrastructure Projects Undertaken by Chinese International Contractors (Part)

Case | A Cambodian youth visits China, fostering people-to-people connectivity

KIMPOR HUOTH, a Cambodian employee of China National Heavy Machinery Corporation(CHMC)'s Cambodia branch, was invited to participate in the "I Show ASEAN-China-ASEAN Youth Storytelling" event. During his visit to China, KIMPOR HUOTH received a warm welcome from his Chinese colleagues and toured the Group's headquarters, SINOMACH-HE, and CHMC. He gained first-hand insights into the assembly and commissioning of metallurgical equipment and observed how the Group's heavy machinery innovations support major domestic and international engineering projects, experiencing the robust capabilities of China's advanced industrial equipment. In addition, KIMPOR HUOTH engaged in in-depth discussions with young company employees, sharing experiences and reflections. He also visited iconic cultural landmarks including the Forbidden City, the Great Wall, and the Summer Palace, immersing himself in the profound heritage of Chinese culture. This journey left a lasting impression on KIMPOR HUOTH, deepening his understanding of SINOMACH's high-quality development, its role in driving new industrialization, and the rich legacy of China's traditional culture.

Scan the QR code to watch Cambodian youth's journey to China

China tour of a Cambodian youth

Deepening international exchange and supply chain integration

SINOMACH provides supply chain integration, specialized international trade services, and exhibition services, leveraging exhibitions as a bridge for the "dual circulation" strategy, and demonstrating the Company's role as a key driver in advancing new industrialization.

At the 7th China International Import Expo, SINOMACH served as the official organizer for the Technical Equipment Exhibition Zone, assisting with exhibitor recruitment, audience coordination, and online promotion. The Company invited leading enterprises from countries and regions including Japan, the UK, and Austria to showcase their innovations, sharing the latest concepts and cutting-edge technologies in advanced manufacturing, green manufacturing, and smart manufacturing with the industry, supporting the pursuit of high-quality development.

At the 135th Canton Fair, SINOMACH leveraged its industry resources and participated as the largest central SOE trading delegation. Building on a solid foundation of service and support, the Company coordinated the participation of multiple subsidiaries across diverse sectors and organized industry conferences. Utilizing the Canton Fair platform to link exhibition with trade, SINOMACH further expanded client channels, promoted its flagship products and innovative technologies, and enhanced the international presence of its proprietary brands, high-end products, and technological innovations, contributing to the stabilization and quality improvement of foreign trade.

At the 2nd China International Supply Chain Expo, SINOMACH made a striking appearance in the Green Agriculture Supply Chain Exhibition under the theme "Collaborating for Progress, Innovating for Mutual Success". The Company highlighted its comprehensive achievements in advancing agricultural mechanization, intelligence, and modernization, showcasing its capabilities and commitment in the agricultural machinery sector, truly embodying the principle of "developing strengths of SINOMACH and serving the needs of the country".

At the 2024 World Manufacturing Convention, SINOMACH was invited to serve as a supporting organization for the event. Within the "Made in China" exhibition area, the Company set up a dedicated pavilion, with 15 subsidiaries collaborating to actively participate. Over 100 products were showcased, highlighting the Group's achievements in key foundational components, new materials research, intelligent agricultural machinery, and informatization. Through this platform, SINOMACH engaged with global partners to drive the digital and intelligent transformation of manufacturing, contributing proactively to the high-quality development of the global manufacturing industry and fostering shared success and win-win.

Zhang Xiaolun, Chairman of SINOMACH, was invited to attend the opening ceremony of the 2024 Beijing Summit of the Forum on China-Africa Cooperation and the 8th China-Africa Business Conference. During the summit, SINOMACH leadership engaged in discussions with leaders from multiple African countries and signed several agreements. SINOMACH will further strengthen collaboration with African partners across power, agriculture, electrification, water management, and transportation, contributing its expertise and capabilities to building a high-level China-Africa community with a shared future.

2024 marked the 60th anniversary of diplomatic relations between China and France. The 6th Meeting of the China-France Entrepreneurs Committee was held in Paris. During the event, Zhang Xiaolun, Chairman of SINOMACH, delivered a guest speech at the China-France Entrepreneurs Roundtable Forum themed "Innovation and Industrial Cooperation". He engaged with business leaders from both countries on collaboration in third-party markets and joint R&D of industrial software in the equipment manufacturing sector.

03

Shaping a Low-Carbon and Sustainable Future with Green Empowerment

SINOMACH deeply embraces Chinese President Xi Jinping's guiding principle that "Green is the defining feature of China's high-quality development". Remained committed to prioritizing ecological protection and green development, we leverage our professional strengths to drive multifaceted progress in green equipment, green technologies, green design, green engineering, and green services. Tailoring strategies to local conditions, the Group fosters green productivity to support the green transformation of the economy and society. Furthermore, our ongoing efforts on energy conservation and emission reduction and stronger ecological protection contribute to a new chapter of SINOMACH in building a Beautiful China.

Contribution to UN SDGs:

Emissions of CO_2 per RMB 10,000 of output value (comparable)

0.3855 tons of CO_2 equivalent

Investment in energy saving and environmental protection

RMB 294.70 million

Energy consumption

870,000 tce

Engaging in Climate Governance to Accelerate the Decarbonization Progress

SINOMACH coordinates and advances key decarbonization targets and tasks, and has prepared the *Self-Assessment Report on the Implementation of the 2024 Carbon Peaking Action Plan and the 2025 Work Plan*, contributing to the achievement of the decarbonization goals.

Governance

SINOMACH has established the Decarbonization, Energy Conservation and Environmental Protection Leading Group, headed by the principals, and convened meetings to coordinate the implementation of the *Carbon Peaking Action Plan* and the *Implementation Plan for Building a Beautiful China*. Decarbonization goals have been incorporated into the Group's comprehensive performance evaluation system, with assessment rules revised and issued to improve the governance mechanism.

Impact, risk, and opportunity management

We implement the responsibility and accountability system for environmental risk prevention and control, strengthen compliance management, and enhance risk governance, while continuously conducting fundamental management inspections. Supervision and inspection are intensified for key subsidiaries and major projects, with comprehensive ecological risk registers maintained, and corrective actions managed in a closed-loop system with time-bound completion.

Strategy

In line with the *Carbon Peaking Action Plan*, we pursue a short- and long-term strategic pathway for carbon peaking: in the short term, focusing on structural decarbonization, efficient resource conservation and utilization, green and low-carbon circular transformation, and management-driven carbon reduction; in the long term, driven fundamentally by technology-enabled decarbonization. We are committed to peaking carbon dioxide emissions by 2030, and to establishing by 2060 a fully developed industrial system for green, low-carbon, and circular development alongside a clean, low-carbon, safe, and efficient energy system. Furthermore, we have developed the *Implementation Plan for Building a Beautiful China*, setting out key tasks and responsibilities for each department. It overarching target is, by 2027, the Group will make substantial progress in green and low-carbon development, foster greener production and lifestyle patterns, and achieve continuous improvements in energy efficiency.

Metrics and targets

We have formulated the 2025 action plan and goals, promptly reviewed and analyzed the implementation of the Group's carbon peaking action plan, and dynamically adjusted the decarbonization tasks and objectives. Subsidiaries are guided to calculate their own carbon emissions and conduct in-depth research on carbon reduction pathways. Decarbonization responsibility agreements are signed with subsidiaries, establishing an incentive and restraint mechanism oriented toward carbon reduction to ensure the achievement of corporate decarbonization targets.

Emissions of CO_2 per RMB 10,000 of output value (comparable)

0.3855 tons of CO_2 equivalent

SO_2 emissions

62 tons

COD emissions

1,696 tons

Driving Pollution Reduction and Emission Control to Strengthen the Ecological Barrier

To fulfill the critical task of pollution prevention and control, SINOMACH advances R&D in energy conservation and emission reduction technologies, improves resource utilization efficiency, and establishes a full life-cycle green supply chain management system to help build a green, low-carbon, and circular economy.

Resource conservation

Following the approach of controlling pollution at the source, upgrading existing facilities, and phasing out outdated ones, SINOMACH has issued the *Notice on Matters Related to Advancing Large-Scale Equipment Upgrades*. We have increased investment and intensified renovation efforts to upgrade and replace energy-intensive equipment, thereby reducing energy consumption.

Water resource management

SINOMACH General Machinery has strengthened daily water use management and adopted scientific planning and rational utilization of water resources, achieving conservation and recycling through a series of management measures. China Electric Institute has optimized wastewater treatment processes and process control. The treated reclaimed water is reused for vacuum extraction and discharge cooling in polyester resin synthesis, as well as for dust suppression in environmental protection equipment, increasing the reuse rate by 9.5%.

Energy management

SINOMACH-HE implements "gas-to-electricity" technology to reduce the use of fossil fuels such as natural gas. In combination with green certificates to offset electricity-related carbon emissions, the initiative has achieved an overall reduction in carbon emissions.

Consumables management

During the product transportation stage, China Electric Institute uses tank truck transportation to reduce the need for packaging of material products. In product packaging, high-quality used cartons are selected for secondary use, reducing waste of packaging resources.

Energy consumption

870,000 tce

Comprehensive energy consumption per RMB 10,000 of output value (comparable)

0.1016 tce

Comprehensive energy consumption per RMB 10,000 of revenue

0.0023 tce

Freshwater consumption

14.08 million tons

Freshwater consumption (comparable) per RMB 10,000 of output value (revenue)

0.44 tons per RMB 10,000

General solid waste generation

1.21 million tons

Comprehensive utilization rate of general solid waste

98%

Case | SINOMACH Auto establishes four green production bases

SINOMACH Automobile Co., Ltd. (SINOMACH Auto) continues to advance the green, low-carbon, and intelligent transformation of its automotive engineering system services segment, establishing four flagship green production bases-AE Corp., CAAS, FMF Corp., and AE Corp. Measures include installing distributed rooftop photovoltaic power stations to optimize the energy structure; adopting intelligent equipment to enhance production efficiency and support energy conservation and emissions reduction; and deploying an energy and carbon emissions management system to enable real-time collection and monitoring of energy consumption data, thereby improving energy management performance.

Case | Developing a pilot wet-process recycling line for used power batteries

With the rapid growth of new energy vehicles, the recycling and disposal of used power batteries have become key challenges in the industry. The research team at Hefei General Machinery Research Institute took on this critical task, flexibly designing a solvent extraction process and optimizing the layout of key units including extraction, washing, back extraction, and oil-water separation. They successfully developed a pilot wet-process recycling line for used power batteries, which reduces environmental pollution from waste batteries and improves resource utilization efficiency.

Pilot wet-process recycling line for used power batteries

Pollution control

Focusing on the critical task of pollution prevention and control, SINOMACH continues to intensify efforts to safeguard blue skies, clear waters, and clean soil. The Group strengthens management of wastewater, waste gas, solid waste, noise, and soil pollution, while rigorously preventing environmental risks. Concurrently, SINOMACH actively develops and utilizes new energy sources, promotes the use of energy-saving equipment, and optimizes production processes, with the aim to enhance energy efficiency, and reduce energy consumption per unit of output. In 2024, our subsidiaries collectively received six environmental administrative penalties from local authorities, totaling RMB 234,000.

Investment in energy saving and environmental protection

RMB 294.70 million

NOx emissions

389 tons

Wastewater treatment

SINOMACH attaches great importance to ecological protection, continuously strengthening wastewater treatment efforts by enhancing source control and process supervision. We ensure the compliance throughout the entire process through tiered management. At project sites, CAMCE has built dedicated domestic sewage treatment systems; treated wastewater is discharged into evaporation ponds and then pumped daily by water trucks for onsite dust suppression, achieving zero discharge of domestic sewage. SINOMACH-PI treats wastewater through sedimentation tanks or internal treatment stations before discharging it to municipal sewage treatment plants in compliance with standards. SINOMACH-HE implements online wastewater monitoring and inspections to ensure the accuracy, timeliness, and reliability of monitoring data, comprehensively improving wastewater management levels.

Exhaust gas emission control

Delivering the green development concept, SINOMACH comprehensively applies advanced technologies such as dust removal and desulfurization, catalytic purification, and volatile organic compounds (VOC) treatment to continuously reduce both the concentration and total volume of air emissions. SUMEC standardizes the air emission control process by treating particulate matter in production with high-efficiency dust removal facilities to meet discharge standards. VOCs are treated with a combined process of water curtains, four-stage filtration, zeolite rotary adsorption, and high-temperature oxidative incineration before compliant discharge. At project sites, CAMCE employs wet operations supported by timely watering with water trucks and installs dust monitoring equipment for real-time dust concentration surveillance. SINOMACH-PI treats emissions using low-temperature plasma combined with activated carbon adsorption and oil mist electrostatic purifiers, ensuring emissions meet regulatory standards before discharge.

Solid waste management

SINOMACH implements a full lifecycle management approach to solid waste, comprehensively enhancing governance through the "three reductions" i.e. reduction in volume, resource recovery, and harmless treatment. SUMEC conducts solid waste management risk identification and, based on the findings, clearly defines requirements for all stages including generation, storage, transfer, transportation, and disposal of solid waste. It adheres to the principles of prevention first, combining prevention and control, classification management, and pollution accountability to prevent or minimize environmental pollution from solid waste and promote green, low-carbon development. CAMCE promptly transports construction and domestic waste generated during building projects to designated storage sites. Hazardous waste produced during construction is safely transported and stored, then handed over to qualified third-party agencies for treatment. SINOMACH-HE achieves 100% recycling of solid wastes such as steel slag generated in production, realizing full resource circular utilization.

Noise management

SINOMACH adheres to the governance approach of "source control and dynamic optimization" to effectively manage environmental noise through technological upgrades and innovative management. SUMEC regularly conducts noise monitoring for operations involving noise pollution and employs noise reduction measures such as sound insulation, noise dampening, vibration reduction, and vibration isolation to effectively lower noise generated by mechanical equipment. CAMCE implements measures including reasonable scheduling of construction activities and the use of low-noise equipment, while regularly submitting noise monitoring reports to minimize noise pollution to the greatest extent possible.

Soil pollution management

SINOMACH adheres to a soil protection strategy centered on prevention and comprehensive management. The Group proactively prevents contamination of soil by heavy metals, organic substances, and other pollutants at the source. CAMCE places strong emphasis on protecting the surface environment in project construction areas, taking measures to prevent soil erosion and water and soil loss.

Green supply chain

SINOMACH integrates the green development concept throughout the entire supply chain management process, taking the "green content" as a key indicator in procurement management assessment and evaluation. This approach drives upstream and downstream enterprises to collaboratively reduce emissions.

Implementing green procurement

Priority access is granted to suppliers who utilize new technologies, new processes, new products, new materials, and energy-saving and eco-friendly materials. Environmental management system certifications of qualified suppliers are assessed and recorded, forming a green supply chain supplier archive. By engaging early and actively participating in suppliers' R&D and manufacturing processes, SINOMACH guides suppliers to reduce the use of various raw and auxiliary materials and packaging materials, thereby preventing or minimizing environmental pollution.

Promoting green products and services

SINOMACH guides suppliers toward green consumption by encouraging the use of biodegradable and reusable eco-friendly packaging materials.

Case | SUMEC releases the *Supplier Green Initiative*

SUMEC Hardware & Tools Co., Ltd. actively promotes the green transformation of the production and supply chains. It has formulated and published the *Supplier Green Initiative*, sharing carbon reduction experiences and conveying green concepts to suppliers. It will further advance the development of a green supply chain. The company has explicitly established a carbon reduction incentive mechanism, encouraging suppliers to adopt more eco-friendly technologies and processes in their production to achieve shared green goals.

Honor

CMEC Sri Lanka Attanagalla Waterworks Project

was awarded international engineering green supply chain management "Benchmark Project"

Building Innovation Demonstration to Create Green Models

SINOMACH rigorously implements the green development concept by building on green equipment as the foundation, guided by green technology, supported by green design, extended via green services and with green engineering as the carrier. We continuously expand the energy-saving and eco-friendly industry cluster, providing greener solutions for enterprises across the industry.

Green equipment

Hefei General Machinery Research Institute has developed a new-generation oil-free air source device as the core component of urban rail vehicle air brake systems. By adopting oil-free lubrication technology, it fundamentally eliminates issues of oil contamination, leakage, and emulsification, enhancing equipment stability and improving the surrounding air quality. This innovation strongly advances the green development of urban rail transit.

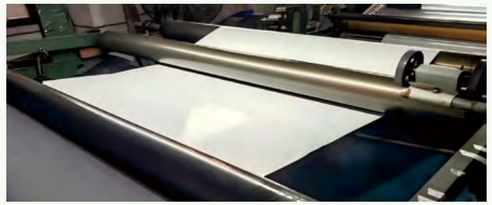
The 13.5-meter-diameter cylindrical steelmaking flue gas electrostatic precipitator developed by SINOMACH-HE has been recognized as the "world's largest diameter cylindrical steelmaking flue gas electrostatic precipitator". This dust removal equipment ensures that flue gas particulate emissions throughout the entire smelting process meet China's ultra-low emission standards for the steel industry. It plays a significant role in advancing environmental protection efforts and the high-end, intelligent, and green development of heavy machinery equipment.

The BX46 series ring-type planer developed by CFMC efficiently utilizes waste and organic materials by comprehensively recycling renewable resources such as branch wood and discarded construction formwork. This innovation not only enhances the equipment's performance but also effectively conserves resources.

SUMEC's robotic lawn mower was awarded the TÜV Rheinland "Product Carbon Reduction" certificate. From the initial stage of research and development, the product integrated low-carbon design principles, striving to reduce carbon emissions at every step and provide users with a green and eco-friendly experience.

Green technology

Hefei General Machinery Research Institute played a key role in the project "Development and Application of Key Technologies for High-Efficiency Single-Unit Dual-Stage Screw Compressors for Wide Temperature Ranges in Refrigeration and Cold Storage", which received the Second Prize of the China Machinery Industry Science and Technology Awards. This research has significantly advanced the development capabilities, technological level, and global competitiveness of high-end compressors in the refrigeration and cold storage industry. It has made a crucial contribution to building world-class cold chain infrastructure, promoting a new economic development model, and supporting the implementation of China's decarbonization strategy.



China Electric Institute developed powder coatings and resin materials for high-speed pre-coated coils that enable electrostatic spraying under high-speed operating conditions. This innovation allows for rapid curing of coatings, significantly reduces volatile organic compound (VOC) emissions, and eliminates the environmental pollution caused by traditional solvent-based coatings. Additionally, it maintains stable mechanical performance and achieves approximately 20% energy savings compared to conventional hot air curing ovens.

Green design

The ecological bridge project in Liujiadian Town, Pinggu District, Beijing, designed by SINOMACH TDI International Engineering Co., Ltd., transforms the traditional material flow of "resources → agricultural products → waste" into a modern agricultural circular system of "resources → agricultural products → waste → renewable resources". This approach enhances resource utilization and achieves closed-loop ecological management in Pinggu District.

SINOMACH YTO Foundry and Forging Company Limited

was recognized as a National-Level Green Factory.

The Ningbo Agricultural Products Logistics Center project, co-designed by SIPPR Engineering Group Co., Ltd. , integrates a rooftop photovoltaic system with the building structure, achieving a total installed capacity of 3.9MW and an annual green power generation of approximately 3 GWh. During project implementation, an innovative "fluorine + carbon dioxide" cascade refrigeration technology was adopted, using fluorine refrigerant on the high-temperature side and carbon dioxide on the low-temperature side, significantly reducing energy consumption. Compared to a pure fluorine system, the fluorine charge was reduced by 75%, saving 3.5 GWh of electricity annually and cutting carbon emissions by 40%. The project was awarded first prize in the SASAC's inaugural "State-owned Enterprise Digital Scenario Innovation Competition" and has been designated a national key cold chain logistics base. It also stands as a major livelihood project for Zhejiang Province and Ningbo City.

Green engineering

The Xichang City Kitchen Waste Treatment Plant project, undertaken by China CAMCE Environmental Technology Co., Ltd., a key environmental protection project under the fourth batch of the second round of central ecological protection inspections, employs multiple internationally leading and domestically advanced resource recovery technologies. This has resulted in an annual reduction of over 1,000 tons of CO_2 emissions, effectively safeguarding the local ecological environment.

The Midstream Initial Rainfall Pollution Control Project at Nanfei River in Hefei, undertaken by Hefei General Machinery Research Institute, is Anhui Province's first large-scale intelligent interception, smart jet sweeping, and intelligent inspection project targeting initial rain pollution. Upon completion, the project reduced the annual overflow frequency of Nanfei River from over 70 times to around 40 times, cutting chemical oxygen demand (COD) emissions by 1,397 tons per year. This has played a significant role in promoting the ecological protection and restoration of the Chaohu Lake region.

The 200MW Qinghai Dachaidan Xitai Phase II photovoltaic project, constructed by SUMEC ENERGY Holdings Co., Ltd., has been successfully connected to the grid and is operating smoothly. It can supply approximately 510 GWh of green electricity annually, reducing carbon dioxide emissions by about 400,000 tons each year.

The grand unveiling of the Jihua Ice & Snow · Xi'an Ice & Snow Center, designed by China United Northeast Institute for Engineering Design & Research Co., Ltd., is a landmark as the largest near-zero energy sports facility in China. The project employs highly efficient HVAC systems tailored to different functional spaces to reduce overall building energy consumption. Complemented by an advanced rooftop solar photovoltaic integration system that maximizes renewable energy use, this comprehensive approach meets the rigorous near-zero energy building standards. This project exemplifies SINOMACH's strong commitment to advancing green building and near-zero energy construction practices.

Green services

Led by China Electric Institute and in collaboration with other organizations, a public service platform for decarbonization in the key equipment manufacturing sector has been established. This platform has developed a series of group standards for calculating the carbon efficiency of products such as room air conditioners. It widely provides services including carbon accounting, low-carbon technology verification, and low-carbon certification for the industry. For example, through its low-carbon air conditioner certification service, it has helped reduce the carbon emissions of certified low-carbon air conditioners by 19.5% compared to the industry average.

Embracing Low-carbon Practices to Share a Green Living

SINOMACH organizes events such as "Energy Conservation Publicity Week" and "Low-Carbon Day", promotes green office practices, and actively advocates for green and low-carbon production and lifestyles, aiming to raise energy-saving and low-carbon awareness among all employees.

Green office

Paper saving
We promote paperless offices and online meetings to reduce paper use, streamline internal meetings, and encourage the use of renewable paper and reusable green office supplies.

Electricity saving
We strengthen control over electrical appliances in office areas, require employees to practice "unplug when away" and "turn off lights when leaving", and eliminate wasteful habits like keeping lights or water running unnecessarily. Water and energy-saving reminders are posted in offices, restrooms, and cafeterias.

Energy conservation
We encourage employees to choose green commuting options such as public transit, carpooling, biking, or walking. When purchasing office vehicles, new energy or clean energy models are prioritized.

"Clean Plate" campaign
We advocate for mindful and frugal dining habits, support the "Clean Plate" initiative to reduce food waste, and minimize use of disposable items like paper cups and tissues, fostering green, circular and low-carbon lifestyle habits.

Case | SINOMACH organizes the "Energy Conservation Publicity Week"

In 2024, SINOMACH issued the *Notice on Launching the 2024 Energy Conservation Publicity Week*, centering on the themes of "Green Transformation, Energy-saving Campaign" and "Green and Low-carbon Development for a Beautiful China". Combining online and offline promotional approaches, the Group actively promoted energy-saving and carbon reduction case studies, popularized knowledge on energy conservation, guided green consumption, and encouraged low-carbon travel. The campaign mobilized widespread employee participation. Our subsidiaries took specific actions: FIRST TRACTOR Company Limited produced 13 promotional banners, 60 display boards and posters, 18 electronic display screens, and held 12 training sessions on energy conservation and low-carbon knowledge. SINOMACHHE conducted publicity through LED screens, hanging banners, newspaper publications, and handbook production. China Hi-Tech Group Corporation carried out mobilization and deployment efforts and organized carbon peaking and carbon neutrality training. SUMEC integrated energy-saving promotion into daily business management and discussed planning for energy-saving and emission reduction informatization projects. Through this series of activities, a strong campaign atmosphere was fostered across the Group, significantly raising employees' awareness of energy conservation and low-carbon practices.

CAMCE carries out the "National Tree Planting for Building a Beautiful China Together" campaign.

Protecting Species to Foster the Coexistence with Nature

SINOMACH remains committed to the ecological philosophy of harmonious coexistence between humans and nature. Through systematic planning and science-based measures, the Group continuously advances ecological restoration projects, taking concrete actions to fulfill its social responsibilities and environmental commitments as a central SOE.

Case | Protecting local wildlife and preserving ecological balance

Sri Lanka boasts a sound ecological environment and abundant natural resources. During the implementation of the Yan Oya agricultural irrigation project in Sri Lanka, CAMCE adopted proactive measures to protect affected forest areas, striving to minimize tree felling and safeguard local wildlife. Trees that would have been submerged were transplanted, and new trees were planted near the project site. Animals within the reservoir area were relocated by designated personnel to wildlife reserves. The project fully considered potential impacts on the natural environment and wildlife habits, incorporating dedicated elephant corridors and wildlife escape routes. Before the reservoir was impounded, the company worked with local wildlife protection authorities to relocate wild animals from the reservoir area. During impoundment, rescue boats were deployed to save snakes, monkeys, and other wildlife that had not yet migrated. They were transferred to designated wildlife reserves, effectively maximizing the preservation of the local ecological balance.

Case | The solar power plant and the storks' home, keeping both intact

During the early construction phase of the 150MW Hyperion Solar Power Plant project in Portugal, co-built by CMEC South Europe Company, the team faced a dilemma: a large number of white storks were nesting in trees within the project site. The project team promptly set up a dedicated task force and, through multiple site visits, phone calls, and friendly negotiations with the project owner, actively facilitated discussions between the owner, local environmental agencies, and wildlife protection organizations. After repeated consultations, they decided to "relocate" the storks' homes. Using metal pipe frames as supports, with branch-like structures at the top to mimic natural nesting sites, over 30 such frames were gradually installed on site. Over the course of about 35 days, each stork's nest was carefully moved from the dead trees to the neatly arranged new "homes". This not only preserved the storks' living environment but also ensured smooth progress of the project.

Stakeholder's voice

> ***"You've done a great job. These storks now have new homes, and it's heartening to see that they can continue living here alongside us."***
>
> -Resident of Fundão, Portugal

Case | Chongqing Tongluo Mountain mining area ecological restoration project selected as an Outstanding Case under the UN Decade on Ecosystem Restoration

Tongluo Mountain, one of Chongqing's "Four Mountains", is an important ecological conservation zone and natural barrier for the city. Since 2019, CMCU Engineering Co. Ltd. has delivered full life-cycle services, covering master planning, implementation, construction, and operations, for the comprehensive restoration of the Tongluo Mountain mining area. Over the course of five years, the company implemented a unified master plan and phased restoration program for 14.87 km^2 of decommissioned quarry sites. At the upper slopes (mountain top), the company focused on land greening along the ring road of the mining park, construction of ecological trails, and biodiversity conservation. At the mid-slopes (mountain waist), efforts centered on ecological restoration of abandoned mines, their affected areas, and quarry water bodies. At the lower slopes (mountain foot), the work prioritized integrated land improvement encompassing farmland, irrigation, roads, forests, and villages, achieving a holistic, regional-scale restoration. In 2024, the project was selected as an Outstanding Case under the UN Decade on Ecosystem Restoration.

04

Upholding Our Aspiration to Build a Better Community

Upholding its aspiration, SINOMACH unites employees to make meaningful contributions to advancing the development of new industrialization. We strictly safeguard the safety bottom line and enhance our safety management capabilities and intrinsic safety level. Moreover, we expand our domestic and international cooperation networks and foster a high-quality industrial ecosystem together with partners, taking on the role of an industry chain leader to guide industry development. With a commitment to serving the people, we seek to improve employee well-being, generate broader social value, and transform the outcomes of our high-quality development into tangible benefits for the public, thereby enhancing people's lives through our actions.

Contributions to UN SDGs:

Investment in work safety

RMB 660 million

Participants of employee training

360,000

SINOMACH has been rated as "good", the highest rating, in the assessment of the paired assistance by central SOEs for seven consecutive years.

Safeguarding the Bottom Line to Strengthen the Safety Foundation

Committed to coordinating development and safety, SINOMACH safeguards the bottom line of safe operations and has established a comprehensive and multi-tiered safety management system. Adhering to high standards and strict requirements to enhance our intrinsic safety performance, we foster a safety culture grounded in both theory and practice, strengthen occupational health management, and provide a solid foundation and reliable assurance for building the new development paradigm.

Enhancing intrinsic safety level

We have developed and improved our work safety management systems by revising and improving the *Work Safety Management Measures* and the *Regulations on the Work Safety Responsibilities of Corporate Leaders*, and formulating the *Three-Year Action Plan for Fundamental Work Safety Improvement*. In 2024, we convened three work safety video conferences and over ten special meetings on work safety.

Ensuring the fulfillment of safety responsibility

We strengthened and refined our responsibility by focusing on the "critical few" and established a lead responsibility mechanism for work safety with the Work Safety Department taking the lead and coordinating with the Legal and Risk Control Department, Human Resources Department, and Discipline Inspection and Supervision Department Discipline Inspection.

Developing standards and guidelines

We developed and implemented safety operation procedures and inspection guidelines for four business sectors, including equipment manufacturing, engineering contracting, scientific research, and shipbuilding, to guide grassroots subsidiaries in further improving their internal standards for identifying and addressing potential hazards.

Promoting technology-driven safety

We successfully completed phase I of the SINOMACH work safety video management platform, enabling video data interconnection among five pilot units. We also advanced the platform's application and conducted remote video inspections of pilot units to drive intelligent and real-time work safety supervision.

Strengthening overseas safety management

We convened joint safety prevention and protection meetings for central SOEs operating in the same countries. Additionally, we enhanced the application of our overseas Chinese personnel emergency command system and strengthened safety inspections for key countries and major projects to ensure safety. We also actively responded to overseas safety emergencies, including the orderly evacuation of personnel from SINOMACH's sugar factory project in Ethiopia and the safe return of personnel from Lebanon.

Several equipment technologies and equipment developed by Shenyang Academy of Instrumentation Science Co., Ltd. and IPPR

were recognized as exemplary cases in the application and promotion of safety and emergency equipment

A project spearheaded by SINO-HEAVYMACH

won the second prize of the Fourth Safety Technology Progress Award by the China Association of Work Safety

New work safety management policies developed
698

Work safety management policies revised
1,305

Work safety operating procedures updated
1,572

Investment in work safety
RMB660 million

Work safety incidents
4

Strengthening safety risk prevention and control

SINOMACH upholds high standards and strict requirements to enhance the quality and efficiency of work safety by conducting comprehensive identification of potential hazards and risk factors. Focusing on safety risk prevention and control, hazard identification and rectification, and emergency management, we work to further improve our intrinsic safety level and ensure the smooth and orderly operation of our business activities.

Identifying potential hazards and risk factors

We organized an assessment of potential hazards and risk factors to refine our risk register. We also strengthened preventive measures for 219 significant and 707 relatively significant safety risks, with control measures implemented and accountability assigned to responsible personnel.

Enhancing early warning and prevention mechanisms

We dynamically tracked meteorological department alerts, such as the *Special Reports on Major Meteorological Information* and the *Flood and Drought Prevention Notices*, to strictly guard against natural disasters like floods and typhoons and to supervise subsidiaries to strengthen inspections of disaster-prone areas.

Reinforcing safety supervision and inspections

We deeply carried out "look-back" reviews on accident handling and hazard rectification and conducted video inspections for operations in high-risk countries. Moreover, we applied diverse inspection methods, including mutual safety checks and unannounced inspection method (in which inspectors do not issue notices, make prior announcement, listen to reports, or require accompanying reception, but go directly to on-site locations for inspection), to build a multi-layered supervision network and strengthen safety risk control effectiveness.

Special inspections on work safety
11,683

Hidden work safety dangers investigated
94,618

Rectification rate of potential risks
99.63%

Subsidiaries completed work safety responsibility target assessments
27

Teams awarded the National Youth Work Safety Demonstration Post
2

Special inspections and supervision on work safety and fire safety before holiday

Fostering a safety culture

SINOMACH has built a professional support system to strengthen safety training and education. To cultivate a highly professional team, we have selected 125 internal and external experts to form the SINOMACH Work Safety Expert Pool. Meanwhile, we have carried out activities such as Work Safety Month and Fire Safety Month, organized annual training programs for work safety managers, and held special training sessions emphasizing the principle that managing an industry, business operations, or production must encompass the safety management, all aimed at fostering the development of standardized work safety teams.

We have improved the accountability review mechanism for work safety. During the reporting period, we directly had a talk with 3 managers, issued 11 accident disclosures, organized 19 on-site investigations and accident analysis review meetings with our internal safety experts, and guided subsidiaries in holding 40 individuals accountable. These efforts have helped foster a culture of rigorous supervision and management over work safety.

SINOMACH was awarded **the title of Top Ten Outstanding Organization for standardized team building by the China Association of Work Safety**

Work safety training sessions

4,295

Participants of work safety training sessions

289,252

Participants of external work safety training sessions

12,908

Subsidiaries certified as standardized work safety enterprises

117

Participants in work safety emergency drills

2,015

SINO-HEAVYMACH holds the 23rd themed work safety month training session

SINOMACH Auto organizes the emergency rescue training

Strengthening occupational health management

We have established the work safety accountability system for all employees and improved the occupational health responsibility framework to build a responsibility system in which occupational health and safety responsibilities are clearly defined at every level with everyone held accountable. For subsidiaries exposed to occupational disease hazards, we have strictly implemented safety standardization and occupational health management systems and regularly commissioned professional institutions to conduct testing and status assessments of occupational disease hazard factors, aiming to strengthen protective measures and ensure effective prevention and control. To fully implement the *Occupational Health Surveillance and Records Management Policy*, we have provided annual health check-ups for employees exposed to hazardous factors and standardize the establishment and dynamic updating of "one file per employee" occupational health records under unified management, effectively safeguarding employees' health rights.

Subsidiaries certified to occupational health and safety management systems

92

Coverage of employees' health check-ups

100%

Case | Safeguarding employees' occupational health and safety

- SINOMACH-HE incorporated occupational health targets into its *Work Safety Target Responsibility Statement*, broke down targets across all levels, and signed 1,597 responsibility statements.
- FIRST TRACTOR Company identified and assessed occupational hazards and compiled a management register for occupational hazard factors. The company developed and implemented assessments and identification plans for 692 sites across 372 work areas involving occupational hazards. The overall compliance rate for occupational hazard factors reached 93.90%, a year-on-year increase of 1.25%.
- SUMEC established occupational health records and conducted regular health check-ups for 1,723 employees across its 30 operating entities exposed to noise, dust, high temperatures, and other hazards.

Building Dreams for a Win-Win Ecosystem

Committed to exceptional quality, SINOMACH strives to advance its products and services toward high-end development. Acting as an "industry chain leader", we promote collaborative development across the value chain, foster clusters of specialized and sophisticated enterprises, coordinate strategic cooperation, and expand partnerships among governments, universities, and enterprises to jointly build a high-quality industrial ecosystem.

Providing high-end products and services

We have nurtured a culture in which "everyone values, creates, and enjoys high quality", cultivating a spirit of craftsmanship that inspires employees to pursue excellence and continuously stimulating quality-driven innovation across the workforce. Focusing on quality enhancement, we have advanced all-employee, all-process, and all-dimensional quality management and strengthen industrial foundations and major technical equipment to consolidate the momentum of high-quality development.

Deepening quality culture

Industry benchmark: Presenting the SINOMACH Quality Award

We held the SINOMACH Quality Award selection, with 31 secondary and tertiary enterprises submitting 44 projects. Following preliminary reviews, online evaluations, and defense sessions, 11 projects received awards.

Employee empowerment: Holding competition to enhance quality awareness

We mobilized over 30,000 employees to participate in the central SOEs comprehensive quality management knowledge competition, aiming to improve their overall quality awareness.

Cultural cultivation: Fostering a quality ecosystem during Quality Month

During Quality Month, we organized activities under the theme of "consolidating the quality foundation to pursue excellence", such as the "Quality Stories Around Me" and the "Nine Ones" activities, driving continuous improvement in product, engineering, management, and service quality.

35 projects received awards

at the National Mechanical Industry Product Quality Innovation Competition

Zhengzhou Research Institute for Abrasives & Grinding Co., Ltd.

was nominated for the nomination award of the 5th China Quality Award

SINOMACH INTELTECH's Yongtuo QC Team

won the gold medal at the International Convention on Quality Control Circles (ICQCC)

4 projects from Tianjin Research Institute of Construction Machinery, SINOMACH-HE, FIRST TRACTOR Company Limited, and SINOMACH INTELTECH

won the China Quality Technical Award by the China Association for Quality

2 projects from Chongqing Materials Research Institute Co., Ltd. and Luoyang Bearing Research Institute Co., Ltd.

were selected as Typical Experiences of Quality Benchmark by the China Association for Quality

Case | SINOMACH builds a quality innovation platform for the mechanical industry

SINOMACH, together with the China Machinery Industry Federation, co-hosted the "Hangyang Cup" Third National Mechanical Industry Product Quality Innovation Competition. By establishing a platform for quality innovation in the mechanical industry, we promoted new ideas, models, and methods in quality innovation from outstanding products and leading enterprises to foster quality transformation and innovation. SINOMACH-PI achieved another remarkable success, with the aerospace precision bearing product quality innovation project conducted by Luoyang Bearing Research Institute Co., Ltd. winning the gold award.

Award ceremony of the "Hangyang Cup" Third National Mechanical Industry Product Quality Innovation Competition

Provincial- and ministerial-level quality honors received

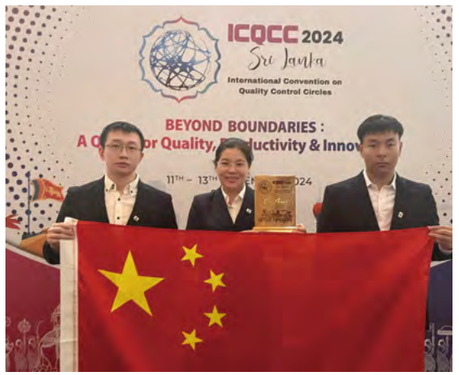
Over 69

Headquarters department service satisfaction rating

97.63

Case | SINOMACH INTELTECH's Yongtuo QC Team wins the gold medal at the 49th ICQCC

At the 49th International Convention on Quality Control Circles (ICQCC), known as the "Olympics of Quality", SINOMACH INTELTECH's Yongtuo QC Team won the gold medal with its project, *Improving the First-Pass Yield of DN1200 Lip Seals*. These seals are used in major projects such as the West–East Gas Pipeline and cross-border natural gas pipelines, where the initial first-pass rate was only 87.99%. To further improve the pass rate, the team conducted an investigation and identified "flow marks" and "scorching" as core issues. Applying the 5W1H method, they developed targeted countermeasures and tackled each issue step by step, ultimately increasing the pass rate to 96.44%. This achievement ensured both the progress and quality of key national projects, delivering significant economic and social benefits.



SINOMACH INTELTECH's Yongtuo QC Team achieves a historic breakthrough by winning the gold medal in its first participation in the international quality management competition

Growing into a modern industry chain leader

Leveraging its role as an "industry chain leader", SINOMACH has helped enterprises within the chain develop specialized and sophisticated technologies to produce novel and unique products based on its technological and resource advantages. Through targeted audits, technical exchanges, and process training, we have provided recommendations on supplier quality control and process management capabilities, thereby driving enterprises within the chain to fully unlock their development potential and achieve mutual advancement. In 2024, the Luoyang modern agricultural machinery equipment cluster, led by FIRST TRACTOR Company Limited, was selected as a national advanced manufacturing cluster.

By the end of 2024

Suppliers approved as "Specialized and Sophisticated Enterprises", "Little Giant," or "Single Champion" enterprises

82

Suppliers assisted through targeted support

212

Strengthening supply chain management

Solidifyinag the foundation of supply chain management

We standardized corporate procurement procedures and embedded supply chain management concepts throughout the entire production and operation process to ensure efficient coordination across business sectors and optimize resource allocation.

Establishing a dynamic governance system

We issued the *Management Measures on Blacklist Suppliers* to clearly define criteria for identifying supplier misconduct and graded penalties. Subsidiaries are required to develop supplier management systems tailored to their operational characteristics and conduct dynamic assessments.

Enhancing digital procurement

We promoted the application of the digital procurement platform that centralizes supplier blacklist management and streamlines process controls. This platform enables graded handling of misconduct, such as procurement process bans or risk alerts, to improve risk control accuracy.

Case | Advancing the integration of the agricultural machinery industry chain and supply chain

Embracing its responsibility as the leader of the high-end agricultural machinery modern industrial chain, SINOMACH has guided upstream and downstream enterprises within the chain toward integrated development. To foster modern industrial chain clusters, the company has assisted Henan Province in spearheading the establishment of the Luoyang modern agricultural machinery equipment cluster, marking the province's first breakthrough in industrial cluster development. This cluster has been selected as a national advanced manufacturing cluster, gathering over 10 national innovation platforms and more than 20 provincial and ministerial innovation platforms. It brings together over 300 enterprises, research institutes, and universities across the entire supply chain, encompassing whole machinery, basic materials, and key components for agricultural machinery. Additionally, we have continuously deepened industrial alliance cooperation. Together with Sinochem Holdings Corporation Ltd. and COFCO Corporation Limited, we have established the Central SOE Agriculture Alliance, developed a working mechanism and explored new cooperation models to jointly safeguard national food security. Drawing on central SOEs brand advantages, we have innovated in cooperation models between central SOEs and local entities by establishing modern agricultural industrial parks and collaborating with key clients such as Beidahuang Group to promote product applications, thus driving industrial development through business model innovation.

Case | SINOMACH E-Chain achieves a new milestone in service

Led by SINOMACH Commercial Factoring Co., Ltd., the dedicated supply chain financial service platform SINOMACH E-Chain plays a critical role in deepening relationships between SINOMACH (including its subsidiaries) and suppliers, addressing suppliers' financing challenges and ensuring the smooth operation of the supply chain. Since its launch, SINOMACH E-Chain has seen accelerating growth in transaction volume. By the end of 2024, nearly 90 subsidiaries had joined the platform, providing over 2,200 online financing services to nearly 600 suppliers across the Group's three core businesses, with total financing exceeding RMB 2 billion. SINOMACH E-Chain effectively alleviates financing challenges faced by small and micro suppliers and contributes to supply chain security.

Deepening strategic cooperation and collaborative development

We have continuously strengthened the overall coordination of strategic cooperation and enhance partnership capabilities. Based on practical needs, we deeply expand our cooperation with governments, universities, and other enterprises to enhance technical exchanges and to jointly promote technological innovation and industrial upgrading. In 2024, 21 new strategic cooperation agreements were established.

SINOMACH advances cooperation with governments by signing strategic cooperation agreements with multiple provincial governments including Sichuan, Jiangxi, and Henan governments, with the focus on high-end equipment manufacturing, infrastructure development, technological innovation, and regional coordinated development for high-quality growth.

SINOMACH expands cooperation with other enterprises by signing strategic agreements with central SOEs such as PipeChina, Baowu, and China Telecom, with the focus on energy equipment, critical materials applications, industrial internet, and intelligent manufacturing to promote coordinated industrial chain development and leverage complementary strengths.

SINOMACH expands cooperation with universities by strengthening scientific and technological exchanges and collaboration with leading universities including Tsinghua University, Zhejiang University, University of Science and Technology of China, Harbin Institute of Technology, and Zhejiang Sci-tech University, to enhance joint research and development initiatives and continuously improve SINOMACH's core R&D capabilities.

Fulfilling Corporate Responsibility to Repay Society

SINOMACH leverages its industrial and technical expertise to promote the rural vitalization strategy and continuously optimize its assistance model of "planning-guided progress, industry-driven development, agricultural machinery empowerment, and talent support". We drive county-level economic upgrades through new industrialization and stimulate rural endogenous vitality through coordinated industrial and agricultural development to systematically promote urban-rural integration. Meanwhile, we actively promote volunteer spirit and extensively participate in charitable donations, volunteer services, and other public welfare activities, contributing greatly to social harmony and sustainable development.

Promoting rural vitalization through industrial support

SINOMACH fully implements the requirement "coordinate our efforts in new industrialization, new urbanization, and all-around rural revitalization". By integrating our high-quality industrial resources and capabilities into rural vitalization, we have advanced the Group's assistance model of "planning-guided progress, industry-driven development, agricultural machinery empowerment, and talent support". Additionally, we have planned top-level development strategies for assisted areas to drive new urbanization through new industrialization and promote rural vitalization through coordinated industrial and agricultural development.

Organizational leadership

We have formulated the *2024 Work Plan for SINOMACH's Paired Assistance for Rural Vitalization* and systematically designed support measures to help comprehensive rural revitalization in assisted areas. Covering rural vitalization planning, agricultural machinery, specialty industries, education and training, and public services, 37 assistance projects have been established. In 2024, we mobilized 411 personnel to visit 4 paired assistance areas, held 28 special meetings, carried out 18 rounds of supervision and guidance activities, and produced 7 investigation and supervision reports to ensure orderly implementation and precise delivery of assistance projects.

Assistance funds invested

in 4 paired assistance areas	Repayable assistance fund invested	Assistance funds raised
RMB 44.997 million	RMB 49.637 million	RMB 255.701 million

Consumption-driven assistance	Jobs facilitated	Trainees in professional skill training	Families assisted through the "Emergency Relief" initiative
RMB 271.25 million	4,693	16,628	60

SINOMACH has been rated as "good", the highest rating, in the assessment of the paired assistance by central SOEs for seven consecutive years.

SINOMACH's case study *Six-Pronged Efforts to Extend and Strengthen the Industrial Chain: Helping Chaotian Walnut Make a Big Impact* was included in the *Blue Book on Central SOE's Role in Rural Vitalization (2024).*

The "Chaotian Agricultural Service" was recognized as a featured assistance brand for rural industrial vitalization by central SOEs and the "Pinglu's Yulu Fragrant Pear" was selected as a featured regional public brand for rural industrial vitalization by central SOEs. Both brands were included in the *Report on Brand Building in Rural Vitalization by Central SOEs.*

Luo Qianyi, SINOMACH's General Manager, leads a team to conduct research on paired assistance work in Gushi County, Henan Province

Scan the QR code to watch the interview with Ding Hongxiang, in CCTV-17's special program *Green Development of Agriculture, Rural Areas and Farmers*, where he discussed the role of agricultural machinery in rural vitalization and the joint planning of agricultural and rural modernization.

Planning-guided progress

Responding to development requests from local governments of assisted areas, we have leveraged our planning and designed resources to integrate the production, operation, and management expertise of leading internal industry enterprises. We have completed the *Textile and Garment Industry Plan of Huaibin County* and the *Shipbuilding Industry Plan of Huaibin County* with high standards and quality, while actively participating in the planning and design of people's livelihood projects such as hospitals and high-standard farmland in the assisted areas.

Two industry development plans

Textile and Garment Industry Plan of Huaibin County

Centered on the theme "promoting Huaibin's fashion industry for an intelligent textile future", this plan aims to build a "Textile and Garment Industry Demonstration Base in Henan province". We have established a future textile and garment industrial park, creating 10,000 jobs and generating an additional revenue of RMB 10 billion.

Shipbuilding Industry Plan of Huaibin County

Focusing on "integrating the new ship industry chain through intelligent manufacturing", this plan aims to develop a national demonstration base for new energy ships and a capital for leisure tourism vessel. The shipbuilding industry will follow a "one core and four zones" layout for coordinated development. We have reached a transport ship capacity of 2.5 million deadweight tons, produced 400 tourism vessels, achieved revenue exceeding RMB 10 billion, and provided employment for 30,000 people.

Hospital

Relying on a first-class domestic expert team and drawing on hospital planning and design experience, we have completed the high-quality planning and design of the Huaibin branch of Xinyang Central Hospital and assisted the team led by Academician Wang Jun from Peking University People's Hospital in its establishment. Covering a total construction area of 207,000 square meters and 1,000 beds, this tertiary general hospital significantly enhances the overall medical level in the Dabieshan Mountain region, benefiting over 800,000 people countywide and serving as a major public welfare project to bring quality medical resources to grassroots communities.

High-standard farmland

In Lidian Town, Gushi County, Henan Province, we have carried out high-standard farmland construction planning, covering 15 administrative villages, about 3,613 hectares of land, and approximately 14,000 households. The plan has promoted concentrated and contiguous farmland improvement, drought and flood resilience, water-saving efficiency, stable and high yield, and eco-friendly development. As a result, we have increased the scale of operations by 30% and raised the level of mechanization by 20%.

Industry-driven development

Promoting industrial prosperity is prioritized as the foremost among the five pillars of rural vitalization goals (covering industry, talent, culture, ecology, and organization). Grounded in market demand, SINOMACH focuses on developing key industries to foster the integration of local industries and maximize benefits for rural communities and farmers.

Garment industry

We have scientifically developed the garment assistance strategy of "central factories + branch factories + workshops" to establish a three-tier operating model with central factories in the county, branch factories in towns, and workshops in villages. Eventually, we established 2 garment processing central factories and 7 branch factories and workshops, providing stable employment for over 1,100 farmers. This strategy has strongly consolidated poverty alleviation achievements and aligned with the goals of rural vitalization.

Walnut industry

We have acquired a new deep-processing production line for walnuts and upgraded 46.67 hectares of walnut orchards through high-quality grafting. In addition, we have developed 100 portable soil-cleaning machines for walnut field management in Chaotian District, Guangyuan, Sichuan Province. These initiatives have enhanced the efficiency of walnut cultivation, built a comprehensive walnut industry ecosystem, and supported Chaotian District's goal of becoming the "Hometown of Chinese Walnuts".

Fruit industry

Leveraging Pinglu County's abundant fruit resources, we have scientifically formulated the "five-step" assistance policy for fruit industry development. Specifically, we have advanced landmark brand building, introduced agricultural demonstration parks, expanded agricultural cooperatives, enhanced new variety breeding, and extended the industry chain to improve the competitiveness of the fruit industry, thereby ensuring sustainable growth of fruit industry and solidifying the local community's wellbeing.

Rice industry

We have supported the development of a digital and smart agricultural service center, which forms a value chain together with the rice processing workshop and the intelligent seedling factory. Serving about 133,333 hectares of farmland in Gushi County, the center has providesd services include crop variety, fertilizer, and crop protection product selection for rice, wheat, and rapeseed; entrusted operations of high-standard farmland; planting plan recommendations and cultivation technology enhancement; agricultural machinery and technical services; grain order collection; and agricultural product sales. These services have strengthened product sales and branded promotion across the entire rice industry value chain.

A farmer in Pinglu County is picking cherries at the SINOMACH's modern agricultural demonstration park in Pinglu County

Agricultural machinery empowerment

SINOMACH has invested a total of RMB 37.5 million in assistance funds and procured 910 sets of various agricultural machinery and equipment. Tailored to the unique resource of the 4 paired assistance areas, we have established agricultural service centers that annually serve nearly 7,467 hectares of farmland, benefiting close to 75,000 farmers and helping farmers reduce costs by more than RMB 3,000 per hectare.

Chaotian District

- With nearly RMB 13 million in assistance funds invested, we have purchased 683 sets of agricultural machinery and established 3 agricultural service centers in Yangmu Town, Zhongzi Town, and Zengjiashan, driving the comprehensive mechanization rate of major crops in Chaotian District to over 65%. In 2024, these centers generated a combined income of RMB 5.4 million, revitalized approximately 143 hectares of abandoned land, and benefited more than 20,000 farmers, increased per capita income by over RMB 220.

Pinglu County

- Focusing on enhancing mechanization in Pinglu's fruit industry, we have piloted an agricultural service center for fruit industry assistance. Assistance included purchasing 42 sets of small tractor and supporting machinery for orchards, benefiting nearly 400 farmers and reducing costs by about RMB 3,000 per hectare. Additionally, 13 orchard box trucks were donated, serving approximately 3,800 farmers and saving over RMB 1 million in transportation costs.

Huaibin County

- To improve mechanization in wheat harvesting, we have invested over RMB 6.9 million in assistance funds to purchase 48 sets of agricultural machinery and establish 2 agricultural service centers in Liuwei Village and Wangdian Township. These efforts have served more than 933 hectares of farmland each year, reducing cultivation and management costs by over RMB 400 per farming household and benefiting more than 2,200 farmers.

Gushi County

- We have built a smart rice seedling factory capable of centralized seedling cultivation for about 1,000 hectares of farmland. This facility conserves approximately 50,000 tons of water annually, saves 300 mu (about 20 hectares) of land, and benefits over 5,000 farmers.

Talent support

Leveraging our resources and platform advantages, we have launched distinctive branded training programs targeting grassroots officials, entrepreneurial leaders, teachers, principals, e-commerce, elderly care, and industrial workers. This has pioneered a replicable and scalable assistance model in the field of rural vitalization.

Cultivating skilled professionals

We have trained nearly 1,100 e-commerce talents and driven e-commerce sales to exceed RMB 1 billion. The SINOMACH Pinglu e-commerce platform has cumulatively sold local agricultural products worth nearly RMB 200 million. Additionally, we have established a textile and garment vocational training center, providing professional skills training to nearly 7,800 people in Gushi County and Huaibin County. We have trained approximately 800 elderly care professionals and fostered well-known local elderly care institutions such as the Gushi Nursing Home, benefiting close to 10,000 seniors.

Conducting the learning campaign of the Green Rural Revival Program in Zhejiang Province

We have specifically organized 4 teams led by key leaders from designated assistance areas to participate in a week-long learning campaign of the Green Rural Revival Program in Zhejiang Province in Lanling, Shandong Province and Hangzhou, Zhejiang Province. Combining concentrated study, symposiums, and field research, participants have learned about innovative rural industries integrating agriculture, culture, and tourism, as well as the new model of smart agriculture. This has expanded grassroots officials' perspectives and enhanced their rural vitalization capabilities.

Enhancing local education

We have established a dedicated school to nurture left-behind children, providing free education opportunities to 8,691 students. Among them, 5,598 students completed the nine-year compulsory education, with 1,258 admitted to provincial and municipal model high schools, over 4,200 continuing at general high schools or secondary vocational schools, and 1,889 entering universities. Utilizing the professional expertise and faculty resources of Hefei Institute of General Professional Technology sponsored by Hefei General Machinery Research Institute Co., Ltd., we have partnered with Xinyang Engineering Vocational College to jointly establish SINOMACH General Industry College to cultivate high-skilled talents. This initiative is expected to support the high-quality employment of more than 6,000 students in the future.

SINOMACH's elderly care skills training class

Cultural vitalization

SINOMACH has enriched rural areas through cultural initiatives and brought care to local communities. By promoting local customs, nurturing positive family traditions, and fostering a culture of simplicity, we have provided lasting spiritual impetus to rural vitalization, contributing to a brighter future and the realization of a beautiful countryside.

"Handholding to Fulfill Micro-wishes" activity

Village BA

Promotion of elderly care culture

Village gala

Promoting the volunteer spirit

Always upholding a strong sense of responsibility, SINOMACH provides volunteer service and conducts charitable donations to actively engage in social welfare undertakings, contributing to the building of a harmonious society. In 2024, we conducted a total of 10,207 volunteer service activities, benefiting 53,052 people.

Case | SINOMACH's project team makes swift response to fight flood

In August, Pingjiang County, Hunan Province, was struck by severe flooding due to continuous heavy rainfall. The water level of the Miluo River surged, inundating low-lying riverside areas and seriously threatening local lives and property. In response, the relocation project team of Pingjiang County No.1 People's Hospital, under SINOMACH's China Machinery International Engineering Design & Research Institute Co., Ltd.,quickly formed a youth team with 38 members. Together with multiple participating contractors, the team sprang into action in this urgent battle with clear responsibility and high efficiency to fill, transport, and stack 1,100 sandbags, building a solid defense line to reinforce the embankment and protect residential areas and critical infrastructure.

Members from the youth team work to fill sandbags efficiently

Sinomach Capital Holdings Co., Ltd. organizes snow and ice removal activity by harnessing the "Rong Yi Bang" brand

"Caring for the Elderly" volunteer service event

Case | BERKSHIRE brings "Water of Hope" to nourish African communities

In Kenya and Sierra Leone, water scarcity and severe pollution have adversely affected residents' health and livelihoods. BERKSHIRE, SUMEC's subsidiary, partnered with The Water Project has implemented the "Borehole Well" project. By drilling deep wells that penetrate polluted surface layers and tapping naturally filtered groundwater, the project provides safe drinking water to local communities. This project has improved water safety for 335 residents across two communities, alleviating the burden on women and children who previously traveled long distances to fetch water. More importantly, it has reduced waterborne diseases, improved community sanitation, and fostered economic development, bringing "Water of Hope" to African impoverished communities.

Safe water supply in African impoverished communities

Case | FIRST TRACTOR Company Limited carries out "Little Red Hat" project for thirty years, shaping it into a golden volunteer project that embodies the spirit of youth

In 1994, in response to the call of the Central Committee of the Communist Youth League of China, FIRST TRACTOR Company Limited officially launched the "Little Red Hat" youth volunteer project for on-site services. Over 30 years, it has evolved into a comprehensive volunteer project covering communities, markets, and rural areas. The project regularly carries out over 100 activities annually, involving more than 1,500 young employees, contributing youthful energy to corporate development and social progress.

The "Little Red Hat" project on production and operation: young volunteers has joined the project as part of the production team, engaging in equipment repair, quality enhancement, technical innovation, on-site 5S management, and factory greening, thereby contributing to our production and operation.

The "Little Red Hat" project in employees' lives: centered on employees' living needs, the project has provided regular support for employees meeting difficulties, visiting families of employees working away from home, caring for the elderly living alone, environments maintenance, convenient repair services, and free medical consultations. Through these services, the project has reached thousands of employees and their families, effectively addressing their practical needs and challenges.

The "Little Red Hat" project in the agriculture market: the project has mobilized hundreds of volunteers to conduct the three-month market research in agricultural machinery markets and fields, engaging deeply with farmers, users, and distributors and gathering first-hand information that supports precise market and customer service.

Three decades on, the "Little Red Hat" project has become a shining symbol of youth spirit at FIRST TRACTOR Company Limited, earning recognition as the "Gold Medal Youth Volunteer Service Project of Central SOEs".

Energizing Vitality to Unlock Talent Potential

Following the principle of "regarding talent as our primary resource", SINOMACH focuses on building a high-quality talent team by enhancing talent recruitment and continuously stimulating intrinsic motivation and innovation vitality. We aim to systematically improve employee rights protection and their quality of life, foster a stronger sense of happiness and belonging, and empower new industrialization with talent-driven momentum for high-quality development.

Safeguarding employee rights

We always regard the protection of employee rights as a fundamental cornerstone of corporate development and have established a standardized employment system in strict accordance with China's *Labor Law*. We uphold equal employment opportunities and ensure no discrimination or unfair treatment based on age, disability, ethnicity, gender, marital status, nationality, political affiliation, or race in recruitment, compensation, training, promotion, and other aspects. We explicitly prohibit child labor and forced labor, and demand all employees sign labor contracts in accordance with the law, achieving a 100% labor contract signing rate.

Compensation and benefits

To improve the compensation and incentive system, we have formulated the *Medium- and Long-term Incentive Manual* to encourage employees to grow together with the Group. We focus on key talents and frontline workers in arduous, dirty, hazardous, and exhausting roles and continuously refine mechanisms for total wage management and income distribution.

Democratic management

We practice democratic management mainly through employee representative congress and unblock channels for communication. Besides, we encourage employees to voice their concerns and suggestions, monitor the progress of responses, and provide timely feedback, thereby safeguarding their rights to information, participation, and supervision, and ensuring effective democratic governance.

Working hours and leave

We fully guarantee statutory welfare holidays, strengthen annual leave management, and improve the implementation and management of maternity leave, parental leave, and other welfare leaves.

Total employees

approx 120,000

Employee turnover rate

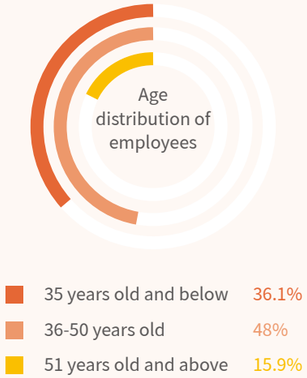
4.6%

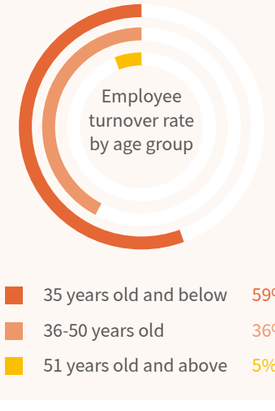
Social insurance coverage

100%

Proportion of female managers

33.5%





Employee composition

Deepening cultural foundations

SINOMACH steers its development direction based on its corporate culture and spiritual flag. We continue to strengthen a rich and distinctive corporate culture to unite employees' values, harnessing the collective strength for common progress. Focuses on cultivating a deeply rooted and vibrant talent culture, we strive to fully ignite employees' passion and motivation for entrepreneurship and innovation.

Enhancing corporate cultural cohesion

We promote the deep integration of cultural development with business operations. We also leverage the role of branded cultural initiatives to both foster internal unity and shape a positive external image, thereby providing ideological assurance and robust spiritual strength for our high-quality development.

Shaping a positive external image

We collaborate closely with mainstream media such as People's Daily and Xinhua News Agency, and has featured on CCTV's *Dialogue* to interpret the industrial code of equipment manufacturing. This has effectively brought China's heavy equipment manufacturing from behind the scenes to the public eye. In addition, we have deeply selected exemplary cases in emerging industry cultivation and growth and established columns such as "Standing Firm for New Industrialization" and "Serving New Industrialization" to actively spread innovative concepts and successful practices.

Fostering internal unity

We held the fifth Machinery Industry Memorial Day event to further consolidate a consensus for progress. Celebrating the 75th anniversary of the founding of the People's Republic of China, we carried out an array of cultural and sports activities that not only vividly showcased the Group's vigorous spirit but also fully expressed love for the motherland, commitment to the common cause, and aspiration for a bright future. Furthermore, we have vigorously integrated cultural development with patriotic education, strived to establish the "United Front+" brand, "Together with SINOMACH", and launched the thematic event named "Uniting Strengths for Progress, Advancing Together for a New Chapter". Through these initiatives, we have continuously drawn inspiration and wisdom from fine traditional Chinese, leveraging high-quality culture as a guiding force to ignite employee innovation and empower our high-quality development.

Honors

FIRST TRACTOR Company Limited's **Dongfanghong Nonggeng Museum** and **the Cadre Education Base (the former residences of Erwin Engst and Joan Hinton)** were both selected into the central **SOEs patriotic education base list and the patriotic education demonstration base list.**

2 micro-videos, ***China's Heavy Equipment — "World Clean Energy Corridor"*** and ***Theory Promotion for Grassroots — A Shout-out to the Automatic Winding Machine***, were awarded as **outstanding works of central SOEs.**

SINOMACH organizes the book launch for *Huang Xiqiu, A Great Master of Medical Architecture*, vividly showcasing Dr. Huang's outstanding qualities, promoting the exemplary role and value guidance of advanced figures, and fostering the ideological and moral cultivation of employees to unite their powerful spirit for embark on a new journey and new achievements in the new era.

SINOMACH hosts the "Deepening Reform and Fostering Innovation to Shoulder Responsibility for New Industrialization" Exchange and Sharing Session and the fifth Machinery Industry Memorial Day event.

SINOMACH mobilizes employees to celebrate the 75th anniversary of the founding of the People's Republic of China through various art forms including calligraphy, painting, and paper-cutting, expressing best wishes for China's prosperity.

Fostering cultural cohesion for talent development

We actively build a professional, and high-quality talent team by comprehensively enhancing talent recruitment and development, aiming to promote a vibrant culture where "everyone aspires to succeed, everyone strives to succeed, everyone can succeed, and everyone spreads their wings". In 2024, a total of 360,000 employees participated in training sessions.

Enhancing policy support and implementation of plans

We have steadily advanced the implementation of the *14th Five-Year Plan for Talent Development*, and strictly enforced accountability for talent work targets. By conducting thorough surveys of the Group's scientific and technological talent pool, we have established a comprehensive talent profile, enabling targeted formulation and implementation of relevant talent policies.

Building a forward-looking talent reserve system

Placing high priority on cultivating and reserving young scientific and technological talents, we have created a youth talent pool within the Group and established a comprehensive platform covering the full talent lifecycle from recruitment, management, support, to development, enabling refined and end-to-end management for scientific and technological talents. In the meantime, we have developed a talent pool for young doctoral researchers, maintaining dynamic tracking and optimizing resource allocation to ensure the sustainable vitality of our high-end talent reserves.

Improving long-term education and training mechanisms

We have revised the *SINOMACH Management Measures for Management Talent Education and Training* to refine training implementation standards and strengthen evaluation and disciplinary supervision, thereby ensuring training quality and effectiveness. We have also innovated training formats and deepened the mechanism for shared development and utilization of educational resources to facilitate efficient flow and use of premium resources, continuously enhancing professional competence and innovation capacities. In 2024, we innovatively held five sessions of the "Visit Advanced Enterprises" training series, offering 137 shared courses to over 57,000 participants.

Strengthening management talent team development

We have continuously improved the "1+N" talent selection and employment system by establishing a unified, standard, and consistent position and rank framework. With political standards as a priority, we have broadened channels for talents selection by openly recruiting chief financial officers of secondary subsidiaries and full-time external directors. Furthermore, we have conducted systematic research on outstanding young management talents. Focusing on the critical minority such as key leaders, we have formulated supervision checklists and conducted performance review conversations on a regular basis, thereby strengthening comprehensive management and ongoing supervision. To reinforce supervision over talents selection and employment, we have established a dedicated inspection team to carry out special inspections across subsidiaries.

3 employees
awarded the National May 1 Labour Medals

3 collectives
recognized by the All-China Federation of Trade Unions

7 employees
honored as Model Workers of Central SOEs

5 collectives
awarded the Advanced Collectives of Central SOEs

At the CCTV's *2024 Chinese Poetry Conference*, Shen Hao from China Machinery Engineering Corporation and Guo Yaru from China CAMC Engineering Co., Ltd. outdid themselves, demonstrating their determination and poetic passion behind their hard work through steadfast dedication and resolute performance. In the final episode, Shen won the championship of *2024 Chinese Poetry Conference* with his profound knowledge of classical poetry and outstanding live performance.

Case | Holding the training program for new hires from campus recruitment

From August 12 to 15, SINOMACH's training program for new hires from its 2024 campus recruitment was held in Beijing. The training adopted a blended model of "main classroom + satellite classrooms" with online and offline format. A total of 161 new hires from over 90 universities attended the main classroom in person, while more than 1,600 across all levels participated via video livestream "A Lesson We All Share" in 95 satellite classrooms. The rich and diverse training content covers topics such as SINOMACH's development history, strategic planning, corporate culture, and youth competency enhancement. Activities also included watching the documentary about Machinery Industry Day, visiting SINOMACH's exhibition hall and the former residences of Erwin Engst and Joan Hinton, as well as team building exercises and talent showcases. These activities significantly strengthened new employees' cultural identification with the machinery industry's fine traditions, deepened their overall understanding of SINOMACH, and fully inspired their enthusiasm for entrepreneurship and innovation.

Groups actively share their learning insights at the graduation ceremony of the training program

Enhancing humanistic care

Adhering to the philosophy of "putting people first", we actively foster a workplace environment that emphasizes humanistic care. We regularly carry out the "I Do Practical Things for the Masses" activities, focusing on improving production environments, upgrading employee centers, implementing the employee assistance program (EAP), and providing caring facilities such as daycare and mother's rooms. Through SINOMACH Love Fund, we continue to expand the scope and intensity of assistance by opening up diverse support channels for employees in need. At the same time, we have provided inclusive services such as the vegetable basket project, micro-wish granting, and sports and cultural activities. These efforts have not only enhanced employees' quality of life and sense of well-being, but also steadily expanded the service ecosystem for new industrialization.

RMB **7.16** million

Assistance funds of SINOMACH Love Fund

445 employees

assisted by SINOMACH Love Fund

1 A SINOMACH's leader visits a veteran employee to extend care

2 SINOMACH holds grandly the employee singing competition "Singing for the New Era, Striving for a Strong Nation" to celebrate the 75th anniversary of the founding of the People's Republic of China

3 SINOMACH holds the second "China Machinery Engineering Corporation Cup" table tennis and badminton invitational tournament

4 SINOMACH carries out the Open Day family event, bringing children to the production front line

5 SINOMACH conducts the themed event "Conversations with Time: Experiencing Poetic China" on International Women's Day

6 China CAMC Engineering Co., Ltd. holds Spring Festival dumpling making activity named "Celebrating Reunion with Dumplings, Embracing Resilient Growth for the New Year"

Outlook

Advancing with Resolve to Consolidate the Foundations of High-Quality Development

SINOMACH will deepen reform and improve management with greater determination, ensuring these efforts play a central role in promoting the Group's high-quality development. This includes successfully completing the initiative to deepen reform, while advancing benchmarking against world-class enterprise management practices and implementing the value creation initiatives.

SINOMACH will continue to enhance its corporate governance framework by strengthening the role of the Board of Directors and expanding the pool of external directors across its subsidiaries. The Company will reinforce the supervisory responsibilities of the Audit and Risk Committee, advance reforms of the Supervisory Board, improve mechanisms for coordinated supervision, and further clarify and optimize the mandates of internal audit functions.

Leading with Innovation to Forge Ahead on the Journey of New Industrialization

SINOMACH will strengthen and expand its advanced equipment manufacturing business, building a resilient and secure industrial supply chain while fostering the development of new technologies, products, and businesses.

The Group will strategically plan its plan for science and technology innovation for the "15th Five-Year Plan" period, enhance basic research and original innovation capacities, and accelerate breakthroughs in critical core technologies. We will strengthen our pool of scientific and technical talent, and improve innovation mechanisms, aiming to reinforce core functions and sharpen the Group's competitive edge.

SINOMACH will seize domestic market opportunities while accelerating the delivery of key overseas projects and further enhancing its international operations. By steadily advancing our project contracting and supply chains businesses, we will continue to strengthen our capacities for international industrial cooperation and global supply chain integration.

Shaping a Low-Carbon and Sustainable Future with Green Empowerment

SINOMACH will vigorously advance its green transformation programs, embedding green as the foundation for transforming development models. With a focus on the hydrogen sector, the Group aims to establish itself as an original technology hub in hydrogen storage and transportation, addressing critical challenges in safety and efficiency, and thereby accelerating the clean energy transition.

SINOMACH will continue to explore carbon trading mechanisms, leveraging emission reduction potential to achieve coordinated and sustainable green development, balancing both economic returns and social value.

Upholding Our Aspiration to Build a Better Community

SINOMACH will further strengthen top-level planning, aligning with the Belt and Road Initiative, the Rural Vitalization Strategy, and the Hainan Free Trade Port development. The Group will leverage relevant national support policies to actively explore pilot projects for regional market development and local assistance in Hainan, Gushi, Huaibin, and other areas, while also exploring new models such as China-Africa agricultural cooperation.

SINOMACH will focus on critical sectors that provide public services, emergency response capabilities, and other areas vital to national welfare and people's livelihood. Efforts will be concentrated on talent system development, implementing the "100-10,000-1,000,000" central SOEs science and technology talent development initiative, fully leveraging the expertise of the Group's chief specialists and master technicians, while continuing to strengthen the development of a high-caliber talent pool and a strong pipeline of young professionals.

Roles in Social Organizations

NO.	Organization	Role
1	China-France Business Council	Leading Unit of the Chinese Working Group
2	China-Ukraine Bilateral Entrepreneur Council	Chairman of the Chinese Side
3	APEC China Business Council	Vice Chairman
4	China Machinery Industry Auditing Society (CMIAS)	Chairman
5	China Association of Agricultural Machinery Manufactures (CAAMM)	Chairman
6	China National Forestry Machinery Association(CNFMA)	Chairman
7	China Machinery Industry Federation (CMIF)	Vice Chairman
8	China Chamber of International Commerce (CCOIC)	Vice Chairman
9	China Enterprise Confederation (CEC) China Enterprise Directors Association (CEDA)	Vice Chairman
10	China Machinery Enterprise Management Association (CMMA)	Vice Chairman
11	China International Contractors Association (CHINCA)	Vice Chairman
12	China Chambers of Commerce for Import and Export of Machinery and Electronic Products	Vice Chairman
13	China Association of International Engineering Consultants (CAIEC)	Vice Chairman
14	China Association of Automotive Manufactures (CAAM)	Vice Chairman
15	China Society of Automotive Engineers(China-SAE)	Deputy Director-General Member
16	China Mechanical Engineering Society (CMES)	Deputy Director-General Member
17	China Institute Of Machinery Electronics And Ship Industry Archives	Deputy Director-General Member
18	China Talents Society Auto Talents Committee	Deputy Director-General Member
19	China Corporate Culture institute	Deputy Director-General Member
20	China Association of Work Safety (CAWS)	Executive Council Member
21	China Center for International Economic Exchanges	Council Member
22	China Association of Machinery Industry Culture(CAMIC)	Council Member
23	Green Manufacturing Association of China	Council Member
24	Belt and Road Portal •Yidaiyilu.Gov.cn	Council Member
25	Association for Relations Across the Taiwan Straits	Council Member
26	Cross-Strait CEO Summit Intelligent Manufacturing and Equipment Industry Cooperation Promotion Group	Council Member
27	China Institute of Internal Audit	Council Member
28	Advanced Manufacturing Committee of The China Workers' Technical Association	Executive Council Member
29	China Association for Engineering Construction Standardization(CECS)	Deputy Director-General Member
30	China Association for Quality(CAQ)	Member

Comparison Table with the Ten Principles of UN Global Compact

The Ten Principles of UN Global Compact		Progress in 2024
Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights	SINOMACH abided by international human rights conventions and strictly complied with national laws to safeguard employees' legitimate rights and interests.
	Principle 2: Make sure that they are not complicit in human rights abuses	SINOMACH fostered a diverse and inclusive workplace, promoted a harmonious working environment, and firmly opposed any form of human rights violations.
Labor	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	SINOMACH upheld democratic management with the workers' congress as the primary platform, ensuring open channels for communication, and encouraging employees to voice their concerns and suggestions. We tracked the handling process, and provided timely feedback, fully protecting employees' rights to information, participation, and oversight, and ensuring democratic management is effectively implemented.
	Principle 4: The elimination of all forms of forced and compulsory labor	SINOMACH strictly complied with Labour Law of the People's Republic of China and established a standardized employment system. We explicitly prohibited the use of child labor and forced labor, and signed labor contracts with all employees in accordance with the law, achieving a 100% contract signing rate.
	Principle 5: The effective abolition of child labor	
	Principle 6: The elimination of discrimination in respect of employment and occupation	SINOMACH upheld the principle of equal employment, ensuring that no employee is discriminated against or treated unfairly on the basis of age, disability, ethnicity, gender, marital status, nationality, political affiliation, or race in recruitment, remuneration, training, promotion opportunities, or other employment practices.
Environment	**Principle 7:** Businesses should support a precautionary approach to environmental challenges	SINOMACH advanced research and development in energy conservation and emissions reduction technologies, improved resource utilization efficiency, and established a full life-cycle green supply chain management system to help build a green, low-carbon, and circular economy.
	Principle 8: Undertake initiatives to promote greater environmental responsibility	SINOMACH proactively integrated the concept of green development into every stage of supply chain management, using "green content" as a key metric in procurement performance assessments. Preference was given to suppliers that adopt new technologies, processes, products, materials, and energy-saving, environmentally friendly solutions, with the aim of fostering joint emissions reduction across the supply chain.
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	SINOMACH actively built industry-leading green benchmarks. Anchored in green equipment, we led the development with innovative green technologies, and supported our initiatives with eco-conscious design. We implemented these principles through green engineering projects and extended our impact with green services. This integrated strategy strengthened our energy-saving and environmental protection industrial cluster, enabling us to provide more greener solutions for businesses across the sector.
Anti-Corruption	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery	SINOMACH reinforced discipline, integrity, and anti-corruption measures. The Company took a high-level, coordinated approach to internal inspections, special rectification campaigns, and targeted improvement initiatives; we regularly organized "Integrity Promotion and Education Month" activities; and worked to foster a clean, upright environment.

Action Plan Benchmarking against the Global Development Initiative

Global Development Initiative	Progress in 2024
Joint efforts to reduce poverty	SINOMACH advanced its distinctive assistance model of "planning-guided progress, industry-driven development, agricultural machinery empowerment, and talent support", effectively leveraging new-type industrialization to drive new-type urbanization, and fostering mutual reinforcement between industry and agriculture for comprehensive rural vitalization. In 2024, the Company invested RMB 44.997 million in non-repayable assistance funds and attracted RMB 255.701 million in support funds to 4 paired assistance counties (districts). By prioritizing industrial prosperity as the first of the five pillars of rural vitalization, SINOMACH focused on market demand, developed competitive industries, and promoted the integrated development of local industries to deliver more and better benefits to rural communities and farmers.
Jointly safeguarding global food security	SINOMACH continuously advanced the mechanization of agriculture and the transformation and upgrading of the agricultural machinery industry. The Company focused on developing flagship forestry machinery products and promoted the safeguarding of food security through intelligent agricultural equipment. The Company successfully China's first self-propelled intelligent walnut harvester, filling a domestic gap in this equipment category.
Jointly protecting human health and safety	SINOMACH actively built a system in which occupational health and safety responsibilities are clearly defined at every level with everyone held accountable. For subsidiaries exposed to occupational hazards, professional agencies were regularly commissioned to conduct hazard detection and status evaluations, reinforcing protective measures to ensure effective control of risks. The Company fully implemented the *Occupational Health Surveillance and Records Management Policy*, provided annual health check-ups for employees exposed to hazards, and standardized the establishment and dynamic updating of "one file per employee" occupational health records.
Jointly promoting financing for sustainable development	SINOMACH continuously enhanced its international business capabilities, strengthened overseas compliance and risk management, and accelerated the construction of key overseas projects to support the industrialization of BRI countries. The Company highlighted green, low-carbon development and localized operations in the construction and operation of overseas projects, actively supporting livelihood improvement and poverty reduction efforts in developing countries. As of the end of 2024, SINOMACH had established 366 overseas enterprises (including subsidiaries and joint ventures) and branch offices (representative offices), covering 97 countries and 4 regions. The Company has undertaken more than 2,000 large and medium-sized engineering projects in countries of the Belt and Road Initiative.
Jointly advancing green and low-carbon development	SINOMACH prepared the *Self-Assessment Report on the Implementation of the 2024 Carbon Peaking Action Plan and the 2025 Work Plan*, with energy conservation and environmental protection investments totaling RMB 294.7 million. Leveraging its professional strengths, the Company empowered multiple facets including green equipment, green technologies, green design, green engineering, and green services. SINOMACH coordinated activities such as "Energy Conservation Publicity Week" and "Low-Carbon Day" to strengthen ecological and environmental protection. The Company established a green supply chain supplier archive, guiding them to reduce the usage of various raw, auxiliary, and packaging materials to prevent or minimize environmental pollution.
Jointly advancing industrialization in developing countries	SINOMACH was comprehensively enhancing the Group's core competitiveness by focusing on making "SINOMACH-made" products more advanced, intelligent, and green, strengthening and optimizing its advanced equipment manufacturing business. The Group continuously promoted technological innovation, hosting the 2024 Technology Conference. While actively supporting coordinated regional development within China, SINOMACH also persistently drove the industrialization process in BRI partner countries, with multiple overseas projects receiving recognition from state leaders.
Jointly promoting inclusive prosperity through the digital economy	Seizing the opportunities presented by the digital technology revolution, SINOMACH accelerated the deep integration of the real economy with the digital economy. By accelerating the development of Agricultural Machinery Cloud and Machinery Equipment Industry Cloud, we fostered new growth drivers through informatization, while continuously advancing the transformation of the equipment manufacturing sector toward higher-end, smarter, and greener development. We convened the inaugural meeting of the "SINOMACH Intelligent Manufacturing System Integration Collaborative Innovation Alliance" and the "AI+" Seminar. We officially launched the National Agricultural Machinery Operation Command and Dispatch Platform and officially rolled out the "Agricultural Machinery Cloud" and the "Machinery Equipment Industry Cloud".
Jointly enhancing connectivity in the new era	SINOMACH actively supported key domestic regional development strategies, including coordinated development of the Beijing-Tianjin-Hebei region, Yangtze River Delta integrated development, as well as the development of Guangdong-Hong Kong-Macao Greater Bay Area, Hainan Free Trade Port, and the Chengdu-Chongqing economic circle. The Group participated in the high-quality Belt and Road cooperation, injecting strong momentum into economic development and livelihood improvement in partner countries along the route. SINOMACH engaged in major international exchange platforms such as the China International Import Expo, Canton Fair, Forum on China-Africa Cooperation, and bilateral forums with France and Finland, actively integrating into and serving the new dual circulation development paradigm, and contributing to building a community with a shared future for mankind.

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