Zoomlion Heavy Industry Science and Technology Co., Ltd.*

中聯重科股份有限公司

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

(Stock Code: 1157)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the year ended 31 December 2024 amounted to RMB45,478 million, representing a decrease of RMB1,597 million or 3.39% from 2023.

- Profit attributable to equity shareholders of the Company for the year ended 31 December 2024 amounted to RMB3,521 million, representing a decrease of RMB29 million or 0.82% from 2023.

- Basic earnings per share for the year ended 31 December 2024 amounted to RMB0.41, representing a decrease of RMB0.02 compared with basic earnings per share in 2023. Diluted earnings per share for the year ended 31 December 2024 amounted to RMB0.41, representing a decrease of RMB0.02 compared with diluted earnings per share in 2023.

- The Board proposed a final dividend of RMB0.3 per share for the year ended 31 December 2024.

The board of directors (the "**Board**") of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the "**Company**") hereby announces the audited results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**") together with the comparative figures for 2023:

FINANCIAL RESULTS

Financial information extracted from the audited financial statements for 2024 prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"):

Consolidated statement of comprehensive income

For the year ended 31 December 2024
(Expressed in RMB)

	Note	**2024** *RMB millions*	2023 *RMB millions*
Revenue	*3*	**45,478**	47,075
Cost of sales and services		**(32,668)**	(34,109)
Gross profit		**12,810**	12,966
Other income		**1,162**	935
Sales and marketing expenses		**(3,721)**	(3,557)
General and administrative expenses		**(2,585)**	(2,274)
Expected credit losses	*4(c)*	**(570)**	(794)
Research and development expenses		**(2,769)**	(3,441)
Profit from operations		**4,327**	3,835
Net finance (costs)/income	*4(a)*	**(28)**	284
Share of profits less losses of associates		**84**	153
Profit before taxation	*4*	**4,383**	4,272
Income tax	*5*	**(374)**	(457)
Profit for the year		**4,009**	3,815

	Note	**2024**	2023
		RMB millions	*RMB millions*
Profit attributable to:			
Equity shareholders of the Company		**3,521**	3,550
Non-controlling interests		**488**	265
		4,009	3,815
Profit for the year		**4,009**	3,815
Earnings per share (RMB)			
Basic	*7*	**0.41**	0.43
Diluted	*7*	**0.41**	0.43

	2024 *RMB millions*	2023 *RMB millions*
Profit for the year	**4,009**	3,815
Other comprehensive income for the year (after tax)		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	**(352)**	29
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries outside mainland PRC	**(78)**	72
Total other comprehensive income for the year	**(430)**	101
Total comprehensive income for the year	**3,579**	3,916
Total comprehensive income attributable to:		
Equity shareholders of the Company	**3,091**	3,651
Non-controlling interests	**488**	265
Total comprehensive income for the year	**3,579**	3,916

Consolidated statement of financial position
At 31 December 2024
(Expressed in RMB)

	Note	2024 RMB millions	2023 RMB millions
Non-current assets			
Property, plant and equipment		**20,577**	17,364
Right-of-use assets		**3,625**	3,621
Investment properties		**56**	90
Intangible assets		**2,019**	1,988
Goodwill		**2,580**	2,641
Interests in associates	*8*	**4,484**	4,497
Other financial assets	*9*	**2,017**	2,669
Trade receivables and contract assets	*11*	**6,828**	10,882
Receivables under finance lease	*12*	**3,835**	6,120
Loans and advances		**469**	568
Pledged bank deposits		**107**	76
Deferred tax assets	*15(b)*	**2,637**	2,303
Total non-current assets		**49,234**	52,819
Current assets			
Inventories		**22,564**	22,504
Other current assets		**565**	708
Financial assets measured at fair value through profit or loss ("**FVPL**")	*10*	**1,622**	1,767
Trade and other receivables	*11*	**32,400**	32,033
Receivables under finance lease	*12*	**3,328**	4,843
Loans and advances		**279**	280
Pledged bank deposits		**1,565**	2,265
Cash and cash equivalents		**12,155**	13,606
Total current assets		**74,478**	78,006
Total assets		**123,712**	130,825
Current liabilities			
Loans and borrowings		**10,837**	7,377
Financial liabilities at FVPL		22	9
Trade and other payables	*13*	**29,763**	40,513
Contract liabilities		**1,901**	1,817
Lease liabilities		**154**	126
Income tax payable	*15(a)*	**310**	154
Total current liabilities		**42,987**	49,996

	Note	2024 RMB millions	2023 RMB millions
Net current assets		**31,491**	28,010
Total assets less current liabilities		**80,725**	80,829
Non-current liabilities			
Loans and borrowings		**15,412**	14,944
Lease liabilities		**362**	308
Deferred tax liabilities	*15(b)*	**696**	807
Other non-current liabilities		**4,453**	5,639
Total non-current liabilities		**20,923**	21,698
NET ASSETS		**59,802**	59,131
CAPITAL AND RESERVES			
Share capital		**8,678**	8,678
Reserves		**48,423**	47,693
Total equity attributable to equity shareholders of the Company		**57,101**	56,371
Non-controlling interests		**2,701**	2,760
TOTAL EQUITY		**59,802**	59,131

Consolidated statement of changes in equity

For the year ended 31 December 2024
(Expressed in RMB)

		Attributable to equity shareholders of the Company									
	Note	Share capital *RMB millions*	Capital reserve *RMB millions*	Statutory surplus reserve *RMB millions*	Exchange reserve *RMB millions*	Fair value reserve (non-recycling) *RMB millions*	Other reserves *RMB millions*	Retained earnings *RMB millions*	Total *RMB millions*	Non-controlling interests *RMB millions*	Total equity *RMB millions*
Balance at 31 December 2022 and 1 January 2023		8,678	18,069	4,384	(1,543)	(50)	302	24,865	54,705	2,234	56,939
Changes in equity for 2023											
Profit for the year		–	–	–	–	–	–	3,550	3,550	265	3,815
Other comprehensive income		–	–	–	72	26	–	3	101	–	101
Total comprehensive income		–	–	–	72	26	–	3,553	3,651	265	3,916
Repurchase of ordinary shares		–	(1,085)	–	–	–	–	–	(1,085)	–	(1,085)
Cash dividends	*6*	–	–	–	–	–	–	(2,641)	(2,641)	–	(2,641)
Share incentive scheme – Restricted share scheme	*14*	–	1,635	–	–	–	–	–	1,635	–	1,635
Contribution from non-controlling shareholders in a subsidiary		–	106	–	–	–	–	–	106	271	377
Disposal of non-controlling interests of a subsidiary		–	–	–	–	–	–	–	–	6	6
Dividends declared by subsidiaries to non-controlling interests		–	–	–	–	–	–	–	–	(16)	(16)
Appropriation for general risk reserve		–	–	–	–	–	35	(35)	–	–	–
Safety production fund		–	–	–	–	–	43	(43)	–	–	–
Balance at 31 December 2023		8,678	18,725	4,384	(1,471)	(24)	380	25,699	56,371	2,760	59,131

Consolidated statement of changes in equity

For the year ended 31 December 2024 (continued)
(Expressed in RMB)

	Note	Share capital *RMB millions*	Capital reserve *RMB millions*	Statutory surplus reserve *RMB millions*	Exchange reserve *RMB millions*	Fair value reserve (non-recycling) *RMB millions*	Other reserves *RMB millions*	Retained earnings *RMB millions*	Total *RMB millions*	Non-controlling interests RMB millions	Total equity RMB millions
		Attributable to equity shareholders of the Company									
Balance at 31 December 2023 and 1 January 2024		**8,678**	**18,725**	**4,384**	**(1,471)**	**(24)**	**380**	**25,699**	**56,371**	**2,760**	**59,131**
Changes in equity for 2024											
Profit for the year		–	–	–	–	–	–	3,521	3,521	488	4,009
Other comprehensive income		–	–	–	(78)	(352)	–	–	(430)	–	(430)
Total comprehensive income		–	–	–	(78)	(352)	–	3,521	3,091	488	3,579
Repurchase of ordinary shares		–	(54)	–	–	–	–	–	(54)	–	(54)
Cash dividends	*6*	–	–	–	–	–	–	(2,777)	(2,777)	–	(2,777)
Share incentive scheme – Restricted share scheme	*14*	–	866	–	–	–	–	–	866	–	866
Contribution from non-controlling shareholders in a subsidiary		–	–	–	–	–	–	–	–	9	9
Acquisition of non-controlling interests in subsidiaries		–	(396)	–	–	–	–	–	(396)	(502)	(898)
Dividends declared by subsidiaries to non-controlling interests		–	–	–	–	–	–	–	–	(54)	(54)
Safety production fund		–	–	–	–	–	1	(1)	–	–	–
Balance at 31 December 2024		**8,678**	**19,141**	**4,384**	**(1,549)**	**(376)**	**381**	**26,442**	**57,101**	**2,701**	**59,802**

Notes to the financial information

1 STATEMENT OF COMPLIANCE

The financial information contained in this preliminary announcement of annual results was extracted from the Group's consolidated financial statements. These financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). IFRS Accounting Standards include all individual International Financial Reporting Standards, International Accounting Standards ("**IASs**") and related interpretations.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRS Accounting Standards that are first effective for the current accounting period of the Group:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* and amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenant*

- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*

- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Supplier finance arrangement*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 REVENUE AND SEGMENT REPORTING

The Group is principally engaged in three main operating segments, including (i) research, development, manufacturing and sale of construction machinery; (ii) research, development, manufacturing and sale of agricultural machinery; and (iii) finance lease services.

Revenue from sales and lease of the Group's machinery products is net of value added tax and after deduction of any trade discounts.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	2024 *RMB millions*	2023 *RMB millions*
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
Construction machinery		
– Concrete machinery	**8,004**	8,571
– Crane machinery	**14,691**	19,175
– Aerial machinery	**6,830**	5,701
– Earth working machinery	**6,666**	6,647
– Others	**4,012**	4,208
Agricultural machinery	**4,646**	2,089
	44,849	46,391
Revenue from other sources		
Rental income	**157**	187
Financial services	**472**	497
	629	684
	45,478	47,075

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business sectors. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

a. Construction machinery segment consists of the following sub-segments:

Concrete machinery sub-segment primarily researches, develops, manufactures and sells various concrete machineries, including truck-mounted concrete pumps, trailer-mounted concrete pumps, dry mortar products, concrete placing booms, concrete mixing plants, truck-mounted concrete mixers, truck-mounted line concrete pumps and self-propelled boom concrete pumps.

Crane machinery sub-segment primarily researches, develops, manufactures and sells a variety of cranes, including truck cranes, all-terrain truck cranes, crawler cranes and various types of tower cranes.

Aerial machinery sub-segment primarily researches, develops, manufactures and sells a variety of aerial work vehicles.

Earth working machinery sub-segment primarily researches, develops, manufactures and sells a variety of earth working machineries, including loaders, bulldozer and various types of excavators.

Others primarily research, develop, manufacture and sell of other machinery products, including road construction and pile foundation machinery, material handling machinery and systems, specialised vehicles and vehicle axles.

None of these segments met any of the quantitative thresholds for determining reportable segments for the years ended 31 December 2024 and 2023.

b. Agricultural machinery segment primarily researches, develops, manufactures and sells a wide range of agricultural machineries, including tractors, grain harvesters and drying machines.

c. Financial services segment primarily provides finance lease services to customers for purchasing machinery products of the Group and from other vendors.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results attributable to each reportable segment on the following basis:

The measure used for reporting segment profit is revenue less cost of sales and services.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

Disaggregation of revenue by timing of revenue recognition regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below:

	2024			2023		
	Point in time ***RMB millions***	**Over time** ***RMB millions (Note)***	**Total** ***RMB millions***	Point in time *RMB millions*	Over time *RMB millions (Note)*	Total *RMB millions*
Reportable segment revenue:						
Construction machinery						
– Concrete machinery	**8,004**	**10**	**8,014**	8,571	27	8,598
– Crane machinery	**14,691**	**95**	**14,786**	19,175	116	19,291
– Aerial machinery	**6,830**	**3**	**6,833**	5,701	6	5,707
– Earthworking machinery	**6,666**	**5**	**6,671**	6,647	–	6,647
– Others	**4,012**	**40**	**4,052**	4,208	35	4,243
Agricultural machinery	**4,646**	**4**	**4,650**	2,089	3	2,092
Financial services	**–**	**472**	**472**	–	497	497
	44,849	**629**	**45,478**	46,391	684	47,075

Note: revenue recognised over time include rental income and service income.

(ii) Information about profit or loss

	2024	2023
	RMB millions	*RMB millions*
Reportable segment profit:		
Construction machinery		
– Concrete machinery	**1,817**	1,971
– Crane machinery	**4,792**	5,989
– Aerial machinery	**2,030**	1,293
– Earthworking machinery	**2,013**	1,857
– Others	**1,133**	1,130
Agricultural machinery	**570**	246
Financial services	**455**	480
	12,810	12,966

(iii) Reconciliations of segment profit

	2024	2023
	RMB millions	*RMB millions*
Reconciliation of segment profit:		
Total reportable segment profit	**12,810**	12,966
Gross profit	**12,810**	12,966
Other income	**1,162**	935
Sales and marketing expenses	**(3,721)**	(3,557)
General and administrative expenses	**(2,585)**	(2,274)
Expected credit losses	**(570)**	(794)
Research and development expenses	**(2,769)**	(3,441)
Net finance (costs)/income	**(28)**	284
Share of profits less losses of associates	**84**	153
Profit before taxation	**4,383**	4,272

(iv) Geographic information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment and right-of-use assets ("**specified non-current assets**"). The geographical location of revenue is based on the selling location. The geographical location of specified non-current assets is based on the physical location of the asset. No geographic information is presented for trademarks, technical know-how and goodwill as these assets are commonly used by the Group both in and outside PRC. Most of the other non-current assets are physically located in the PRC, except for customer relationships acquired through business combination of CIFA S.p.A ("**CIFA**") and m-tec mathis technik GmbH ("**m-tec**"), which are determined to be outside PRC.

	2024	2023
	RMB millions	*RMB millions*
Revenue from external customers		
– Mainland PRC	**22,164**	29,026
– Outside PRC	**23,314**	18,049
Total	**45,478**	47,075

	2024	2023
	RMB millions	*RMB millions*
Specified non-current assets		
– Mainland PRC	**22,175**	18,931
– Outside PRC	**2,027**	1,164
Total	**24,202**	20,095

4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Net finance costs/(income):

	2024	2023
	RMB millions	*RMB millions*
Interest income	**(653)**	(914)
Interest on loans and borrowings	**651**	682
Interest on lease liabilities	**11**	9
Net exchange loss/(gain)	**110**	(61)
Less: interest expense capitalised into construction in progress *(Note)*	**(91)**	–
	28	(284)

Note: The borrowing costs have been capitalised at rates of 2.30% to 2.77% per annum.

(b) Staff costs:

	2024	2023
	RMB millions	*RMB millions*
Salaries, wages and other benefits	**4,815**	4,491
Share incentive scheme expenses	**866**	279
Contributions to retirement schemes	**822**	690
	6,503	5,460

(c) Other items:

	2024	2023
	RMB millions	*RMB millions*
Cost of inventories sold	**32,483**	34,109
Depreciation charge		
– owned property, plant and equipment	**921**	995
– right-of-use assets, land use rights	**71**	105
– right-of-use assets, plant, machinery and equipment	**185**	138
Amortisation of intangible assets	**153**	150
Auditors' remuneration:		
– audit services	**9**	11
Product warranty costs	**185**	191
Expected credit losses:		
– trade receivables	**568**	563
– receivables under finance lease	**(22)**	164
– other receivables	**27**	56
– loan and advance	**(3)**	11
Impairment losses:		
– inventories	**13**	39
– other current assets	**–**	51

5 INCOME TAX

Income tax in the consolidated statement of comprehensive income represents:

(a) Taxation in the consolidated statement of profit or loss represents:

	2024	2023
	RMB millions	*RMB millions*
Current tax – PRC income tax	**614**	742
Current tax – Income tax in other tax jurisdictions	**110**	129
Deferred taxation – origination and reversal of temporary differences	**(350)**	(414)
Tax expenses	**374**	457

(b) Reconciliation between income tax expenses and accounting profit at applicable tax rates:

	2024	2023
	RMB millions	*RMB millions*
Profit before taxation	**4,383**	4,272
Notional tax on profit before taxation, calculated at the statutory income tax rate *(Note (i))*	**1,096**	1,068
Tax effect of non-deductible expenses	**16**	30
Current year loss for which no deferred tax assets was recognised	**64**	125
Tax effect of non-taxable income	**(63)**	(94)
Tax effect of subsidiaries subject to a difference tax rate *(Note (ii))*	**(246)**	(197)
Additional deduction for qualified research and development expenses *(Note (iii))*	**(493)**	(454)
Others	**–**	(21)
Actual income tax expenses	**374**	457

Notes:

(i) The PRC statutory income tax rate is 25% (2023: 25%).

(ii) According to the income tax law and its relevant regulations, entities that qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%. The Company and certain of its PRC subsidiaries obtained or renewed its status as high-technology enterprises in 2024and accordingly are subject to income tax at 15% for the years from 2024 to 2026.

The Company's subsidiaries in the HKSAR are subject to Hong Kong Profits Tax at 16.5% (2023: 16.5%) in respect of assessable profits arising in or derived from Hong Kong. In years 2024 and 2023, the Group did not derive any income chargeable to Hong Kong Profits Tax on the basis that all the income was offshore sourced, all the expenses incurred by the subsidiaries in Hong Kong have been disallowed.

The Company's overseas subsidiaries are subject to income tax at rates ranging from 9% to 34% (2023: 15% to 34%).

(iii) Under the income tax law and its relevant regulations, a 100% additional tax deduction is allowed for qualified research and development expenditure for the year ended 31 December 2024 (2023: 100%).

(c) Pillar Two income taxes

In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") for a new global minimum tax reform applicable to large multinational enterprises. Certain jurisdictions in which the group operates have implemented Pillar Two income tax legislation based on this framework, and those Pillar Two income tax laws became effective on 1 January 2024.

Consequently, the Group has become liable to Pillar Two income tax for the first time. At the reporting date, Pillar Two legislation was effective in certain jurisdictions in which the Group operates, including Turkey, Italy, Luxembourg, etc. For these jurisdictions, the Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year, and concluded there is no material financial impact of Pillar Two income taxes. However, several jurisdictions in which the Group operates, including Hong Kong and Mainland China, have not yet enacted Pillar Two legislation.

For other jurisdictions in which the Group operates, including those such as Indonesia, the United Arab Emirates, etc. where Pillar Two legislation was enacted but not yet effective at the reporting date, the quantitative impact of the Pillar Two legislation is not yet known or reasonably estimable due to significant areas of uncertainty in the application of the legislation. Therefore, it is possible that the Group may be subject to additional Pillar Two income taxes in those jurisdictions from 2025 onwards.

The Group has applied the temporary mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes and accounted for the tax as current tax when incurred.

6 CASH DIVIDENDS

(i) Dividends paid during year

Pursuant to the shareholders' approval at the Annual General Meeting held on 28 June 2024, a final cash dividend of RMB0.32 per share based on 8,678 million ordinary shares in issue, totaling RMB2,777 million in respect of the year ended 31 December 2023 was declared, which was fully paid by 31 December 2024.

Pursuant to the shareholders' approval at the Annual General Meeting held on 29 June 2023, a final cash dividend of RMB0.32 per share based on 8,254 million ordinary shares in issue, totaling RMB2,641 million in respect of the year ended 31 December 2022 was declared, which was fully paid by 31 December 2023.

(ii) Dividends proposed after the balance sheet date

Pursuant to a resolution passed at the directors' meeting on 24 March 2025, a final dividend in respect of the year ended 31 December 2024 of RMB0.3 per share, totalling approximately RMB2,603 million was proposed for shareholders' approval at the forthcoming Annual General Meeting, and repurchased shares are not included in the profit distribution. The final dividend proposed after the reporting period has not been recognised as a liability at the balance sheet date.

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB3,521 million (2023: RMB3,550 million) less profit attributable to the unvested restricted A shares of RMB158 million (2023: nil) and the weighted average number of ordinary shares in issue during the year.

Weighted average number of ordinary shares

	2024	2023
	Millions	*Millions*
Issued ordinary shares (excluded unvested restricted A shares) at 1 January	**8,254**	8,301
Effect of repurchase of ordinary A shares	**–**	(133)
Effect of repurchase of ordinary H shares	**(1)**	–
Effect of restricted A shares vested	**35**	79
Weighted average number of ordinary shares at 31 December	**8,288**	8,247

(b) Diluted earnings per share

For the year ended 31 December 2024, restricted A shares were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Accordingly, diluted earnings per share were the same as basic earnings per share.

For the year ended 31 December 2023, the calculation of diluted earnings per share was based on the profit attributable to ordinary equity shareholders of the Company of RMB3,550 million and the weighted average number of ordinary shares.

Weighted average number of ordinary shares (diluted)

	2023
	millions
Weighted average number of ordinary shares at 31 December	8,247
Effect of deemed issue of restricted A shares	38
Weighted average number of ordinary shares (diluted) at 31 December	8,285

The effect of unvested restricted A shares which are subject to vesting conditions including certain performance condition was excluded in the calculation of diluted earnings per share in 2023.

(c) The basic and diluted earning per shares for 2023 was previously presented in RMB cents (rounded to two decimal place). In order to maintain a consistent presentation with the financial information prepared under PRC GAAP, the basic and diluted earning per shares for 2024 are now presented in RMB Yuan (rounded to two decimal place), and the 2023 comparative figures are also presented in RMB Yuan (rounded to two decimal place) accordingly.

8 INTERESTS IN ASSOCIATES

	2024	2023
	RMB millions	*RMB millions*
Infore Environment Technology Group Co., Ltd. ("**Infore Environment**")	**3,209**	3,191
Aggregate carrying amount of individually material associates in the consolidated financial statements	**3,209**	3,191
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	**1,275**	1,306
Total	**4,484**	4,497

The above associates are accounted for using the equity method in the consolidated financial statements.

The following list contains only the particulars of a material associate, which is a listed corporate entity whose quoted market price is available:

				Proportion of ownership interest		
Name of associate	**Form of business structure**	**Place of incorporation and business**	**Particulars of issued and paid-up capital** ***(millions)***	**Group's effective interest**	**Held by the Company**	**Principal activities**
Infore Environment *(Note)*	Incorporated	China	RMB3,180	12.61%	12.61%	Environmental construction and project operation

Note: Infore Environment is listed on the main board of Shenzhen Stock Exchange. On 31 December 2024, the quoted market price of Infore Environment was RMB4.97 (2023: RMB4.75) per share and the fair value of the investment in Infore Environment was RMB1,985 million (2023: RMB1,897 million), which was lower than the carrying value. As at 31 December 2024, the management carried out an impairment assessment of the investment and determined its recoverable amount based on the present value of projected future cash flows. The cash flow projections covered a period of five years and adopted a pre-tax discount rate of 11.4% (2023: 11.9%). Cash flows beyond the five-year period are extrapolated using estimated growth rates 2.0% (2023: 2.5%). The discount rate used to estimate the cash flow is based on the cost of capital used to assess investments of a similar nature in mainland China. Forecasting the future cash flow involves the judgment of management. The key assumptions are determined with reference to external information. According to the results of the assessment, no impairment of the investment is required as at 31 December 2024.

	2024 *RMB* *millions*	2023 *RMB* *millions*
Amounts of the Group's share of Infore Environment		
Profit from operations	**68**	102
Other comprehensive income	**–**	–
Total comprehensive income	**68**	102

During the year ended 31 December 2024, Infore Environment distributed dividends of RMB50 million (2023: RMB44 million) to the Group.

	2024 *RMB* *millions*	2023 *RMB* *millions*
Aggregate amounts of the Group's share of individually immaterial associates		
Profit from operations	**16**	51
Other comprehensive income	**–**	–
Total comprehensive income	**16**	51

9 OTHER FINANCIAL ASSETS

	Note	2024 *RMB* *millions*	2023 *RMB* *millions*
Financial assets at FVOCI			
Equity securities	*(i)*	**1,760**	2,417
Financial assets at FVPL			
Listed equity securities		**33**	44
Investment funds		**224**	208
Total		**2,017**	2,669

Note:

(i) The equity securities comprise listed equity securities and other unlisted equity securities. The aggregate fair value of listed equity securities and other unlisted equity securities was RMB134 million and RMB1,626 million, respectively, as at 31 December 2024 (31 December 2023: RMB422 million and RMB1,995 million). The Group designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes. Dividends of RMB42 million (31 December 2023: RMB34 million) were received from these investments in equity securities during the year ended 31 December 2024. A loss accumulated in the fair value reserve (non-recycling) of RMB0.25 million in relation to disposal of equity securities was transferred to retained earnings during the year ended 31 December 2024 (31 December 2023: gain of RMB3 million).

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	**2024**	2023
		RMB millions	*RMB millions*
Financial assets carried at fair value through profit or loss:			
– Wealth management products and structured deposits	*(i)*	**45**	349
– Securities investment funds	*(ii)*	**1,577**	1,418
		1,622	1,767

Notes:

(i) The Group invests its spare cash in wealth management products and structured deposits offered by banks and other financial institutions. These products generally have a pre-set maturity and expected return, with its underlying assets being a wide range of government and corporate bonds, central bank bills, money market funds as well as other listed and unlisted equity securities in the PRC.

(ii) The Group invests its spare cash in securities investment funds offered by fund management institutions. The underlying assets of the products are a wide range of government and corporate bonds, asset-backed securities, bond repurchases, bank deposits and other financial instruments.

11 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2024	2023
	RMB millions	*RMB millions*
Trade receivables	**35,569**	41,008
Less: loss allowance	**(4,461)**	(5,514)
	31,108	35,494
Less: trade receivables due after one year	**(6,739)**	(10,882)
	24,369	24,612
Bills receivable	**1,479**	1,572
Contract assets	**89**	–
Less: Contract assets due after one year	**(89)**	–
	25,848	26,184
Amounts due from related parties	**139**	137
Prepayments for purchase of raw materials	**869**	930
Prepaid expenses	**594**	334
Prepayments for land use rights	**1,703**	1,703
VAT recoverable	**2,329**	2,120
Deposits	**67**	75
Others	**851**	550
	32,400	32,033

All of the trade and other receivables, except those described below, are expected to be recovered or recognised as expense within one year.

(a) Trading terms and factoring of trade receivables

The Group generally allows certain customers with appropriate credit standing to make payments in instalments generally over a period of 6 to 60 months ("**instalment payment method**"). Instalment payments with terms more than one year are discounted at a rate which approximates the debtor's borrowing rate in transactions with an independent lender under comparable terms and conditions. For the year ended 31 December 2024, the discount rates ranged from 2.57% to 12.25% (2023: 2.57% to 18.75%) per annum.

Trade receivables due after one year is as follows:

	2024	2023
	RMB millions	*RMB millions*
Gross investment	**7,379**	11,660
Unearned finance income	**(538)**	(621)
	6,841	11,039
Less: loss allowance	**(102)**	(157)
Trade receivables due after one year	**6,739**	10,882

During the year ended 31 December 2024, trade receivables of RMB13,248 million (31 December 2023: RMB10,043 million) was factored to banks and financial institutions without recourse. Since the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables to the banks and financial institutions, these factored trade receivables were therefore derecognised.

(b) Ageing analysis of trade receivables

As at the end of the reporting period, ageing analysis based on the invoice date of trade receivables (which are included in trade and other receivables), net of loss allowance is as follows:

	2024	2023
	RMB millions	*RMB millions*
Within 1 year	**20,571**	21,237
Over 1 year but less than 2 years	**4,993**	5,849
Over 2 years but less than 3 years	**2,023**	4,078
Over 3 years but less than 5 years	**1,850**	1,859
Over 5 years	**1,671**	2,471
	31,108	35,494

Trade receivables under credit sales arrangement are generally due within 1 to 6 months (2023: 1 to 6 months) from the date of billing, and customers are normally required to make an upfront payment ranging from 5% to 30% (2023: 5% to 30%) of the product price. For sales under instalment payment method that has instalment payment periods generally ranging from 6 to 60 months (2023: 6 to 60 months), customers are normally required to make an upfront payment ranging from 5% to 30% (2023: 5% to 30%) of the product price.

As part of the Group's ongoing control procedures, management monitors the creditworthiness of customers to which it grants credit in the normal course of business. Credit exposure limits are established to avoid concentration risk with respect to any single customer.

(c) Impairment of trade receivables

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2024 *RMB millions*	2023 *RMB millions*
Balance at 1 January	**5,514**	5,260
Impairment losses recognised	**568**	563
Reclassification from loss allowance of receivables under finance lease	**19**	124
Uncollectible amounts written off	**(229)**	(174)
Written off upon sale of trade receivables *(Note)*	**(1,429)**	(276)
Effect of exchange rate difference	**18**	17
Balance at 31 December	**4,461**	5,514

Note: During the year ended 31 December 2024, RMB1,429 million of loss allowance for trade receivables were written off due to disposal of certain receivables (2023: RMB276 million).

(d) As at 31 December 2024, bills receivable of RMB1,385 million (2023: RMB1,489 million), including bank acceptance bills and digital bills receivable, whose fair values approximate to their carrying values were classified as financial assets at FVOCI under IFRS 9. The fair value changes of these bills receivable measured at FVOCI were insignificant during the year.

Other bills receivable of RMB94 million (2023: RMB83 million) are measured at amortised cost, including bank and commercial acceptance bills.

Bills receivable mainly represent short-term bank acceptance notes receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 3 to 6 months from the date of issuance. Historically, the Group had experienced no credit losses on such bank acceptance notes receivable. The Group from time to time endorses bills receivable to suppliers in order to settle trade payables. Bills receivable are due within one year.

As at 31 December 2024, the Group endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable. As at 31 December 2024, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB3,675 million (31 December 2023: RMB1,998 million).

As at 31 December 2024, bills receivable of RMB449 million (31 December 2023: RMB1,304 million) was discounted to banks without recourse, where substantially all the risks and rewards of ownership had been transferred. Since the Group does not have continuing involvement in the transferred assets, these discounted bills receivable were therefore derecognised.

12 RECEIVABLES UNDER FINANCE LEASE

	2024	2023
	RMB millions	*RMB millions*
Gross investment	**8,217**	12,364
Unearned finance income	**(443)**	(572)
	7,774	11,792
Less: loss allowance *(Note (c))*	**(611)**	(829)
	7,163	10,963
Less: receivables under finance lease due after one year	**(3,835)**	(6,120)
Receivables under finance lease due within one year	**3,328**	4,843

The Group provides equipment finance lease services to customers purchasing machinery products of the Group or other vendors through its leasing subsidiaries. Under the finance lease arrangement, the collectability of the minimum lease payments is reasonably predictable, there is no significant uncertainty surrounding the amount of un-reimbursable cost yet to be incurred by the Group under the lease arrangement. The finance lease contracts entered into by the Group typically are for periods ranging from 1 to 6 years (2023: 1 to 6 years). Customers are normally required to make an upfront payment ranging from 5% to 50% of the product price (2023: 5% to 50%) and pay a security deposit ranging from 1% to 30% of the product price (2023: 1% to 20%). At the end of the lease term, the lessee has an option to purchase the leased machinery at nominal value and the ownership of the leased machinery is then transferred to the lessee. The leases do not provide any guarantee of residual values.

During the year ended 31 December 2024, receivables under finance lease of RMB3,230 million (31 December 2023: Nil) was factored to banks and financial institutions without recourse. Since the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables under finance lease to the banks and financial institutions, these factored receivables under finance lease were therefore derecognised.

(a) Ageing analysis of receivables under finance lease

The minimum lease payments receivable as at the end of the reporting period are as follows:

	2024	2023
	RMB millions	*RMB millions*
Present value of the minimum lease payments		
Within 1 year	**3,630**	5,157
Over 1 year but less than 2 years	**1,743**	3,070
Over 2 years but less than 3 years	**1,166**	1,906
Over 3 years	**1,235**	1,659
	7,774	11,792
Unearned finance income		
Within 1 year	**230**	265
Over 1 year but less than 2 years	**99**	131
Over 2 years but less than 3 years	**62**	88
Over 3 years	**52**	88
	443	572
Gross investment		
Within 1 year	**3,860**	5,422
Over 1 year but less than 2 years	**1,842**	3,201
Over 2 years but less than 3 years	**1,228**	1,994
Over 3 years	**1,287**	1,747
	8,217	12,364

(b) Overdue analysis

Overdue analysis of receivables under finance lease as at the end of the reporting period is as follows:

	2024	2023
	RMB millions	*RMB millions*
Not yet due	**6,356**	10,498
Within 1 year past due	**1,045**	1,084
Over 1 year but less than 2 years past due	**270**	72
Over 2 years past due	**103**	138
Total past due	**1,418**	1,294
	7,774	11,792
Less: loss allowance	**(611)**	(829)
	7,163	10,963

Past due receivables refer to the amount remains unpaid after the relevant payment due date, including those receivables that are overdue for only one day.

(c) **Impairment of receivables under finance lease**

The movement in the loss allowance in respect of receivables under finance lease during the year, is as follows:

	2024	2023
	RMB millions	*RMB millions*
Balance at 1 January	**829**	799
Impairment losses (reversal)/recognised	**(22)**	164
Written off upon sale of receivables under finance lease	**(104)**	–
Reclassification to loss allowance of trade receivables	**(19)**	(124)
Written off upon repossession of sold machinery	**(73)**	(10)
Balance at 31 December	**611**	829

13 TRADE AND OTHER PAYABLES

	2024	2023
	RMB millions	*RMB millions*
Trade creditors	**8,830**	11,215
Digital bills payable	**5,192**	8,663
Bills payable	**7,883**	11,836
Trade creditors and bills payable *(Note (a))*	**21,905**	31,714
Accrued staff costs	**861**	895
Value added tax payable	**981**	992
Sundry taxes payable	**78**	74
Security deposits	**787**	764
Payable for acquisition of property, plant and equipment	**2,063**	2,778
Product warranty provision	**176**	127
Financial guarantees issued	**33**	43
Other accrued expenses and payables	**2,879**	3,126
	29,763	40,513

All of the other trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

(a) **Ageing analysis of trade creditors and bills payable as at the end of the reporting period is as follows:**

	2024	2023
	RMB millions	*RMB millions*
Due within 1 month or on demand	**6,046**	8,288
Due after 1 month but within 3 months	**6,816**	11,261
Due after 3 months but within 6 months	**6,245**	9,159
Due after 6 months but less than 12 months	**2,798**	3,006
	21,905	31,714

(b) Product warranty provision

	RMB millions
Balance at 1 January 2023	126
Provision for the year	191
Utilisation during the year	(190)
Balance at 31 December 2023 and 1 January 2024	127
Provision for the year	185
Utilisation during the year	(136)
Balance at 31 December 2024	176

A provision for warranties is recognised when the underlying products are sold. Under the terms of the Group's sales agreements, the Group will rectify any product defects arising within predominantly 3 to 12 months from the date of sale. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of products sold which are still within the warranty period. The amount of provision takes into account the Group's recent claim experience, historical warranty data and a weighting of all possible outcomes against their associated probabilities.

14 SHARE INCENTIVE SCHEME

On 15 November 2019, an Employee Stock Ownership Plan ("**ESOP**") was considered and approved at the seventh extraordinary meeting of the sixth session of the board of directors. On 6 January 2020, the ESOP and the related resolution were considered and passed at the first extraordinary general meeting of 2020, pursuant to which 390,449,924 restricted shares were planned to be granted to no more than 1,200 selected current employees ("**the Participants**") of the Group. On 3 April 2020, related resolutions were considered and passed at the First Meeting of Participants, pursuant to which the date of grant for the ESOP has been set for 3 April 2020. The Participants are entitled to purchase Zoomlion restricted A shares at RMB2.75 each. The Participants of the ESOP included directors, senior executives and core technical employees. As a result, 390,449,924 restricted shares were granted to the ESOP Participants on 3 April 2020 and the transfer of restricted A shares was completed on 28 April 2020.

The first vesting period of the ESOP shall be after expiry of the 12-month period from the date when the Group announced the last transfer of restricted shares, and the restricted shares shall be vested separately in the subsequent 3 vesting periods subject to certain performance conditions, whose percentages of restricted shares vested are 40%, 30% and 30% respectively.

On 30 August 2023, a new Employee Stock Ownership Plan (Phase II) ("**ESOP II**") was considered and approved at the second extraordinary meeting of the seventh session of the board of directors. On 27 September 2023, the ESOP II and the related resolution were considered and passed at the second extraordinary general meeting of 2023, pursuant to which 423,956,766 restricted shares were planned to be granted to no more than 1,500 selected current employees ("**the Participants**") of the Group. On 28 September 2023, the Participants signed the share subscription agreement under ESOP II, pursuant to which the date of grant for the ESOP II has been set for 28 September 2023. The Participants are entitled to purchase Zoomlion restricted A shares at RMB3.17 each. The Participants of the ESOP II included directors, senior executives and core technical employees. As a result, 423,956,766 restricted shares were granted to the Participants of the ESOP II on 28 September 2023 and the transfer of restricted A shares was completed on 17 October 2023.

The first vesting period of the ESOP II shall be after expiry of the 12-month period from the date when the Group announced the last transfer of restricted shares, and the restricted shares shall be vested separately in the subsequent 3 vesting periods subject to certain performance conditions, whose percentages of restricted shares vested are 40%, 30% and 30% respectively.

(a) **Restricted shares**

The number of restricted shares are as follows:

	2024 Number of restricted shares	2023 Number of restricted shares
Outstanding at the beginning of the year	**423,956,766**	117,134,977
Vested during the year	**(169,582,706)**	(117,134,977)
Granted during the year	**–**	423,956,766
Outstanding at the end of the year	**254,374,060**	423,956,766
Contractual life of restricted shares	**1.33 years**	1.73 years

The fair value of restricted share of the ESOP granted on 3 April 2020 were RMB3.00 per share, and the fair value of restricted share of the ESOP II granted on 28 September 2023 were RMB3.72 per share, which is the difference between the market price of the ordinary share at the grant date and the proceeds received from the employees.

(b) **Expected demission rate of the Participants and share incentive scheme expenses**

For the ESOP and the ESOP II, no matter Participants leave the Group or not at the end of the vesting period, all share incentive scheme expenses are to be recognised in the consolidated statement of comprehensive income. For the year ended 31 December 2024, share incentive scheme expenses of RMB866 million (2023: RMB279 million) were recognised in the consolidated statement of comprehensive income.

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) **Income tax payable in the consolidated statement of financial position represents:**

	2024 ***RMB millions***	2023 *RMB millions*
Provision for PRC income tax	**265**	128
Provision for income tax in other tax jurisdictions	**45**	26
	310	154

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are presented as follows:

Year ended 31 December 2024

	Balance at 31 December 2023 *RMB millions*	**Credited/ (charged) to profit or loss** *RMB millions*	**Credited/ (charged) to reserves** *RMB millions*	**Balance at 31 December 2024** *RMB millions*
Deferred tax assets arising from:				
Receivables	**845**	**(198)**	**–**	**647**
Inventories	**116**	**123**	**–**	**239**
Accrued expenses	**90**	**22**	**–**	**112**
Tax losses	**175**	**242**	**–**	**417**
Deferred income	**903**	**63**	**–**	**966**
Others	**200**	**124**	**67**	**391**
Total	**2,329**	**376**	**67**	**2,772**
Deferred tax liabilities arising from:				
Property, plant and equipment	**(41)**	**(24)**	**–**	**(65)**
Intangible assets	**(265)**	**(2)**	**–**	**(267)**
Right-of-use assets	**(28)**	**(46)**	**–**	**(74)**
Others	**(499)**	**46**	**28**	**(425)**
Total	**(833)**	**(26)**	**28**	**(831)**

	Deferred tax assets *RMB millions*	**Deferred tax liabilities** *RMB millions*
Gross amount	2,772	(831)
Offset amount	(135)	135
After offset	2,637	(696)

Year ended 31 December 2023

	Balance at 31 December 2022 *RMB millions*	Credited/ (charged) to profit or loss *RMB millions*	Credited/ (charged) to reserves *RMB millions*	Balance at 31 December 2023 *RMB millions*
Deferred tax assets arising from:				
Receivables	852	(7)	–	845
Inventories	125	(9)	–	116
Accrued expenses	73	17	–	90
Tax losses	224	(49)	–	175
Deferred income	578	325	–	903
Others	55	143	2	200
Total	1,907	420	2	2,329
Deferred tax liabilities arising from:				
Property, plant and equipment	(54)	13	–	(41)
Intangible assets	(267)	2	–	(265)
Right-of-use assets	(43)	15	–	(28)
Others	(478)	(36)	15	(499)
Total	(842)	(6)	15	(833)

As at 31 December 2024, deferred tax assets in respect of tax losses totalling RMB511 million (31 December 2023: RMB469 million) were not recognised by certain subsidiaries of the Company, as it is not probable that sufficient future taxable profits will be available to utilise such tax benefits.

16 RECONCILIATION OF FINANCIAL INFORMATION PREPARED UNDER PRC GAAP TO IFRS ACCOUNTING STANDARDS

(a) Reconciliation of total equity of the Group

	As at 31 December 2024 ***RMB millions***	As at 31 December 2023 *RMB millions*
Total equity reported under PRC GAAP	**59,839**	59,168
– Acquisition-related costs incurred on prior year business combination	**(37)**	(37)
Total equity reported under IFRS Accounting Standards	**59,802**	59,131

(b) Reconciliation of total comprehensive income for the year of the Group

	2024	2023
	RMB millions	*RMB millions*
Total comprehensive income for the year reported under PRC GAAP	**3,578**	3,873
– Safety production fund *(Note)*	**1**	43
Total comprehensive income for the year reported under IFRS Accounting Standards	**3,579**	3,916

Note: Under PRC GAAP, safety production fund should be accrued and recognised in profit or loss with a corresponding credit in reserve according to relevant PRC regulations. Such reserve is reduced for expenses incurred for safety production purposes or, when safety production related equipment are purchased, is reduced by the purchase cost with a corresponding increase in the accumulated depreciation. Such fixed assets are not depreciated thereafter. Under IFRS Accounting Standards, expense is recognised in profit or loss when incurred, and fixed assets are capitalised and depreciated in accordance with applicable accounting policies.

MANAGEMENT DISCUSSION AND ANALYSIS

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

Revenue

Our revenue decreased by 3.39% from RMB47,075 million for the year ended 31 December 2023 to RMB45,478 million for the year ended 31 December 2024.

Cost of Sales and Services

Due to the slight decrease in the scale of sales, our cost of sales and services decreased by 4.22% from RMB34,109 million for the year ended 31 December 2023 to RMB32,668 million for the year ended 31 December 2024.

Gross profit

Our gross profit decreased by 1.20% from RMB12,966 million for the year ended 31 December 2023 to RMB12,810 million for the year ended 31 December 2024. Our gross profit margin increased from 27.54% for the year ended 31 December 2023 to 28.17% for the year ended 31 December 2024, which is mainly due to the increase in the proportion of products with high gross profit margin.

Other income

Our other income increased from the net gain of RMB935 million for the year ended 31 December 2023 to a net gain of RMB1,162 million for the year ended 31 December 2024, which is mainly due to the increase in income from asset disposal and retention.

Sales and marketing expenses

Our sales and marketing expenses increased by 4.61% from RMB3,557 million for the year ended 31 December 2023 to RMB3,721 million for the year ended 31 December 2024 primarily due to the increase in expenses related to sales in overseas market.

General and administrative expenses

Our general and administrative expenses increased from RMB2,274 million for the year ended 31 December 2023 to RMB2,585 million for the year ended 31 December 2024 primarily due to the increase in share-based payment expenses related to the employee stock ownership plan.

Net finance income

Our net finance income for the year ended 31 December 2023 was RMB284 million and our net finance loss for the year ended 31 December 2024 was RMB28 million. The fluctuation was due to the decrease in interest income.

Profit for the year

As a result of the foregoing, our profit for the year increased by 5.09% from a profit of RMB3,815 million for the year ended 31 December 2023 to a profit of RMB4,009 million for the year ended 31 December 2024.

Operating activities

In 2024, net cash generated from operating activities was RMB1,474 million, derived primarily from the profit before taxation of RMB4,383 million in total, adjusted to reflect interest expenses of RMB571 million, depreciation and amortization of RMB1,330 million, net realized and unrealized loss on financial assets at fair value through profit or loss ("**FVPL**") of RMB119 million, gains on disposal of property, plant and equipment and intangible assets of RMB663 million, share incentive scheme expenses of RMB866 million, share of profits or losses of associates of RMB84 million, interest income of RMB653 million, and added back the effect of (i) decrease in trade and other receivables of RMB2,011 million; and (ii) decrease in inventories of RMB651 million; and (iii) decrease in receivables from finance leases of RMB3,856 million; and (iv) decrease in contract liabilities of RMB84 million, and offset by the following items: (i) decrease in account payables and other payables of RMB10,012 million; and (ii) income tax payment of RMB1,003 million.

Investing activities

In 2024, net cash used in investing activities was RMB2,254 million, consisting primarily of: (i) proceeds from disposal of financial assets at FVPL of RMB1,648 million; (ii) proceeds from disposal of property, plant and equipment and intangible assets of RMB102 million; (iii) proceeds from disposal of financial assets at fair value through other comprehensive income ("**FVOCI**") of RMB114 million; and (iv) decrease in pledged bank deposits of RMB669 million, and offset by the following items: (i) investment in financial assets at FVPL of RMB1,543 million; (ii) payment for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB4,004 million.

Financing activities

In 2024, net cash used in financing activities was RMB679 million, consisting primarily of: (i) repayments of bank and other borrowings assets of RMB10,322 million; (ii) dividends paid to shareholders of RMB2,777 million; (iii) interest payment of RMB651 million; (iv) payment for repurchase of own shares of RMB54 million; and (v) payment for purchase of non-controlling shareholders' interest of RMB898 million, and then added back the proceeds from bank and other borrowings of RMB14,291 million.

BUSINESS REVIEW AND PROSPECT

I. Review of Operation for the Year 2024

Under the concept of "doing business with an Internet mindset and developing products of the highest quality", the Company has unswervingly committed itself to the goal of high-quality development to accelerate the transformation and upgrading process of digitization, intelligence and green operations in an all-round way. The Company also vigorously promoted the development of emerging business sectors, actively explored new business models and market areas and continuously fostered and expanded new growth poles and growth points. The Company firmly adhered to the internationalisation strategy with Zoomlion's characteristics and continuously strengthened its development resilience and internal dynamics, successfully realizing the large-scale expansion of its industrial echelons, continuously broadening its business fields, gradually upgrading its industrial level, and significantly improving its competitiveness in the global market.

During the Reporting Period, the operating revenue of the Company was RMB45,478 million, representing a year-on-year decrease of 3.39%; the net profit attributable to the parent company was RMB3,523 million, representing a year-on-year decrease of 0.82%.

During the Reporting Period, the main work carried out by the Company was as follows:

1. Accelerate the competitive development of industrial echelons

During the Reporting Period, the Company actively promoted the optimization of industrial structure, accelerated the construction of a good pattern of synergistic integration and competitive development of traditional advantageous industries and emerging industries, and strengthened the implementation of strategies to ensure the efficient implementation of various strategic initiatives. The traditional advantageous industries have been solidly upgraded with sustainable competitiveness forged, while the emerging industries have been developed and strengthened to contribute new growth poles.

(1) Steady market position of leading products

Steady development strategy was adopted for the three traditional advantageous product lines of concrete machinery, engineering cranes and construction cranes to strengthen risk control and optimize the allocation of resources, enhance the Company's operation quality and risk-resistant capability in all aspects, and achieve high-quality development. Our concrete machinery, engineering cranes and construction cranes have a solid position in the domestic market while their overseas business scale and market position continue to improve.

(2) Earthmovers' globalisation strategy yields results

In terms of earthmovers, we expanded the product catalogue to include super-large excavators, small excavators and micro excavators, achieving a full coverage of the 1.5-400 ton product catalogue, creating a complete product matrix with industry-leading key performances and showing strong market competitiveness. In the domestic market, we focused on the in-depth development of mining scenarios, and achieved explosive growth in super-large mining excavators, of which the market share of mining excavators of more than 100 tons jumped to the top three in the industry. In the overseas market, we integrated the advantageous resources of R&D, supply chain and channels, and successfully realized the deep cultivation of advantageous markets and the breakthrough in emerging markets, achieving the dual leap forward development pattern.

(3) Strong development vitality of aerial machinery

In the field of aerial machinery, the Company, as a leading enterprise in the domestic aerial machinery industry, ranks first in the domestic small and medium-sized customer markets, with the penetration rate of motorized products reaching 90%, and is the manufacturer of aerial equipment with the most complete range of models in China. Through continuous technological innovation to build core competitiveness, we have formed a high-end, safe and reliable brand advantage. The Company's boom lift products with superhigh work heights and key technologies have reached the international leading level. The launch of the 82-meter straight-boom lifts once again set a new global record; and the launch of the 95-meter aerial work truck set a new record for the highest aerial work vehicles in China. Our long boom products have achieved large-scale export in Europe, America and Asia-Pacific, realizing the double enhancement of scale efficiency and brand premium.

(4) Agricultural machinery achieved a breakthrough in scale and efficiency

Following the Company's strategy of "Larger Investment, Greater Transformation, Larger Layout and Greater Development", the investment in agricultural machinery technology research and development has been continuously increased to promote product upgrading and unification, accelerate the transformation and upgrading of intelligent manufacturing, improve production and increase efficiency on all fronts, and all the products have been made high-end, intelligent and green. Our dryers rank first in the domestic industry, and wheat machines rank second in the industry. The scale and profit of tractors have increased significantly, and the new corn machines, seeding machines, sugar cane machines and rice machines have completed the comprehensive upgrade in performance and quality, and have been tested for mass production and launched on the market successively, injecting new momentum into the sustainable development of agricultural machinery, and helping the Company to realize its strategic breakout.

(5) Rapid growth of emerging business

Relying on the Company's platform and brand advantages, and led by technological innovation, emerging businesses such as mining machinery, emergency equipment, and Zoomlion new materials with increasing investment in research and development have solidly pushed forward the work of reducing costs and increasing efficiency, and achieved breakthroughs in the development of product technology and categories with a variety of initiatives.

(6) Depicting the future industry based on innovation

In recent years, the Company has continued to invest in research and development and accelerated the application of cutting-edge technologies such as artificial intelligence, cloud computing, big data and the Internet of Things, and has ranked first in the industry in terms of the number of invention patent applications for digital technology such as big data and cloud computing. The era of artificial intelligence in the future industrial ecology such as the industrial Internet and embodied intelligence has been built, which will promote the in-depth integration of the construction machinery industry with the Internet, big data, cloud computing and other fields to form a new industrial ecology. In the future, each of the Company's products is expected to become an "embodied intelligent device" and achieve "robotization", with the ability of stand-alone intelligence + cluster collaboration. ZValley, a subsidiary of the Company, represents the leading level of domestic industrial Internet platforms, and has leading capabilities in enabling the gathering and sharing of industrial resources, integration and utilization of industrial data, and industrial production and services. In the future, through the platform strategy, Zoomlion will integrate resources in the industrial chain to enhance its overall competitiveness and reconstruct the industry competition landscape.

2. Advance overseas business steadily for leapfrog development

The Company has firmly implemented the international development strategy with Zoomlion's characteristics, and continued to improve the "end-to-end, digital and localised" overseas business system. With the help of end-to-end direct sales model to broaden the business territory, relying on big data platform to improve operational efficiency, and relying on the resources of airports to empower sales growth, the Company has been making every effort to expand into the global market, which facilitated its overseas business to develop rapidly and realized a historic breakthrough that the overseas revenue accounted for more than half of its total revenue.

(1) A diversified overseas regional market structure has been gradually formed. In 2024, the Company's overseas revenue achieved strong growth of more than 30% year-on-year. With the deepening of the internationalisation process, the Company's market position has been steadily improving, and the export market share of the Company's products in all major regions of China in the industry is on an upward trend. With the market breakthroughs in Europe, America, Australia, New Zealand, Latin America, Africa, India and other emerging markets, the overseas market layout has become more diversified, the regional sales structure has been optimized, and the development of each regional market has been synergistic, showing a "multi-point blossoming" trend of continuous high growth.

(2) The direct marketing system for overseas business with "end-to-end, digital and localised" features continued to deepen to support the simultaneous enhancement and balanced development of the diversified competitiveness of the overseas business in terms of market expansion, risk prevention and localisation. In particular, firstly we made every effort to build a flat management system for overseas business and steadily carried out the work of building rules, sorting out processes, exploring methods and setting up platforms, and realized the streamlining, standardization and systematization of the whole chain of management. Secondly, we focused on the construction of a digital platform, built the Zoomlion's overseas big data monitoring system, promoted the "pin-shaped" management system, and formed an efficient and orderly management and control system based on the digital system. Thirdly, the Company strengthened the refined management of business to reach the overseas frontline to manage overseas personnel, finance, materials and matters, and continuously improved the operation efficiency and quality, injected strong power for the rapid development of overseas business, and boosted the overseas business to achieve leapfrog growth in the global market.

(3) Deepened outlet construction and layout. Focused on the capacity building of airports and promoted the transformation and upgrading of outlet construction from overall planning to refined operation with a view to effectively empower local business development; actively explored the growth potential of emerging markets, emerging sectors, and new customers to expand the scale of business and realize incremental development; and pushed forward the layout of outlets by extending the outlet construction to lower-tier markets, and continued to strengthen the breadth and depth of outlet construction. Relying on more than 30 primary business airports and more than 390 secondary and tertiary outlets established globally, the Company promoted the extension of outlet construction from regional centers to important cities and accelerated the layout of outlets in surrounding small and medium-sized cities to build a more efficient global service network. With a total of more than 4,400 overseas localized employees and more than 210 service spare parts warehouses, the Company's products are widely offered in more than 170 countries and regions.

(4) Accelerated the expansion and upgrading of overseas R&D and manufacturing bases. The Company has completed the strategic layout of the global R&D and manufacturing network, and built 11 overseas production bases in 8 countries, including Italy, Germany, India, Mexico, Belarus, Brazil, Turkey, and the United States, forming a production system covering 8 categories and 32 series. Among the bases, the German Motech plant completed the technical upgrade of production lines, the German Wilbert and Rabe plants realized the reorganization and transformation, the Indian plant completed the deepening of the market network layout, and the Mexican plant achieved full production. With the technology, resources and geographical advantages of overseas R&D and manufacturing bases, the Company has realized the effective interaction and integration of global resources, and initially formed an internationalized industrial ecosystem that supports continuous innovation.

3. Accelerating digital transformation

The Company has been comprehensively accelerating the process of digital transformation, innovating the market operation model with Internet thinking, reshaping the management and business model with the help of digital means, and building a new development pattern driven by digitalization in all aspects.

By actively deepening the construction of digital platforms at home and abroad, the Company fully promoted the rapid and comprehensive implementation of the end-to-end management system, and created a management and control system for the entire business chain driven by the digital system to achieve efficient collaboration and precise management and control of all links.

In terms of overseas business, end-to-end management continued to develop in depth. Focusing on the whole process of global research and development, manufacturing, logistics, sales and services, the Company will continue to deepen, refine and thoroughly conduct digital management and control, and is committed to achieving the end-to-end goal of "managing people well, making good preparations, and keeping accurate accounts", and enhancing operation efficiency and management level of the overseas business.

In terms of our domestic business, we accelerated the deepening of end-to-end digital applications. We also vigorously improved the digitalization level of emerging sectors, gave full play to the advantages of whole-process digital control, and nurtured the research and development innovation, product iteration, delivery capability and risk management of the enterprise, so as to promote the comprehensive strength and stable development of the enterprise in the digital transformation.

4. ***Intelligent manufacturing industry clusters leading a high-quality development of the industry***

(1) Accelerating the formation of intelligent manufacturing industry clusters and constructing an advanced manufacturing landscape. With Zoomlion Smart Industrial City as the core, the Company has comprehensively built intelligent factories with high-end equipment. Through intelligent upgrading and construction of the whole chain from mainframes to parts and components, all production lines of 4 main mainframe factories including the intelligent factory for engineering cranes and key components center have been put into operation, forming 17 intelligent factories and more than 360 intelligent production lines worldwide to comprehensively assist the Company to build a national important advanced manufacturing highland. The excavator intelligent factory of Zoomlion Smart Industrial City was successfully selected as the first batch of excellent intelligent factories of the Ministry of Industry and Information Technology in 2024. Zoomlion Earthmoving Machinery Co., Ltd.*(中聯重科土方機械有限公司) was selected as the green manufacturing factory of the Ministry of Industry and Information Technology in 2024. The Company has won a total of 5 national-level green factory recognitions.

(2) Rapid transformation and application of advanced intelligent manufacturing technology research. The Company deeply integrated artificial intelligence, intelligent manufacturing technology and intelligent equipment to create intelligent, flexible and green intelligent production lines system; innovatively developed intelligent control algorithms and digital systems to build flexible, efficient and collaborative intelligent factories. The Company continued to promote the application research of more than 230 industry-leading full-process sets of intelligent manufacturing technologies that are independently developed, and has completed the installation of more than 200 key technologies in intelligent production lines, demonstrating the Company's strong intelligent manufacturing technology strength and cutting-edge leading advantages, which accelerates the empowerment of production and manufacturing intelligent upgrades, and continuously promotes the Company's intelligent manufacturing to lead the development of the industry.

(3) Comprehensively deepening the end-to-end digital transformation of manufacturing and supply chain. We focused on the construction of factory-level industrial Internet platforms to achieve industrial interconnection of all factors in factories; connected the full information links of planning, logistics, production and supply chain and created the "cloud-edge-end" autonomous intelligent collaboration system to achieve efficient human-machine interaction and flexible production control capability. We integrated cutting-edge technologies such as artificial intelligence, cloud computing, and digital twins to construct an AI-driven autonomous decision-making mechanism, realize intelligent control in manufacturing, warehousing, testing, and supply chain fields, promote the manufacturing mode to the direction of predictive maintenance and dynamic optimization, and realize the virtual mapping of the production and manufacturing process by digital twins technology, so as to reshape the new manufacturing paradigm by end-to-end digitalization.

5. Leading industry innovation, accelerating the formation of new quality productive forces

The Company always adheres to the concepts of "technology and products are the foundation" and "producing products by pushing everything to the limit", and comprehensively promotes scientific and technological innovation. Besides, we actively implement intelligentisation, eco-friendliness and digital transformation and upgrading, and create high-end products and leading technologies in the industry, aiming to accelerate the development process of new energy products to provide solid support for the high-quality and sustainable development of the Company.

During the Reporting Period, 548 new products were successfully developed, 355 key technologies were conquered, 9 of the world's best products and 15 of the industry-first products were created, and the export certification of 1,094 products was completed. In terms of major projects, the Company took the lead in undertaking the National Key Research and Development Program of "Design and Manufacturing Technology and Equipment for 100m-level Lightweight Intelligent Boom"; the project of "Key Technology and Application of Ultra-large All-Terrain Crane for Wind Turbine Lifting Construction" won the first prize of the Science and Technology Award of the Machinery Industry, demonstrating the Company's leading position in technology of the industry.

(1) Continuously promoting innovation and upgrading, and creating a batch of industry-leading products

The Company has successfully developed lots of "world's best" and industry-first products, demonstrating the excellent technological strengths and innovation ability. The world's largest rated lifting moment 23,800-ton Mita crane with a maximum lifting capacity of 730-ton and a maximum lifting height of 400-meter has been developed, which has been put into use in the construction of Guangzhou Wanlong Bridge, contributing to the construction of national key projects such as large modular construction of bridges. Additionally, the Company has developed the world's largest tonnage of 4,000 tons of all-terrain cranes, which is not only the unique all-terrain crane worldwide that can support the installation of wind turbines up to 190 meters on land, but also the world's only 4,000 ton crane to meet the road traffic regulations, solving the difficult problem of engineering hoisting in wind power industry. The Company has also developed the world's longest five-bridge 73-meter compliant steel arm light concrete pump truck, with the industry-exclusive technology of a hollow arm, a concreting height of 73 meters. It is also equipped with self-developed new light hybrid power system, the industry's first full-process safety operation system that integrates driving, supporting pumps and concreting. Furthermore, the Company has developed the world's tallest 82-meter straight arm aerial work platform, with an operating height of 82.3 meters, adopting an innovative multi-sided shaped boom, which improves the stiffness by more than 20% and reduces the weight by more than 10% compared to the rectangular boom. Equipped with super-long boom composite movement and double-cylinder synergistic control technology, the platform has 21 safety protection functions, with a safety level that reaches the first in industry. The world's first 100-ton mining wide-body dump truck has been developed as well, filling the industry's gap in this tonnage product, reducing fuel consumption to 200L for 100km of full load, saving 50,000 liters of fuel per year, and realizing a balance between energy saving and efficient transportation. The Company has developed the world's largest 300-ton hybrid electric drive dump truck, which adopts the nationalized high-powered engine matched with the high-capacity power battery and applies the nationalized hybrid electric drive system, which greatly improves the energy consumption and economy of the whole machine, with a comprehensive energy saving of 15%, and promotes the green development of the mining transportation equipment. In addition, the Company has developed the nationalized 120-ton electric drive dump truck, breaking the situation that key parts such as the power system, the wheel edge drive system and electric drive system are dependent on imports, and enhancing the independent control of the industry.

(2) *Accelerate the research on key core technologies and products of agricultural machinery to achieve high-end leadership in the industry*

The Company actively carried out a series of original and leading technological research in high-end agricultural machinery, and successively launched the industry's first hybrid distributed electric drive continuously variable speed 400-horsepower tractor, the best performing large feed volume grain combine harvester, integrated intelligent driving rice transplanting machine, low temperature double cycle intelligent dryer and other high-end products. Among them, the DV4004 hybrid tractor is suitable for large-scale tillage and sowing operations. It can be equipped with 200-400 horsepower series products, with a tractive force of 145KN and a heavy-duty operating speed of 12km/h to achieve full coverage of the operating conditions. The traction fuel consumption is as low as 1.55L/mu, and the cab noise is as low as 79dB, providing the driver with comfortable driving experience; the unmanned intelligent driving rice transplanter integrates automatic driving, operation mu-counting and vehicle monitoring functions, and integrates the "S-bend" linkage multi-agency collaboration technology, to achieve fully automatic steering, alignment and rice transplanting, reaching the "smart driving L2.5" level; and the TF220 grain combine harvester has a feed rate of up to 22kg/s, and can harvest 60 to 110 mu per hour. Adopting hybrid threshing technology, the threshing is more complete and thorough, and the separation is softer and more uniform. The adaptive harvesting system ensures that the operational performance is always in the best state, and the comprehensive loss rate is as low as 0.6% or less, which is at the best level in the industry.

The Company vigorously promoted the independent research and development of key components to facilitate the rapid development of high-end, intelligent and green agricultural machinery and equipment. It successfully developed key components such as wide-temperature-range batteries, distributed motors, high-efficiency motor controllers and intelligent stepless transmissions, and enabled agricultural machinery equipment to change lanes and overtake through the "battery-motor-electronic control-electric drive" technical system; components such as display-control-computer integrated intelligent display screen, RTK high-precision navigator and sensors for intelligent detection of grain harvesting loss rate have been launched, which supported the breakthrough and improvement in the performance of intelligent agricultural machinery with modular intelligent components.

(3) Accelerate the development of the new energy products to achieve the green leadership of the industry

During the Reporting Period, the Company introduced 40 new energy products, and developed the complete new energy machine products such as the world's largest 150-ton distributed electric crawler crane, the industry-first modular electric direct drive 12-square electric mixer, and the 26-meter electric straight arm aerial work platform with distributed architecture. At the same time, pure electric and hydrogen fuel chassis were developed, and key chassis components such as battery packs and electric drive axles and control software were all independently developed, which greatly improved the ability of independent control of core technologies.

By the end of 2024, the Company offered a total of 210 models of new energy products for sale, covering leading products such as concrete mixers, concrete pump trucks, truck-mounted cranes, MEWPs, agricultural equipment. The Company continued to strengthen the industrialization of three-electric components, hydrogen energy equipment, energy supplement equipment and new energy equipment, and completed the research and development of more than 20 types of key components and equipment, bringing the new energy technology to the industry-leading level and setting a benchmark for the green development of the industry.

(4) Leading industry innovation and development with high-value patents and standards

During the Reporting Period, the Company applied for 2,054 patents, ranking first in the industry in terms of patent strength of Chinese enterprises for consecutive years, and the number of invention patents cited more than 10 times ranked first in the industry. Its core technologies have been highly recognized in the industry. By the end of 2024, the Company had applied for a total of 574 PCT international patents, and its technical network had covered 28 countries and regions, demonstrating the Company's technological influence around the world.

In terms of standard setting, the Company has gradually become a leading force in the industry. In 2024, the Company took the lead in issuing two international standards, four national standards and ten group standards. The leading international standards "Cranes-Safe use-Part 1: General" and "Building construction machinery and equipment – Concrete pumps – Part 1: Terminology and commercial specifications" were officially released at the end of 2024; the Company led the release of four national standards for products such as concrete mixing trucks, concrete pump trucks, and concrete mixers; took the lead in releasing of five national green product evaluation standards for products including concrete pump trucks, crawler cranes, and rotary drilling rig, ranking first in the industry.

Through the dual growth strategy of patents and standards, the Company achieved leapfrog development from technological breakthrough to rule-making. The layout of patents covered the whole chain of research and development, and the standardization construction ran through the whole life cycle of products, forming a virtuous cycle of "technological innovation – patent protection – standard solidification – industry upgrading", and continuously leading the industry to upgrade in a high-end, intelligent and green direction.

6. Continuous improvement of operation quality and effectiveness

During the Reporting Period, the Company strengthened risk control and kept on improving the management level of its supply chain, after-sales service, human resource, and assessment and incentive mechanism, escorting the high-quality development of the Company.

(1) Comprehensively strengthening risk control. We have always taken the control of risk management as the primary protection, resolutely implementing end-to-end management of the business side, continuously improving the end-to-end risk control management system combined with prevention and treatment, monitoring the overdue status of each customer, order and equipment at the terminal, ensuring all risks under control at all times. We built a model of "access control + mortgage strengthening + special rectification", that proactively prevented business operation risks, accurately resolved accounts receivable risks, and established a long-term risk prevention and control mechanism to help the business to grow steadily.

(2) Strengthening the construction of a supply chain system. We not only kept on promoting collective procurement and integration of bulk and general materials, but also deepened strategic collaboration of key materials and optimised the supply chain ecology. Apart from accelerating the digital transformation of supply chain, we built an end-to-end digital platform for supply chain and integrated the end-to-end supply chain system as well. Besides, we also unified the pricing model for outsourced materials, achieved full-life-cycle cost management and effectively promoted special assistance to drive the synergetic optimization of multiple segments.

(3) Deepening the development of optimal service capability. We focused on promoting the construction of digital service capabilities, optimizing the layout of global service resources, and improving and promoting the construction of global service system. Moreover, we fully implemented end-to-end and refined management of the service side, continuously improved global service efficiency and customer satisfaction, and promoted the conversion of service value.

(4) Fully implementing the human resources reform of the Company. In line with the requirements for the transformation of the Company's operation and management, we optimized the allocation of human resources and reshaped the Company's organizational structure; actively broadened the channels for talent recruitment, increased efforts to attract overseas talents, and accelerated the building of globalization capabilities of the workforce; accelerated the digital transformation of human resources, improved management effectiveness and service quality, in order to empower business and activate the organization.

(5) Continuing to improve the assessment and incentive mechanism. Centering on the four core principles of "benefits first, more rewards for more work, openness and fairness, and timely incentives", we have established a diversified assessment system and dynamic remuneration distribution mechanism, forming a virtuous circle of "performance orientation, value creation, and precise incentives" to fully stimulate the vitality and motivation of the core and backbone employees.

II. Business Outlook of the Group

(1) Industry development trend and market outlook

1. Engineering machinery market

According to the guiding principles of the Central Economic Work Conference, in 2025, the economic work will adhere to the general tone of seeking progress while maintaining stability with the core goal of achieving stable economic growth. To achieve this goal, it is planned to implement a more proactive fiscal policy and a moderately loose monetary policy to stabilize the property and stock markets, prevent and mitigate risks in key areas, stabilize expectations, stimulate vitality, and promote a sustained economic recovery. With the continuous implementation of a package of incremental policies, it is expected to exert a positive impact on the industry demand.

In 2025, the government significantly increases fiscal expenditure, increases the issuance of ultra-long-term special government bonds, and continues to support the implementation of the "Two Focuses" projects and the "Two Upgrades" policies; increases the issuance and use of local government special bonds, and expands the scope of investment and project funding; vigorously promotes the real estate market to halt its decline and achieve stabilization and intensifies the renovation of urban villages and dilapidated houses. It will promote the gradual release of domestic market demand, which will in turn drive the sales of construction machinery, and therefore the domestic market is expected to show a development trend of steady growth.

In 2025, as countries along the "Belt and Road" continue to promote large-scale infrastructure projects such as railways and energy, the international competitiveness of Chinese products increases, which coupled with policy-driven overseas expansion of production capacity, makes it possible for the export of construction machinery industry to grow continuously. The steady recovery of the domestic market and the expansion of the international market will inject a strong impetus into the development of the construction machinery industry in 2025.

2. *Agricultural machinery market*

At present, the country attaches great importance to the development of agriculture, and the agricultural industry will usher in major development opportunities. The No. 1 central document in 2025 is the 22nd No. 1 document issued by the CPC Central Committee to guide the work of "agriculture, rural areas and farmers" since the beginning of the new century. The document highlights the need to ensure national food security, advance the coordinated efforts of agricultural science and technology, develop new agricultural productivity, promote the high-quality development of agricultural machinery and equipment, accelerate the research and development and application of advanced and applicable domestic agricultural machinery and equipment, and promote the scrapping and renewal of old agricultural machinery. According to the Notice on the Further Expansion of the Implementation of Large-scale Equipment Renewal and Consumer Goods Trade-in Policy in 2025, the country has increased the support for equipment renewal projects in key areas, and expanded the support to the scrapping and renewal of agricultural machinery. Accelerating the elimination of old agricultural machinery will release the demand for smart agricultural machinery, drive the coordinated upgrade of the entire industrial chain, and generate the scale effect of renewal and replacement. The policies are promoting the further transformation of the industry towards high-end, intelligent and green operations, and cultivating agricultural machinery industry clusters, thereby promoting the high-quality development of agricultural machinery in the medium and long term.

(2) Operation initiatives in 2025

1. Accelerating the development of industrial echelons

We will further promote the synergistic integration and competitive development of traditional advantageous industries and emerging industries and further strengthen the implementation of strategies to demonstrate the results of the overall strategy. The traditional advantageous industries will continue to forge sustainable competitiveness in the process of steady improvement; the emerging industries will continue to contribute new growth poles in the process of development and growth.

First, in terms of concrete machinery, engineering cranes, and construction cranes, we will consistently pursue our goal of global leadership. For domestic operations, we will strive to achieve a quality growth by controlling the risk, stabilizing the scale and boosting the efficiency, so as to consolidate and strengthen our position in the domestic market. For overseas operations, we will strive to achieve a leapfrog growth in our global business by increasing the scale, boosting the profit and controlling the risk, so as to have our products and services widely recognized globally.

Second, in terms of earthmovers and mining machinery, we will promote an in-depth integration, consistently improve the type spectrum of products and technical reserves, optimize our marketing systems for the domestic and overseas markets and strengthen the talent cultivation, so as to achieve a comprehensive breakthrough in scale and efficiency.

Third, in terms of aerial machinery, we will increase efforts for overseas market expansion to improve our global industrial layout, upgrade our product, service and market systems, accelerate the end-to-end digital transformation to boost operating efficiency across the board, so as to form an absolute advantage of competitiveness in technology, quality, cost and service and ensure that a remarkable breakthrough into the RMB10 billion scale could be achieved.

Fourth, in terms of agricultural machinery, we will closely follow the "10,000 Plan" (萬台計劃), uphold the core goal of creating market-leading products, increase the output and improve the quality with intelligent manufacturing technologies, build a sound domestic and overseas marketing system with Zoomlion's characteristics, so as to achieve a breakthrough in scale and a comprehensive growth.

Fifth, in terms of emerging businesses such as emergency equipment, foundation construction machinery, industrial vehicles and Zoomlion's new materials, we will, based on technology and products, make the most of the advantages of Zoomlion's platform and brand to make our business bigger and stronger rapidly.

2. *Fully establish the overseas business system with Zoomlion's characteristics for emerging business*

We will consistently and firmly implement the "end-to-end, digital and localised" overseas strategy and fully establish the overseas business system with Zoomlion's characteristics.

First, deepen the end-to-end business management system. We will deeply promote the "airports + ground forces + air forces" mode to enhance and improve the direct-sale system in an all-round manner; upgrade the "pin-shaped" management mechanism to achieve "managing business well, managing people well, managing properties well, and keeping accurate accounts" (管好事、管好人、管好物、算好賬).

Second, accelerate the digital transformation for business. We will build a sound and multi-dimensional digital platform which deeply integrates digital technologies into the full business process to achieve digital management in all aspects from procurement, production, sale to aftersales and boost operating efficiency and decision-making accuracy, so as to achieve digital management across the full chain of business.

Third, promote the localisation layout. We will increase efforts for the construction of the "Airport Base" by expanding outlet layout, introducing more outlets to lower-tier regions and deeply developing the local market potential, so as to open a new overseas market and embrace new development opportunities.

Fourth, continuously promote the strategic upgrade of the overseas manufacturing base network. For the overseas manufacturing bases, we will, based on the principles of "technical synergy, regional development and global interaction" (技術協同、區域深耕、全球聯動), optimize the layout of R&D and manufacturing bases, specifically diversify the positionings of the bases, establish an integrated value network of R&D, manufacturing and service, so as to increase our global competitiveness.

3. *Continuously improving scientific research and innovation, and accelerating the development of new quality productive forces*

By upholding the philosophy of "technologies and products as the fundamentals," we will continuously carry out the Product 4.0A Project to strengthen the innovation and iteration of new technologies and new products, fully promote the development and application of new materials, new components, new systems, new processes and new methods, strive to create leading products of "high quality, high value, high safety and high market share", and empower the development of every business segment and the overseas market of the Company. We will improve our international certification system and platform, strengthen the distribution of high-value technical patents for main products in the key overseas markets, and fully build a rigorous network for intellectual property protection, so as to consolidate our technical leadership in the industry. We will continue to promote the R&D of basic technologies and common technologies and explore forward-looking technologies and future technologies, promote the R&D of full-chain intelligent path and new energy path, advance the system solutions including intelligent construction sites, intelligent mines and intelligent agriculture, explore the research and industrial development of future industries including robot, hydrogen energy and new fire extinguishing materials, keep increasing the depth and legacy of the Company's technological reserves, and cultivate new business growth points, so as to ensure that technical innovation will become the core driving force for the sustainable development of the Company.

4. *Improving manufacturing layout and intelligent manufacturing system to create a world-leading manufacturing highland*

First, we will fully complete the construction of the intelligent industrial city, accelerate the construction of ongoing projects including the engineering machinery centre, the innovation incubation base and the dormitory building of the intelligent industrial city and put these facilities into use as quickly as possible.

Second, we will comprehensively boost the management efficiency of the intelligent industrial city, improve the production and administrative management of the intelligent industrial city, and build an efficient and collaborative management system for the intelligent industrial city, so as to achieve the goals of stabilized and full-capacity production as quickly as possible, enhancing the Company's operation efficiency.

5. *Substantially enhance operating management and control capabilities*

First, implement budget management and make the annual plans in a more scientific way. We will break down the annual plans into more detailed tasks, ensuring that we can meet daily targets to support monthly goals, monthly targets to support quarterly goals, and quarterly targets to support the annual goals, thereby guaranteeing the comprehensive completion of the annual business indicators.

Second, strengthen cost management. We will continue to maximize cost reduction, deepen the integration of the central procurement biddings, accelerate supply chain digital innovation and transformation, enhance the supply chain system to reduce cost and boost quality and capitalize on the extremely low costs to strengthen our stable and sustainable competitiveness in the market.

Third, optimize marketing management. We will improve our incentive system, optimize income distribution management, promote the efficient integration of marketing, service and risk control to build a smart, capable and efficient sale team.

Fourth, implement strict inventory management. We will make full use of the intelligent manufacturing advantage of the Zoomlion's intelligent industrial city to dynamically optimize production rhythm to achieve accurate resource allocation. We will strive to expedite the digestion of our slow-moving inventory to improve the Company's inventory turnover rate.

FINAL DIVIDEND AND ANNUAL GENERAL MEETING

Pursuant to a resolution passed at the Board meeting on 24 March 2025, a final dividend for the year ended 31 December 2024 of RMB0.3 per share was proposed, totaling RMB2,603 million. The final dividend is calculated based on the total share capital of the Company as of 31 December 2024, and adjusted accordingly based on the total share capital at the date of record when profit distribution is made. The specific amount is subject to actual distribution. Such proposal is subject to shareholders' approval at the forthcoming annual general meeting of the Company. The proposed final dividend is expected to be paid to the shareholders of the Company on or about 8 August 2025. Information regarding the record date and book close date to determine the entitlement to the final dividend and attendance of the annual general meeting will be announced in due course.

COMPLIANCE WITH THE CODE PROVISIONS IN THE CORPORATE GOVERNANCE CODE AS SET OUT IN PART 2 OF APPENDIX C1 TO THE LISTING RULES

The Board has adopted all code provisions in Part 2 of the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as the code of the Company. During the year ended 31 December 2024, the Company complied with all the applicable code provisions set out in Part 2 of the Code, save and except the only deviation from code provision C.2.1 of the Code, namely, the roles of the chairman and chief executive officer have not been separated. Dr. Zhan Chunxin is currently the chairman of the Board and chief executive officer of the Company. The Board is of the view that vesting of these two roles in Dr. Zhan Chunxin can facilitate efficient formulation and implementation of business strategies of the Company, and that through the supervision of the Board and the independent non-executive directors as well as the internal check-and-balance system, the balance of power and authority between the Board and management of the Company will not be affected. The Board believes that this arrangement is in the interests of the Company and its business.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the rules governing the securities transactions by directors under the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry to all directors and supervisors, and all its directors and supervisors have confirmed that they complied with the Model Code throughout the year ended 31 December 2024. The Company has not identified any non-compliance with the Model Code by any of its directors or supervisors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 10,710,200 H shares on the Stock Exchange as follows:

Month	Number of H shares repurchased	Highest price paid per H share *(HKD)*	Lowest price paid per H share *(HKD)*	Aggregate consideration *(HKD)*
December	10,710,200	5.70	5.21	57,890,629
Total	10,710,200	–	–	57,890,629

Save as disclosed, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee of the Company is primarily responsible for making recommendation to the Board on the appointment and removal of external auditors and their remuneration and terms of engagement; monitoring internal control system of the Company and its implementation; reviewing financial information of the Company and its disclosure, including monitoring the integrity and accuracy of financial statements, annual report and accounts, half-year report and quarterly reports, and review significant financial reporting judgments contained therein; reviewing the financial controls, internal control and risk management systems of the Company; and reviewing material connected transactions of the Company.

The Audit Committee comprises three members, including two independent non-executive directors and one non-executive director. It is currently chaired by Ms. Huang Jun with Mr. He Liu and Mr. Wu Baohai as members. The Audit Committee satisfies the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee held four meetings during the year considering the annual results of the Company for the year ended 31 December 2023, its interim results for the six months ended 30 June 2024 and quarterly results during the Reporting Period. The Audit Committee has reviewed the audited annual financial statements of the Company for the year ended 31 December 2024 and the accounting principles and practices adopted by the Company and discussed matters relating to internal control and financial reporting.

By Order of the Board of
Zoomlion Heavy Industry Science and Technology Co., Ltd.*
Zhan Chunxin
Chairman

Changsha, the PRC, 24 March 2025

As at the date of this announcement, the executive director of the Company is Dr. Zhan Chunxin; the non-executive directors are Mr. He Liu and Mr. Wang Xianpin; and the independent non-executive directors are Mr. Zhang Chenghu, Mr. Huang Guobin, Mr. Wu Baohai and Ms. Huang Jun.

* *For identification purpose only*