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

中聯重科股份有限公司

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

(Stock Code: 1157)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- As at 30 June 2025, total assets of the Group amounted to RMB129,262 million, representing an increase of RMB5,550 million or 4.49% over that of 31 December 2024
- For the six months ended 30 June 2025, revenue of the Group amounted to RMB24,855 million, representing an increase of RMB320 million or 1.30 % over the same period of 2024
- For the six months ended 30 June 2025, profit attributable to equity shareholders of the Company amounted to RMB2,753 million, representing an increase of RMB472 million or 20.69% over the same period of 2024
- For the six months ended 30 June 2025, earnings per share amounted to RMB0.32, representing an increase of RMB0.05 over the same period of 2024
- The Board proposed an interim dividend of RMB0.2 per share for the six months ended 30 June 2025

The board of directors (the “**Board**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”). The Group’s interim financial report was prepared in accordance with the International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board and the disclosure requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

FINANCIAL RESULTS

The financial information set out below in this announcement represents an extract from the unaudited interim financial report for the six months ended 30 June 2025 prepared in accordance with IAS34.

Consolidated statement of comprehensive income

		For the six-month period ended 30 June	
		2025	2024
		RMB	RMB
	Note	millions	millions
Revenue	2	24,855	24,535
Cost of sales and services		<u>(17,859)</u>	<u>(17,589)</u>
Gross profit		6,996	6,946
Other net income		904	930
Sales and marketing expenses		(2,098)	(1,902)
General and administrative expenses		(1,284)	(1,340)
Expected credit losses	3(c)	(273)	(377)
Research and development expenses		<u>(1,412)</u>	<u>(1,306)</u>
Profit from operations		<u>2,833</u>	<u>2,951</u>
Finance income		246	320
Finance costs		(293)	(277)
Net exchange gain/(loss)		<u>439</u>	<u>(162)</u>
Net finance income/(costs)	3(a)	<u>392</u>	<u>(119)</u>
Share of profits less losses of associates		<u>59</u>	<u>25</u>
Profit before taxation	3	3,284	2,857
Income tax	4	<u>(396)</u>	<u>(322)</u>
Profit for the period		<u>2,888</u>	<u>2,535</u>

		For the six-month period ended 30 June	
		2025	2024
		RMB	RMB
	<i>Note</i>	millions	millions
Profit attributable to:			
Equity shareholders of the Company		2,753	2,281
Non-controlling interests		135	254
		<hr/>	<hr/>
Profit for the period		2,888	2,535
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share (RMB)			
Basic	<i>5</i>	0.32	0.28
		<hr/> <hr/>	<hr/> <hr/>
Diluted	<i>5</i>	0.32	0.27
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	For the six-month period ended 30 June	
		2025	2024
		<i>RMB millions</i>	<i>RMB millions</i>
Profit for the period		<u>2,888</u>	<u>2,535</u>
Other comprehensive income for the period (after tax):			
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)		17	(297)
<i>Item that is or may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of subsidiaries outside PRC		<u>8</u>	<u>(218)</u>
Other comprehensive income for the period		<u>25</u>	<u>(515)</u>
Total comprehensive income for the period		<u>2,913</u>	<u>2,020</u>
Total comprehensive income attributable to:			
Equity shareholders of the Company		2,778	1,766
Non-controlling interests		<u>135</u>	<u>254</u>
Total comprehensive income for the period		<u>2,913</u>	<u>2,020</u>

Consolidated statement of financial position

		As at 30 June 2025 <i>RMB</i> <i>millions</i>	As at 31 December 2024 <i>RMB</i> <i>millions</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		21,688	20,577
Right-of-use assets		3,054	3,625
Investment properties		56	56
Intangible assets		2,235	2,019
Goodwill	6	2,739	2,580
Interests in associates	7	4,451	4,484
Other financial assets	8	1,809	2,017
Trade receivables and contract assets	9	6,261	6,828
Receivables under finance lease	10	3,216	3,835
Loans and advances		497	469
Pledged bank deposits		95	107
Deferred tax assets		2,592	2,637
Total non-current assets		48,693	49,234
Current assets			
Inventories	11	23,391	22,564
Other current assets		439	565
Financial assets at fair value through profit or loss (“FVPL”)	12	1,571	1,622
Trade and other receivables and contract assets	9	38,879	32,400
Receivables under finance lease	10	2,989	3,328
Loans and advances		311	279
Pledged bank deposits		1,652	1,565
Cash and cash equivalents		11,271	12,155
Total current assets		80,503	74,478
Total assets		129,196	123,712
Current liabilities			
Loans and borrowings		8,734	10,837
Financial liabilities at FVPL		9	22
Trade and other payables	13	33,807	29,763
Contract liabilities		1,973	1,901
Lease liabilities		143	154
Income tax payable		346	310
Total current liabilities		45,012	42,987

		As at 30 June 2025 <i>RMB millions</i>	As at 31 December 2024 <i>RMB millions</i>
	<i>Note</i>		
Net current assets		35,491	31,491
Total assets less current liabilities		84,184	80,725
Non-current liabilities			
Loans and borrowings		20,355	15,412
Lease liabilities		282	362
Deferred tax liabilities		777	696
Other non-current liabilities		3,430	4,453
Total non-current liabilities		24,844	20,923
NET ASSETS		59,340	59,802
CAPITAL AND RESERVES			
Share capital	14(c)	8,649	8,678
Reserves		48,458	48,423
Total equity attributable to equity shareholders of the Company		57,107	57,101
Non-controlling interests		2,233	2,701
TOTAL EQUITY		59,340	59,802

Notes to financial information

1 Basis of preparation

- (a) This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*” issued by the International Accounting Standards Board (“IASB”). It has been reviewed by the audit committee of the Company and approved for issue on 29 August 2025.

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Hong Kong Institute of Certified Public Accountants.

- (b) The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim report as the group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Revenue and segment reporting

(a) Disaggregation of revenue

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

	For the six-month period ended 30 June	
	2025	2024
	RMB	RMB
	millions	millions
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
Construction machinery		
– Concrete machinery	4,866	4,210
– Crane machinery	8,331	8,228
– Aerial machinery	2,591	3,953
– Earth working machinery	4,288	3,516
– Others	2,486	2,032
Agricultural machinery	1,987	2,341
	<u>24,549</u>	<u>24,280</u>
Revenue from other sources		
Rental income	75	48
Financial services	231	207
	<u>306</u>	<u>255</u>
	<u>24,855</u>	<u>24,535</u>

	For the six-month period ended 30 June	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
	<i>millions</i>	<i>millions</i>
Disaggregated by geographical location of customers		
– Mainland PRC	11,039	12,488
– Outside PRC	13,816	12,047
	<u>24,855</u>	<u>24,535</u>

(b) Information about profit or loss

	For the six-month period ended 30 June	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
	<i>millions</i>	<i>millions</i>
Reportable segment profit:		
Construction machinery		
– Concrete machinery	1,105	925
– Crane machinery	2,693	2,667
– Aerial machinery	771	1,084
– Earth working machinery	1,268	1,134
– Others	702	616
Agricultural machinery	240	319
Financial services	217	201
	<u>6,996</u>	<u>6,946</u>

(c) Reconciliations of segment profit

	For the six-month period ended 30 June	
	2025	2024
	<i>RMB</i>	<i>RMB</i>
	<i>millions</i>	<i>millions</i>
Total reportable segment profit	6,996	6,946
Other net income	904	930
Sales and marketing expenses	(2,098)	(1,902)
General and administrative expenses	(1,284)	(1,340)
Expected credit losses	(273)	(377)
Research and development expenses	(1,412)	(1,306)
Net finance income/(costs)	392	(119)
Share of profits less losses of associates	59	25
Profit before taxation	<u>3,284</u>	<u>2,857</u>

3 Profit before taxation

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

(a) Net finance (income)/costs:

	For the six-month period ended 30 June	
	2025	2024
	RMB	RMB
	millions	millions
Interest income	(246)	(320)
Interest expense on loans and borrowings	342	306
Interest expense on lease liabilities	6	8
Net exchange (gain)/loss	(439)	162
Less: interest expense capitalised into construction in progress	(55)	(37)
	<u>(392)</u>	<u>119</u>

Note: The borrowing costs have been capitalised at rates of 2.37% to 2.40% per annum.

(b) Staff costs:

	For the six-month period ended 30 June	
	2025	2024
	RMB	RMB
	millions	millions
Salaries, wages and other benefits	2,612	2,373
Contributions to retirement schemes	395	365
Share incentive scheme expense	190	481
	<u>3,197</u>	<u>3,219</u>

(c) Other items:

	For the six-month period ended 30 June	
	2025	2024
	RMB	RMB
	millions	millions
Cost of inventories sold	17,765	17,589
Depreciation charge		
– owned property, plant and equipment	555	495
– right-of-use assets	116	111
Amortisation of intangible assets	74	73
Product warranty costs	94	93
Expected credit losses:		
– trade receivables (<i>Note 9</i>)	292	310
– receivables under finance lease (<i>Note 10</i>)	(26)	60
– other receivables	6	7
– loans and advances	1	–
Impairment losses:		
– inventories	38	12
– other current assets	9	–
	<u>9</u>	<u>–</u>

4 Income tax

Taxation charged to the consolidated statement of comprehensive income:

	For the six-month period ended 30 June	
	2025	2024
	RMB	RMB
	millions	millions
Current tax – PRC income tax	290	486
Current tax – Income tax in other tax jurisdictions	8	57
Deferred taxation	98	(221)
	<hr/>	<hr/>
Tax expenses	396	322
	<hr/> <hr/>	<hr/> <hr/>

5 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six-month period ended 30 June 2025 is based on the profit attributable to equity shareholders of the Company of RMB2,753 million (six-month period ended 30 June 2024: RMB2,281 million) less profit attributable to the unvested restricted A shares of RMB81 million (six-month period ended 30 June 2024: nil) and the weighted-average number of ordinary shares in issue during the period, calculated as follows:

Weighted average number of ordinary shares

	For the six-month period ended 30 June	
	2025	2024
	millions	millions
Issued ordinary shares (excluded unvested restricted A shares) at 1 January	8,413	8,254
Effect of repurchase of ordinary H shares	(16)	–
	<hr/>	<hr/>
Weighted average number of ordinary shares at 30 June	8,397	8,254
	<hr/> <hr/>	<hr/> <hr/>

(b) Diluted earnings per share

For the six-month period ended 30 June 2025, restricted A shares (Note 14(a)) 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 six-month period ended 30 June 2024, the effect of deemed issue of restricted A shares would have been slightly dilutive regarding the calculation of diluted earnings per share, based on the profit attributable to ordinary equity shareholders of the Company of RMB2,281 million and the weighted average number of ordinary shares (diluted) of 8,424 million shares.

6 Goodwill

	2025 <i>RMB</i> <i>millions</i>	2024 <i>RMB</i> <i>millions</i>
Balance at 1 January	2,580	2,641
Effect of exchange rate difference	159	(61)
Balance at 30 June/31 December	<u>2,739</u>	<u>2,580</u>

7 Interests in associates

	30 June 2025 <i>RMB</i> <i>millions</i>	31 December 2024 <i>RMB</i> <i>millions</i>
Carrying amount of the individually material associate in the consolidated financial statements		
Infore Environment Technology Group Co., Ltd.	<u>3,182</u>	<u>3,209</u>
Aggregate carrying amount of individually material associates in the consolidated financial statements	3,182	3,209
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	<u>1,269</u>	<u>1,275</u>
Total	<u>4,451</u>	<u>4,484</u>

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

8 Other financial assets

	30 June 2025 <i>RMB</i> <i>millions</i>	31 December 2024 <i>RMB</i> <i>millions</i>
Financial assets at FVOCI		
Equity securities	1,619	1,760
Financial assets at FVPL		
Listed equity securities	32	33
Private equity fund	<u>158</u>	<u>224</u>
Total	<u>1,809</u>	<u>2,017</u>

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 RMB123 million and RMB1,496 million, respectively, as at 30 June 2025 (31 December 2024: RMB134 million and RMB1,626 million). The Group designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes. Dividends of RMB10 million (six-month period ended 30 June 2024: RMB13 million) were received from these investments in equity securities during the six-month period ended 30 June 2025. A loss accumulated in the fair value reserve (non-recycling) of RMB2 million in relation to disposal of equity securities was transferred to retained earnings during the six-month period ended 30 June 2025 (six-month period ended 30 June 2024: nil).

9 Trade and other receivables and contract assets

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Trade receivables	40,058	35,569
Less: loss allowance	(4,738)	(4,461)
	<u>35,320</u>	<u>31,108</u>
Less: trade receivables due after one year	(6,065)	(6,739)
	<u>29,255</u>	<u>24,369</u>
Bills receivable	924	1,479
	<u>30,179</u>	<u>25,848</u>
Contract assets	198	89
Less: Contract assets due after one year	(196)	(89)
	<u>30,181</u>	<u>25,848</u>
Amounts due from related parties	181	139
Prepayments for purchase of raw materials	1,008	869
Prepayment for acquisition of a subsidiary	1,628	–
Prepaid expenses	742	594
Prepayments for land use right for property development	1,703	1,703
VAT recoverable	2,446	2,329
Deposits	66	67
Others	924	851
	<u>38,879</u>	<u>32,400</u>

During the six-month period ended 30 June 2025, trade receivables of RMB3,136 million (six-month period ended 30 June 2024: RMB5,940 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.

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:

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Within 1 year	23,654	20,571
Over 1 year but less than 2 years	5,692	4,993
Over 2 years but less than 3 years	2,193	2,023
Over 3 years but less than 5 years	2,052	1,850
Over 5 years	1,729	1,671
	35,320	31,108

Trade receivables under credit sales arrangement are generally due within 1 to 6 months (2024: 1 to 6 months) from the date of billing, and customers are normally required to make an upfront payment ranging from 5% to 30% (2024: 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 (2024: 6 to 60 months), customers are normally required to make an upfront payment ranging from 5% to 30% (2024: 5% to 30%) of the product price.

10 Receivables under finance lease

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Gross investment	7,003	8,217
Unearned finance income	(295)	(443)
	6,708	7,774
Less: loss allowance	(503)	(611)
	6,205	7,163
Less: receivables under finance lease due after one year	(3,216)	(3,835)
Receivables under finance lease due within one year	2,989	3,328

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 a period ranging from 1 to 6 years (2024: 1 to 6 years). Customers are normally required to make an upfront payment or security deposit ranging from 5% to 50% of the product price (2024: 5% to 50%) and pay a security deposit ranging from 1% to 30% of the product price (2024: 1% to 30%). 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 six-month period ended 30 June 2025, receivables under finance lease of RMB1,029 million (six-month period ended 30 June 2024: 1,788 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 under finance lease to the banks and financial institutions, these factored receivables under finance lease were therefore derecognised.

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

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
<i>Present value of the minimum lease payments</i>		
Within 1 year	3,223	3,630
Over 1 year but less than 2 years	1,594	1,743
Over 2 years but less than 3 years	1,055	1,166
Over 3 years	836	1,235
	<u>6,708</u>	<u>7,774</u>
<i>Unearned finance income</i>		
Within 1 year	157	230
Over 1 year but less than 2 years	70	99
Over 2 years but less than 3 years	40	62
Over 3 years	28	52
	<u>295</u>	<u>443</u>
<i>Gross investment</i>		
Within 1 year	3,380	3,860
Over 1 year but less than 2 years	1,664	1,842
Over 2 years but less than 3 years	1,095	1,228
Over 3 years	864	1,287
	<u>7,003</u>	<u>8,217</u>

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

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Not yet due	5,749	6,356
Within 1 year past due	694	1,045
Over 1 year but less than 2 years past due	190	270
Over 2 years past due	75	103
Total past due	<u>959</u>	<u>1,418</u>

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
	6,708	7,774
Less: loss allowance	<u>(503)</u>	<u>(611)</u>
	<u>6,205</u>	<u>7,163</u>

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.

11 Inventories

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Raw materials	5,486	5,413
Work in progress	2,275	1,898
Finished goods	13,192	12,818
Land to be developed	<u>2,438</u>	<u>2,435</u>
	<u>23,391</u>	<u>22,564</u>

Land to be developed are related to land use rights owned by subsidiaries of the Group engaging in real estate development.

12 Financial assets at fair value through profit or loss

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Financial assets carried at fair value through profit or loss		
– Wealth management products and structured deposits	(i) 207	45
– Securities investment funds	(ii) 1,363	1,577
– Derivatives	<u>1</u>	<u>–</u>
	<u>1,571</u>	<u>1,622</u>

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 investment products are a wide range of government and corporate bonds, asset-backed securities, bond repurchases, bank deposits and other financial instruments.

13 Trade and other payables

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Trade creditors	11,247	8,830
Digital bills payable	3,947	5,192
Bills payable	8,174	7,883
	<hr/>	<hr/>
Trade creditors and bills payable	23,368	21,905
Payable for acquisition of property, plant and equipment	2,266	2,063
Accrued staff costs	520	861
Product warranty provision	191	176
Value-added tax payable	1,155	981
Sundry taxes payable	60	78
Security deposits	182	171
Financial guarantees issued	38	33
Dividends payable (Note 14(a))	2,529	—
Other accrued expenses and payables	3,498	3,495
	<hr/>	<hr/>
	33,807	29,763
	<hr/>	<hr/>

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

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

	As at 30 June 2025 RMB millions	As at 31 December 2024 RMB millions
Due within 1 month or on demand	6,646	6,046
Due after 1 month but within 3 months	6,937	6,816
Due after 3 months but within 6 months	6,349	6,245
Due after 6 months but within 12 months	3,436	2,798
	<hr/>	<hr/>
	23,368	21,905
	<hr/>	<hr/>

14 Capital, reserves and dividends

(a) Dividends

Pursuant to the shareholders' approval at the Annual General Meeting held on 26 June 2025, a final cash dividend of RMB0.30 per share based on 8,649 million ordinary shares in issue, totaling RMB2,595 million in respect of the year ended 31 December 2024 was declared. As at 30 June 2025, such dividends were not fully paid.

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.

(b) Share incentive scheme

On 30 August 2023, an 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.

During the six-month period ended 30 June 2025, no restricted shares were vested (six-month period ended 30 June 2024: nil).

During the six-month period ended 30 June 2025, share incentive scheme expenses of RMB190 million (six-month period ended 30 June 2024: RMB481 million) were recognised in the consolidated statement of comprehensive income.

(c) Repurchase of own shares

During the six-month period ended 30 June 2025, the Company repurchased its own shares on the Hong Kong Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share <i>HKD</i>	Lowest price paid per share <i>HKD</i>	Aggregated price paid <i>HKD</i> <i>millions</i>
January/2025	18,646,800	5.83	5.49	103
February/2025	100,000	5.61	5.61	1

The total amount paid for the repurchased shares of HKD104 million (RMB equivalent: RMB96 million) was paid wholly out of capital reserve. In June 2025, the Company cancelled 29,457,000 shares, which includes 10,710,200 shares and 18,746,800 shares repurchased in 2024 and 2025 respectively.

BUSINESS REVIEW

Following the core concept of “building up enterprises with Internet thinking and producing products by pushing everything to the limit”, the Company has unswervingly committed itself to the goal of high-quality development, and worked harder on the three transformation initiatives of “related diversification, globalization and digitization”. By seeking high-quality development powered by technological innovation, the Company refreshed its efforts to advance the transformation and upgrading of digitization, intelligence and green operations. The Company continued to deepen its traditional strengths while accelerating the cultivation and expansion of emerging business sectors. Through a comprehensive global market expansion strategy, this has unlocked new growth opportunities for the Company, enabling it to navigate economic cycles and achieve robust, sustainable, and high-quality development.

During the Reporting Period, the Company’s operating income amounted to RMB24,855 million, representing a year-on-year increase of 1.30%, and the net profit attributable to the parent company amounted to RMB2,753 million, representing a year-on-year increase of 20.69%.

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

1. Accelerating the construction of industrial echelons and promoting the coordinated development of all sectors

During the Reporting Period, the Company accelerated the diversification of its industrial sectors to seek a pattern of synergistic integration and competitive development where traditional advantageous industries and emerging industries integrate and thrive together. The Company further strengthened strategic execution to ensure the effective implementation of its overall strategy. The traditional advantageous industries have been improving their competitiveness, laying a solid foundation for development, while the emerging industries have accelerated to thrive and shape new growth poles.

(1) Our leading products remained solid in the market

A steady development strategy was adopted for our product lines of the three key traditional competitive products (concrete machinery, engineering cranes and construction cranes). The Company took a holistic approach to global resource allocation to advance overseas transformation in an all-round way and deepened its “pin-shaped” management model. By rigorously controlling risks in both domestic and international markets and elevating operational management quality across the board, the Company has built new momentum to drive its high-quality development. All three major product lines maintained a solid position in the domestic market, with sales of new energy mixers and crawler cranes doubling their growth. The scale of overseas business and market position continued to increase, with a year-on-year growth of the export sales for the three major product lines exceeding 13%.

(2) *Earth working machinery built edges in a full-scenario product matrix and achieved a dual growth in domestic and overseas markets*

In terms of earth working machinery, the Company expanded the product spectrum of micro-excavation, enhanced the performance of medium and large excavation across the board and pioneered green mining technologies for ultra-large-tonnage equipment. The Company has built the full-scenario product matrix with industry-leading competitiveness. In the domestic market, the Company has transitioned its sales model to a distributor model, continuously optimized its product mix, and achieved an industry-leading market share in medium and large excavators. In the overseas market, the Company deepened its global footprint by efficiently introducing the “pin-shaped” management model and the “ground forces + air forces” collaboration framework, while continuously optimizing its worldwide service and parts network, achieving dual growth in sales volume and market share. During the Reporting Period, the export sales of earth working machinery recorded a year-on-year increase of over 33%, leading the industry.

(3) *Aerial machinery led the development of global high-end markets*

Powered by sustained technological innovation, the Company has established solid core competitive advantages and gained global pricing power in the superhigh work heights. Notably, the boom lift products with superhigh work heights rank first in the global market share, and the world’s tallest 82-meter superhigh straight-boom lift has obtained the EU CE certification. The ZA32J articulated boom lift with high work heights tops the global market share. At present, the Company’s products with high work heights have achieved large-scale export to Europe, the Americas, and the Asia-Pacific regions, demonstrating remarkable technological leadership and product competitiveness. For industrial layout, the Company works on its worldwide footprint and local presence. The Hungarian factory is constructed as scheduled, and domestic production competitiveness continues to strengthen. This multi-dimensional approach is already unlocking new growth drivers for future development, laying a solid foundation for its cemented global leadership in the field of aerial machinery.

(4) *Agricultural machinery advanced strategic restructuring and lean development transformation*

Aligned with the “High-end, International, and New Energy” core development strategies, the Company has driven comprehensive upgrades across its product portfolio, R&D, marketing, production, and human resource systems. The Company focused on agricultural machinery for large-scale cultivation of key crops, building an integrated industrial ecosystem that synergizes complete machines with core components. In its seven priority markets, the Company has had in place elite teams to strengthen end-user penetration. Through systematic integration of factory manufacturing resources, the Company has enabled a global lean manufacturing network. By consolidating resources and restructuring operational frameworks, the Company has enhanced its input-output efficiency to achieve lean development on all fronts. During the Reporting Period, wheat machines were among the top two places and tractor and rice machine products achieved growth against headwinds during the industrial adjustment, and the business mix accelerated its transformation to high-value-added areas, laying a solid foundation for high-quality development.

(5) *With a strategic focus on “Green, Large-Scale, and Intelligence”, the Company achieved dual breakthroughs in both competitiveness and market performance in the mining machinery*

Prioritizing the “Green, Large-Scale, and Intelligent” initiative for mining machinery, the Company is committed to developing high-end full-process mining equipment, achieving industry-leading comprehensive product competitiveness. Manufacturing capacity has leaped forward, tripling since the beginning of the year. Domestic business grew against the market headwinds, securing a firm foothold with central and State-owned enterprises in the energy sector. Overseas, the Company notched successive breakthroughs, gaining full access to the global high-end mining market. During the Reporting Period, sales increased by over 29% year on year.

(6) *R&D Acceleration of embodied intelligent robots*

The Company has developed three new humanoid robots, including one wheeled humanoid robot and two bipedal humanoid robots. Dozens of them have entered factory operation and are being piloted in mechanical processing, logistics, assembly, quality inspection and other links to accelerate industrialization. By developing a complete set of tool chain for data collection, data labeling, and model training, the Company has built a 120-station embodied intelligent training ground and an embodied intelligent operation center, establishing a closed-loop mechanism for the entire process of “data collection – model training – application iteration” and initially forming a data flywheel to promote the evolution of Zoomlion’s humanoid robot embodied intelligent large-scale model.

(7) *Emerging business thrived*

Relying on its platform and brand advantages, the Company has rapidly expanded the product portfolios of its emerging businesses, like emergency equipment, foundation construction machinery and industrial vehicles, to continuously refine its market presence and steadily elevate its industry standing.

Driven by technological innovation, for the emergency equipment, the Company stayed committed to shaping internationally competitive emergency vehicles, overseas products, and electric-construction machinery, forging an industrial layout that is “domestically leading and globally expanding.” The Company continued to deepen its presence in the domestic market while securing new breakthroughs overseas, with both revenue and profit recording new highs. During the Reporting Period, sales increased by over 54% year on year.

Following the “Stabilize Fundamentals, Pursue Growth, Address Weaknesses, and Develop Flagship Products” approach, the Company has established global market coverage through its “High-end Product Platform + Global Regional Market Portfolio” model. Meanwhile, the Company worked on digitalization and intelligence transformation and successfully developed the Ma’anshan industrial park into a green, intelligent modern plant. During the Reporting Period, the Company achieved sustained growth across domestic and international markets with better operational quality across the board. Notably, the export sales increased by over 85% year on year.

2. The global footprint strategy deepened the development in global markets

The Company has firmly implemented the international development strategy with Zoomlion's characteristics, and continued to work on the "end-to-end, digital and localised" overseas business direct-sale system. Relying on integrated advantages in corporate culture, operational philosophy, and digital technologies, the Company accelerates comprehensive localization of all operational elements, including overseas R&D, manufacturing, supply chains, and sales-service networks to build enduring competitive advantages in overseas markets and drive sustained, rapid development of the overseas business.

- (1) Diversified market footprints strongly underpinned the robust development of the overseas business. In the first half of the year, the Company's overseas revenue continued its growth of more than 14% year on year. With the deepening of the globalization process, the overseas markets have demonstrated multi-dimensional growth momentum. The sales in the African market increased over 179% year on year. Middle East, Southeast Asia, Australia, and New Zealand markets continued their fast-growing sales. Emerging markets contributed 39% of total overseas sales. The Company has deepened cross-regional synergies and optimized its sales structure, entering a high-quality development stage characterized by "Structural Optimization + Local Market Deep Cultivation".
- (2) Deeply advanced its "Airports + Ground Troops + Flying Squadrons" end-to-end operating model, achieving comprehensive penetration through a refined direct sales system to empower sustainable overseas business growth. Firstly, the Company has established an integrated management system that makes overseas operations flatter, streamlined, standardized and systematic. The "pin-shaped" management model has been deepened, and a red/yellow-card mechanism has been introduced to tighten process management, ensuring every task is assigned to a named individual and every risk is kept in check. Secondly, the Company has forged a three-tier defense in sales, risk management, and legal affairs to safeguard the steady expansion of its overseas business by developing differentiated risk-control models, diversifying collateral and guarantee structures, introducing local financial resources, and reinforcing business guardrails. Thirdly, focusing on the three core segments of business, logistics and service, the Company has been on track for "standardization, digitization and automation" across the board. Leveraging AI to optimize end-to-end process efficiency and building and expanding the application of its digital remote-collaboration platform, the Company has seen better market response and service performance to underpin its global business growth.
- (3) Pushed forward the layout of outlets by extending the outlet construction to lower-tier markets to empower airports to transform and upgrade their operational systems for a more efficient global sales and service network.

The Company has further optimized its outlet layout. The Company stepped up investment in high-potential markets. While consolidating the core functions of its primary airports, the Company pressed ahead with the expansion and build-out of 55 secondary outlets. In its traditional key markets, the Company accelerated the "airports in lower-tier markets" strategy by establishing 47 secondary outlets and developing nodes in surrounding cities and reinforced a star-shaped service structure of "one central warehouse + N satellite warehouses." Concurrently, the Company has completed site selection and construction of 24 specialized service outlets, materially improving service responsiveness and market coverage depth.

The operational efficiency has been significantly improved. The Company has systematically optimized the utilization and reasonability of its global outlet warehousing by consolidating resources at key market centers and refining the layout of service and repair zones to improve overall operational efficiency of outlets. At present, relying on more than 30 primary business airports and more than 430 secondary and tertiary outlets established globally, the Company is promoting the extension of outlet construction from regional centers to important cities to build a more efficient global sales and service network. With a total of approximately 5,000 overseas localized employees, the Company's products are widely offered in more than 170 countries and regions thanks to its well-established sales and service networks.

- (4) Continued the expansion and upgrading of overseas R&D and manufacturing bases. The Company continued to deepen its Europe localization strategy to reinforce its market competitiveness in the region and establish a high-end equipment manufacturing base. The Company has expanded and upgraded the German Wilbert plant, transforming it into a comprehensive production base. The Company has built a new aerial platform plant in Hungary to further accelerate its business growth through localized production, setting an example for China-Hungary industrial cooperation. By simultaneously upgrading capacity in its German base and expanding business in its Hungarian base, the Company has completed a European manufacturing network that spans multiple categories of high-end equipment, enhancing local supply efficiency and market responsiveness to fully underpin its global development strategy.

3. Accelerated to advance digital transformation to reshape the business ecosystem using an AI engine

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

Digital efforts empowered the efficient operation of overseas business. The Company has deepened its “pin-shaped” management system by fully applying a global marketing & service process diagnosis tool and a performance-management platform that deliver real-time visibility of frontline team's indicators and link them directly to bonus incentives, energizing the team's force; accelerated efforts in the “last-mile” localization overseas by facilitating the integration of local e-ecosystems and piloting e-contracts in key markets to raise the efficiency of localized contracting and archiving; continued to optimize its overseas service platform and deepen its parts-order dispatch system. The system has already covered 9 product lines in more than 30 countries and regions. The system has enabled precise control of service costs, real-time shortage tracking and zero service downtime, significantly enhancing customer experience and service efficiency.

Digital efforts empowered the refined management and control of production, sales and storage. The Company took a holistic approach to inventory management and control, intelligent manufacturing and supply-chain platform building to refine the production-sales coordination mechanism for a fully digital monitoring system that spans the entire value chain from “opportunity insight to value realization”. By integrating cutting-edge technologies such as artificial intelligence, the Company has achieved end-to-end, high-efficiency collaboration, reshaping its operating model into one that is “demand-driven and lean in supply.” This enables us to respond to market needs with an optimal cost structure, thereby reducing inventory levels and improving capital turnover.

4. Intelligent manufacturing industry clusters have been taking shape to lead the sustained high-quality development of the industry

Holding fast to its “digital, intelligent and green” development strategy, the Company has accelerated the upgrade of high-end intelligent manufacturing. Intelligent industrial parks, intelligent plants and intelligent production lines have been rolled out in succession, while cutting-edge research in advanced intelligent manufacturing has rapidly converted into commercial applications. “End-to-end” digital transformation has been deepened across the board, rapidly forging an industry-leading cluster of intelligent manufacturing. These initiatives have firmly established the Company as a benchmark for intelligent manufacturing and cemented its leadership in advantaged intelligent manufacturing sectors and continue to put the industry on track for high-quality development.

- (1) Intelligent manufacturing industry clusters continued to thrive. The Company made fruitful progress in promoting the construction of intelligent factories, laying a solid foundation for its high-quality development. With Zoomlion Smart Industrial City as the core, the Company has promoted the construction of intelligent factories for high-end equipment from mainframes to parts. The 4 intelligent mainframe plants and the key part center of With Zoomlion Smart Industrial City have been built and put into production, and more than 10 intelligent production lines across 3 intelligent plants, including the Changde agricultural-machinery plant, have been built and put into production. To date, the Company has globally built and put into production 17 intelligent factories and more than 370 intelligent production lines, helping to build an important national advanced manufacturing highland on all fronts.
- (2) Rapid transformation and application of advanced intelligent manufacturing technology research. We deeply integrated artificial intelligence, the industrial internet, intelligent manufacturing technology, and intelligent equipment to create digital, intelligent, and green production lines; innovatively developed intelligent control algorithms and digital systems to build flexible, efficient, and interconnected intelligent factories. We continued to promote the application research of over 270 independently developed, industry-leading, full-process sets of intelligent manufacturing technologies, and has made breakthroughs in nearly 250 key technologies related to quality improvement, cost reduction, and efficiency enhancement, which have been applied in intelligent production lines, with over 160 of these reaching an industry-leading level. This strongly supports the continued industry leadership in the overall process technology for the main product lines, demonstrating the Company’s strong intelligent manufacturing technology strength and cutting-edge leading advantages, accelerating the empowerment of production and manufacturing intelligent upgrades, and continuously promoting the Company’s intelligent manufacturing to lead the development of the industry.
- (3) Comprehensive acceleration of digital transformation across the entire manufacturing and supply chain. Deeply integrating technologies like AI Agents, big data and digital twins, we advanced the in-depth deployment and global empowerment of intelligent manufacturing platform, drove the entire business flow to achieve self-perception, self-decision-making, and self-optimizing collaboration, and continuously enhanced the production efficiency and product quality of all manufacturing bases.

The Company built an intelligent collaborative architecture and continued to promote full coverage of intelligent manufacturing platform. By enabling deep linkage between cloud intelligence, edge computing, and terminal execution, the Company empowered efficient human-machine integration and accelerated the in-depth practice of intelligent manufacturing. This has significantly enhanced flexible manufacturing capabilities, enabling precise insight into and efficient response to diverse and dynamic market demands. The Company has efficiently coordinated domestic and overseas main production plans, and the planning and scheduling systems for engineering cranes, pump machinery, and aerial machinery have been rolled out, improving planning accuracy by 15%. The Company has connected end-to-end production processes by launching the manufacturing execution systems for engineering cranes, foundation construction machinery, and Teli Hydraulic, boosting production efficiency by 15%. The Company has fully deployed the “E-Code” system for main machines and the WMS for parts warehouses, creating a digital management network for global machine and spare parts inventory, and further improving the warehouse management efficiency of physical inventory by 20%.

The Company integrated technologies like AI Agents and digital twins to create a self-adaptive decision-making hub that is “extremely responsive, holistically insightful, and precisely executable”. Leveraging AI and intelligent control technology, the Company has upgraded automated debugging and optimization to enable intelligent fault diagnosis for equipment, improving the fault response efficiency by 40% and diagnostic accuracy by 18%. The Company has established quality early warning and quality “fuse” models for components, and piloted in engineering cranes, aerial machinery, and the intelligent company, with component traceability accuracy increased to 99.94%, and accuracy in determining responsibility for market quality increased to 99.84%. The PCM system with raw material big data model enables dynamic price linkage with online raw material prices and intelligent progress monitoring, improving price verification efficiency by 25%. The multi-agent intelligent picking system, based on the AIGC-PaaS platform, achieves optimal scheduling decisions for WES, RCS, and embodied robots.

5. Global competitiveness through technological innovation, and new quality productive forces through the “digitalisation, intelligentisation and ecofriendliness” technologies

The Company continued to drive high-quality development through technological innovation, consistently injecting new momentum into the deep-seated breakthrough of the global strategy. In the first half of the year, we launched 141 new products in overseas markets and had 338 products receive international certifications. As our global product system continues to improve, the model coverage of the main construction and mining machinery products in overseas markets has increased by nearly 10%, leading to rapid growth in our international market share.

During the Reporting Period, we had 1,755 R&D projects in progress, nearly 300 of which focused on new “digitalisation, intelligentisation and ecofriendliness” technologies. In the same period, we launched 206 new machine models, including 76 high-end 4.0 series products and 20 new energy products. The world’s largest 4,000-ton all-terrain crane has achieved batch sales, marking our global leadership in ultra-large all-terrain crane technology. In addition, the Company has created new industry-leading products such as the world’s tallest 216-meter wind power luffing jib tower crane and the world’s longest five-axle compliant steel boom pump truck with a vertical reach of 76 metres. Focusing on the needs of overseas business, the Company has accelerated the R&D of key components to precisely meet the demands of different regional markets, completing the development and application of 56 key components, including intelligent controllers, hydraulic parts, displays, and “three-electric” systems. The main innovation achievements are as follows:

(1) Continuous application of “digitalisation, intelligentisation and ecofriendliness” new technologies significantly enhances product competitiveness

In terms of digitalisation, we initiated 61 projects, 19 of which have achieved batch application. We have further leveraged digitalisation to drive ultimate product enhancement, achieving significant breakthroughs in product operation & maintenance and full-lifecycle health management. Key applications include a crane fault diagnosis system and typical fault Q&A robot, an integrated management system for mixing plants and pump trucks, a global spare parts mall for aerial work platform, a parameter management platform for tower cranes, a multi-dimensional database for tractors, a digital management platform for power construction products, and a thermal load analysis technology for excavators. These digital technologies have strongly supported product quality upgrades and full-lifecycle value creation.

In terms of intelligentisation, we initiated 100 projects, 22 of which have achieved batch application. We deeply promoted the engineering and productization of intelligent technology achievements, continuously enhancing the products’ full-process autonomous operation capabilities and collaborative technology levels. L2-level autonomous boom operation technology for pump trucks, one-key horizontal push control technology for front-shovel excavators, drive-by-wire chassis control technology for autonomous mining trucks, and an auxiliary driving system for agricultural machinery have all been deployed in batches. Leveraging our innovative consortium for intelligent construction with engineering machinery, we successfully created an overall smart mining solution. This solution achieves unmanned operation for the entire “excavation-loading-transportation-unloading-return” process, reducing mining and stripping personnel by about 90% and increasing operational efficiency by 10%. This solution is now being applied on a large scale in mining areas in Inner Mongolia.

In terms of ecofriendliness, we initiated 78 projects, with 23 completing prototype verification and 14 achieving small-batch or batch application. The Company has independently overcome a series of green product technology challenges, such as energy consumption optimization for mixer trucks based on operational data, energy recovery from regenerative braking for electric loaders, energy-saving closed-loop hydraulic systems for the main winch of rotary drilling rigs, and extended-range hybrid energy control for high-horsepower tractors, continuously promoting energy conservation and emission reduction in our products. The Company has also innovatively developed a range of green safety technologies, including collision detection and safety control around crane booms, a vision-based walking safety warning system for aerial work platform, an AI safety supervision system for tower crane jacking, a fatigue monitoring and warning system for excavator operators, and a single-pedal combined braking system for wide-body trucks, ensuring that our products' safety performance remains at the forefront of the industry.

(2) *Comprehensive expansion of new energy main products and accelerated industrialization of key components*

In the first half of the year, the Company launched 20 new energy main products, including the world's first pure electric port tire crane, the world's first five-axle right-hand drive new energy mixer truck, the world's first 5-axle 38-ton pure electric knuckle-boom truck-mounted crane, a 100-ton hybrid off-highway wide-body dump truck with drive-by-wire chassis, a 350-horsepower CVT four-wheel-drive hybrid tractor, and other innovative products. In terms of market penetration, the electrification rate of mixer trucks increased from 36.6% in 2024 to 74%, and the electrification rate of wide-body trucks grew from 2.8% in 2024 to 33%, significantly accelerating the electric transformation of mixer trucks and wide-body trucks in the domestic market.

In terms of "three-electric" components, the Company has built differentiated competitive advantages for agricultural machinery and mining truck products. The Company has launched a 6kWh high-rate battery pack for agricultural machinery, a 120kW compact and efficient flat-wire motor specifically for agricultural machinery, as well as a 397kWh energy-type and a 134kWh high-rate battery pack for mining trucks. These products have been applied in batches with main machines in both domestic and international markets. In terms of hydrogen energy equipment, we are rapidly entering the hydrogen energy sector. The Company has launched a new generation of 45MPa/70MPa/90MPa hydrogen liquid-driven piston compressors suitable for transportation and energy systems. The Company has also developed 2-10Nm³ channel-type PEM electrolyzers and a 300kW fuel cell power station, helping cities build a new economic ecosystem that integrates clean energy, hydrogen-powered transportation, and green manufacturing.

(3) *Accelerating research breakthroughs in key core technologies and products for agricultural machinery to create a series of state-of-the-art agricultural machinery.*

In the first half of the year, we launched four flagship products: the N-series mechanical-shift tractor, the TK100MAX grain harvester, the PL80 rice harvester, and a 30-ton grain dryer. These products feature significant improvements in performance, appearance, and user comfort. In terms of technological innovation, we developed the industry's first distributed direct-drive motor technology and launched the first DV4004 electric continuously variable transmission (CVT) tractor. It can couple and decouple its dual-motor coaxial system in response to working conditions and load, achieving an 8% fuel saving under heavy load and a 25% fuel saving during inter-row cultivation and seeding. A new generation of independently controllable, ultimate intelligent control system has been deployed. It integrates three core modules – electrical monitoring and control, intelligent driving, and ISOBUS implement collaborative control – to create an ultimate experience, making field operations more precise and efficient.

(4) *Global layout of intellectual property and standards to support the Company's overseas strategy.*

During the Reporting Period, we filed 683 new patent applications and were granted 555 patents, including 172 invention patents. Guided by the principles of creating high-value intellectual property, establishing multi-layered protection, and developing a global layout, the Company continued to strengthen its patent fortress around core competitive technologies. The cumulative number of patents for “digitalisation, intelligentisation and ecofriendliness” new technologies reached 5,974, and the cumulative number of patent applications in the agricultural machinery technology reached 2,371. The cumulative number of overseas PCT applications and national phase entries reached 974. By accelerating the patent layout in key overseas countries, we provide strong support for the advancement of our overseas strategy.

During the Reporting Period, the Company successfully hosted the 2025 annual meeting of the International Organization for Standardization's Technical Committee for Cranes (ISO/TC 96), with over 120 renowned industry experts from 14 countries in attendance. During the meeting, four international crane standard projects led by the Company made substantial progress. Among them, ISO/TR 25201 “Cranes — Special wind field conditions” was approved for development, and ISO 4302 “Cranes — Wind load assessment” is scheduled for publication within the year. Work on “digitalisation, intelligentisation and ecofriendliness” standards continued to advance. Five standards led by the Company were successfully approved for development, including the national standard “Intelligent System of Cranes — Obstacle Avoidance Technology”, the industry standard “Specification for Automated Data Collection and Transmission in Field Crop Cultivation”, and the group standard “Hybrid Corn Harvester”. We also published 10 national, industry, and group standards, including “Cranes – Wind load calculation”, “Terminology for physical asset leasing”, “Wireless remote control devices for tower cranes”, and “Intelligent classification of large-scale farms”.

6. Continuous improvement of operation quality and effectiveness

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

- (1) Comprehensively strengthening risk control. We have always prioritized risk control as the primary guarantee for its operations, resolutely implemented end-to-end business management and consistently improved a preventative, end-to-end risk control system. This enables terminal overdue monitoring down to each customer, order, and piece of equipment, ensuring risks are fully visible and controlled. During the Reporting Period, we upgraded risk control capabilities in multiple dimensions. We focused on high-quality business and strengthened red-line controls for new business entry. We enhanced synergy in risk collection, building an integrated system of “centralized coordination + decentralized execution”. We adopted a category-based approach to improve disposal efficiency and promoted a “sales-service-risk control” integrated collection model for all staff. We also strengthened backend “Tripartite” management to achieve closed-loop risk handling, comprehensively enhancing the effectiveness of our risk control.
- (2) Strengthening construction of a supply chain system. We continued to promote the consolidated and centralized procurement of bulk and general materials, strengthening cost control to support ultimate cost reduction and optimize supplier ecosystem. We accelerated digital transformation, having completed the full-process integration of the supply chain management platform across 21 business units, with plans for coverage across the Company in the second half of the year. Simultaneously, we consistently implemented an ultimate cost accounting system to comprehensively improve the efficiency of procurement price verification and achieve lifecycle cost management.
- (3) Strengthening the full-process inventory management system. We focused on promoting a digital inventory control project. This system uses business opportunities to drive production and budgets to control inventory, enabling a closed-loop management from opportunity to delivery. It achieves visualized and intelligent control across the entire “opportunity-plan-production-procurement-sales-inventory” chain. During the Reporting Period, the first phase of the digital production-sales-inventory monitoring platform went live, enabling real-time monitoring and early warning of anomalies in production, sales, and inventory data. The Company’s inventory scale has significantly decreased as a result.
- (4) Deepening the development of ultimate service capability. We focused on advancing the development of a hub-based service system, continuously strengthening three core capabilities: service management, service teams, and service support. This involves fully implementing end-to-end and fine-grained management in service operations. Concurrently, we optimized the global service resource layout and accelerated the localization of service operations, with the service localization rate reaching 54%. We have launched digital service tools to empower a dual improvement in global service efficiency and quality, effectively promoting the conversion of service value.
- (5) Tackling challenges to empower a globalized human resources system. In line with the Company’s all-out transformation toward an overseas strategy, we have optimized organizational structure and conducted targeted recruitment to strengthen our teams. Focusing on building global capabilities, we have deepened talent training and competency enhancement to create a team with “high identification, high standards, and high caliber”. We explored global talent incentive mechanism by upgrading performance management, improving the compensation system, and optimizing value assessment and distribution to motivate employees. We also advanced global digital transformation to empower improvement in both management efficiency and service quality.

ANALYSIS OF FINANCIAL POSITION

1. Analysis of operating income and profit

Following the core concept of “building up enterprises with Internet thinking and producing products by pushing everything to the limit”, the Company has unswervingly committed itself to the goal of high-quality development, and worked harder on the three transformation initiatives of “related diversification, globalization and digitization”. By seeking high-quality development powered by technological innovation, the Company refreshed its efforts to advance the transformation and upgrading of digitization, intelligence and green operations. The Company continued to deepen its traditional strengths while accelerating the cultivation and expansion of emerging business sectors. Through a comprehensive global market expansion strategy, this has unlocked new growth opportunities for the Company, enabling it to navigate economic cycles and achieve robust, sustainable, and high-quality development. During the Reporting Period, the Company’s operating income amounted to RMB24,855 million, representing a year-on-year increase of 1.30%, especially due to the growth of overseas sales. The Company continues to strengthen cost control to improve gross profit margin. Despite the expansion of overseas business had led to an increase in sales and marketing expenses, such increase was partially offset by the decrease in share incentive scheme expenses and the increase in net finance income, resulting in a net profit attributable to the parent company amounted to RMB2,753 million, representing a year-on-year increase of 20.69%.

2. Cash flow and capital expenditure

As at 30 June 2025, the Company had RMB11,271 million in cash and cash equivalents. The Company’s cash and cash equivalents primarily consist of cash and deposits at bank.

(1) Operating activities

For the six months ended 30 June 2025, net cash generated from operating activities was RMB1,603 million, increased by RMB927 million compared to the same period of last year amounting to RMB676 million, which is primarily due to the decrease in payment for redemption of bills payable in relation to the Company’s purchase in the ordinary course of business during the Reporting Period.

(2) Investing activities

For the six months ended 30 June 2025, net cash used in investing activities was RMB3,848 million, consisting primarily of payment for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB2,565 million and prepayment for acquisition of a subsidiary of RMB1,628 million.

(3) *Financing activities*

For the six months ended 30 June 2025, net cash generated from financing activities was RMB1,246 million, consisting primarily of the proceed from net increase in bank loans and other borrowings by RMB2,703 million, netted off by the payment for acquisition of non-controlling interests in a subsidiary of RMB706 million and interest payment of RMB342 million.

CORPORATE GOVERNANCE

The Board has adopted all code provisions in Part 2 of the Corporate Governance Code (the “**Code**”) set out in Appendix C1 to the Listing Rules as the code of the Company. During the Reporting Period, the Company has 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 planning and implementation of business strategies of the Company, and that through the supervision of the Board and its independent non-executive directors as well as the internal effective 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 set out in 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 its directors and supervisors, and all of its directors and supervisors have confirmed that they have fully complied with the Model Code throughout the Reporting Period. The Company has not identified any non-compliance with the Model Code by any of its directors or supervisors.

DIVIDEND

Pursuant to a resolution passed at the Board meeting on 29 August 2025, an interim dividend for the six months ended 30 June 2025 of RMB0.2 per share was proposed, totaling RMB1,730 million. The interim dividend is calculated based on the total share capital of the Company as of 30 June 2025, 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 extraordinary general meeting of the Company. Information regarding the date of proposed interim dividend to be paid and the record date and book close date to determine the entitlement to the interim dividend and attendance of the extraordinary general meeting will be announced in due course.

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

During the Reporting Period, the Company repurchased a total of 18,746,800 H shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong 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)
January	18,646,800	5.83	5.49	103,027,328
February	100,000	5.61	5.61	561,000
Total	<u>18,746,800</u>			<u>103,588,328</u>

A total of 29,457,000 H shares have been repurchased by the Company between 4 December 2024 and 3 February 2025. Such 29,457,000 H shares have been cancelled on 11 June 2025.

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 has reviewed the interim financial report of the Group for the six months ended 30 June 2025 prepared in accordance with International Accounting Standard 34.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement will be published on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's website (www.zoomlion.com). The Company's 2025 interim report containing all the information required under the Listing Rules will be dispatched to holders of H shares and published on the websites of the Company and the Hong Kong Stock Exchange in due course.

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

Changsha, the PRC, 29 August 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 Xianping; and the independent non-executive directors are Mr. Zhang Chenghu, Mr. Huang Guobin, Mr. Wu Baohai and Ms. Huang Jun.

* For identification purpose only