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ZOOMLION 中 聯 重 科

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)

THIRD QUARTERLY REPORT OF 2024

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2024 of the Company. The financial data contained in the Report has been prepared in accordance with PRC GAAP and is unaudited.

This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) hereby announces the unaudited results of the Company for the nine months ended 30 September 2024 (the “**Third Quarterly Report of 2024**”, the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises (“**PRC GAAP**”) and is unaudited. This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Third Quarterly Report of 2024 is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Report shall prevail.

THIRD QUARTERLY REPORT OF 2024 OF ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO., LTD.*

1. Important

- 1.1 The Board, the Supervisory Board of the Company and its directors, supervisors and senior management warrant that there are no mis-representations, misleading statements or material omissions in the Report, and they shall, individually and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of the Report.
- 1.2 None of the directors, supervisors and senior management declared to be unable to confirm or held objection to the truthfulness, accuracy and completeness of the Report.
- 1.3 All members of the Board attended the Board meeting in person for the review of the Report.
- 1.4 The third quarterly financial statements of the Company are unaudited.

2. Corporate Information

2.1 Principal Financial Data and Indicators prepared in accordance with PRC GAAP

	Unit: RMB			
Item	The reporting period	Increase/ decrease over corresponding period of last year	From the beginning of the year to the end of the reporting period	Changes from the beginning of the year to the end of the reporting period as compared with the corresponding period of last year
Operating income (RMB)	9,850,240,131.91	-13.89%	34,385,739,092.48	-3.18%
Net profit attributable to equity shareholders of the Company (RMB)	850,968,940.78	4.42%	3,139,015,862.65	9.95%
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company (RMB)	710,410,983.39	5.53%	2,190,402,340.30	-7.25%
Net cash flow from operating activities (RMB)	—	—	1,207,754,698.86	5.74%
Basic earnings per share (RMB/share)	0.10	11.11%	0.38	11.76%
Diluted earnings per share (RMB/share)	0.10	11.11%	0.37	8.82%
Weighted average return on net assets	1.52%	Increased by 0.02 percentage point	5.50%	Increased by 0.27 percentage point

Item	As at the end of the reporting period	As at the end of last year	Change in the end of the reporting period as compared with the end of last year
Total assets (RMB)	128,665,701,749.82	130,862,389,408.99	-1.68%
Owners' equity attributable to the equity shareholders of the Company (RMB)	57,112,777,163.67	56,407,020,348.19	1.25%

Note: From the beginning of the year to the end of the reporting period, domestic revenue was RMB16,742,164,337.17, representing a year-on-year decrease of 25.54%; overseas revenue was RMB17,643,574,755.31, representing a year-on-year increase of 35.42%.

2.2 Total number of shareholders and top ten holders of shares not subject to sales restriction as at the end of the reporting period

Top ten shareholders

Name of shareholders	Nature of shareholder	Shareholding percentage	Number of shares held
HKSCC NOMINEES LIMITED	Overseas legal person	18.19%	1,578,240,031
Hunan Xing Xiang Investment Holding Group Co., Ltd.	State-owned legal person	14.48%	1,256,337,046
Changsha Zoomlion and Yisheng Investment Partnership (LLP)	Domestic non state-owned legal person	7.86%	682,201,864
Zoomlion Heavy Industry Science and Technology Co., Ltd.* – Phase II Stock Ownership Plan for the Core Management	Other	4.89%	423,956,766
Zoomlion Heavy Industry Science and Technology Co., Ltd.– Phase I Employee Stock Ownership Plan	Other	3.66%	317,557,111
Hong Kong Securities Clearing Company Limited	Overseas legal person	3.54%	307,016,290
China Securities Finance Co., Ltd.	State-owned legal person	2.69%	233,042,928
Real Smart International Limited	Overseas legal person	1.94%	168,635,602
Urumqi Phoenix Cornerstone Equity Investment Management Limited Partnership – Maanshan Xuanyuan Cornerstone Equity Investment Partnership (Limited Partnership)	Other	1.72%	148,869,223
Industrial and Commercial Bank of China Limited – Huatai-PineBridge CSI 300 Exchange-traded Open-end Index Securities Investment Fund	Other	1.10%	95,177,195

3. Significant changes in major items of the financial statements and financial indicators and reasons (based on statements reported under PRC GAAP)

Item	Percentage of changes	Reason of changes
Construction in progress	37.36%	Mainly due to the increase in construction projects and expenses
Short-term borrowings	-36.03%	Decrease mainly due to the repayment of short-term borrowings
Derivative financial liabilities	-100.00%	Decrease mainly due to the maturity and delivery of financial instruments
Accrued payroll	-49.50%	Decrease mainly due to the payment of year-end performance bonuses in the current period
Taxes payable	86.66%	Mainly due to the increase in enterprise income tax and value-added tax
Non-current liabilities due within one year	266.70%	Mainly due to the increase in long-term borrowings due within one year
Accrued liabilities	61.81%	Mainly due to the increase in accrued product quality assurance
Other non-current liabilities	-41.69%	Mainly due to the decrease in funds received in advance for acquired industrial parks
Administrative expenses	35.00%	Mainly due to the increase in share-based payment expenses related to the employee stock ownership plan
Financial expenses	98.22%	Mainly due to the effect of exchange gain or loss
Income from investment	-91.77%	Mainly due to the decrease in income from wealth management products and income from long-term equity investments accounted for by the equity method
Gain on change in fair value	-87.44%	Mainly due to the decrease in change in fair value of financial assets such as shares
Gains from asset disposal	3539.74%	Mainly due to the increase in gains or losses from the disposal of acquired industrial parks
Non-operating expenses	39.53%	Mainly due to the increase of expenses arising from liquidated damages and asset retirement
Net cash flow from financing activities	-975.81%	Mainly due to the increase in debt repayment

4. Appendix

4.1 Consolidated Balance Sheet

	Unit: RMB	
Item	Balance at the end of the period	Balance at the beginning of the period
Current assets:		
Cash and cash equivalents	14,051,207,289.20	15,870,434,751.38
Financial assets held-for-trading	1,622,888,542.94	1,767,189,362.07
Derivative financial assets		
Bill receivables	64,703,841.57	83,192,096.43
Account receivables	26,542,358,761.93	24,612,186,679.56
Account receivable financing	1,361,486,143.15	1,489,041,130.97
Prepayments	3,725,841,650.15	2,967,148,713.19
Other receivables	913,681,889.21	704,760,099.17
Including: Interest receivable		
Dividends receivable	9,599,241.60	
Purchases of resold financial assets		
Inventories	22,423,614,261.63	22,503,500,945.99
Including: Data resources		
Contract assets	2,323,398.85	2,627,320.00
Held-for-sale assets		
Non-current assets due within one year	4,695,683,457.54	5,123,280,096.61
Other current assets	2,194,648,458.35	2,847,798,694.49
Total current assets	<u>77,598,437,694.52</u>	<u>77,971,159,889.86</u>

Item	Balance at the end of the period	Balance at the beginning of the period
Non-current assets:		
Loans and advances granted	499,647,893.63	568,151,491.48
Long-term receivables	13,008,723,910.16	17,001,984,894.22
Long-term equity investment	4,466,337,141.52	4,496,957,924.86
Investments in other equity instruments	2,029,243,729.24	2,416,787,778.64
Other non-current financial assets	237,191,098.04	251,913,958.43
Investment property	56,943,685.41	89,973,201.76
Fixed assets	11,178,254,982.18	10,935,443,001.80
Construction in progress	7,793,648,446.95	5,673,948,610.53
Right-of-use assets	493,435,968.46	508,087,876.93
Intangible assets	5,161,423,477.98	5,085,072,388.07
Including: Data resources		
Development expenses	12,328,870.08	15,769,545.37
Including: Data resources		
Goodwill	2,671,337,419.68	2,677,238,496.90
Long-term deferred expenditures	45,208,373.47	36,335,830.36
Deferred income tax assets	2,645,398,050.61	2,302,752,231.66
Other non-current assets	768,141,007.89	830,812,288.12
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Total non-current assets	<u>51,067,264,055.30</u>	<u>52,891,229,519.13</u>
Total assets	<u>128,665,701,749.82</u>	<u>130,862,389,408.99</u>

Item	Balance at the end of the period	Balance at the beginning of the period
Current liabilities:		
Short-term borrowings	3,617,123,201.97	5,654,517,982.93
Derivative financial liabilities		8,975,347.95
Bills payable	9,509,557,357.18	11,835,605,413.58
Account payable	9,425,093,479.63	11,214,617,640.67
Advances from customers		
Contract liabilities	1,933,304,599.74	1,816,918,723.10
Accrued payroll	452,149,510.00	895,346,600.03
Taxes payable	703,432,373.40	376,852,861.49
Other payables	5,834,077,943.14	6,639,348,616.24
Including: Interest payable		
Dividends payable		
Non-current liabilities due within one year	6,934,022,982.05	1,890,911,644.97
Other current liabilities	9,626,056,323.19	9,663,322,865.02
Total current liabilities	48,034,817,770.30	49,996,417,695.98
Non-current liabilities:		
Deposits for insurance contract		
Long-term borrowings	14,867,117,894.06	14,944,417,590.31
Lease liabilities	302,600,066.09	307,700,152.43
Long-term payables	228,156,310.61	443,609,714.45
Accrued liabilities	83,701,846.81	51,727,345.03
Deferred income	2,837,884,648.64	2,488,430,445.33
Deferred income tax liabilities	608,920,055.86	807,213,853.06
Other non-current liabilities	1,548,445,834.94	2,655,595,401.50
Total non-current liabilities	20,476,826,657.01	21,698,694,502.11
Total liabilities	68,511,644,427.31	71,695,112,198.09

Item	Balance at the end of the period	Balance at the beginning of the period
Owners' equity:		
Share capital	8,677,992,236.00	8,677,992,236.00
Capital reserve	19,413,036,051.13	18,725,104,258.74
Less: Treasury shares		
Other comprehensive income	-1,832,856,754.80	-1,494,771,295.40
Special reserves	170,051,243.75	176,199,108.39
Surplus reserve	4,384,443,521.49	4,384,443,521.49
General risk provisions	203,987,421.39	203,987,421.39
Undistributed profit	<u>26,096,123,444.71</u>	<u>25,734,065,097.58</u>
Total owners' equity attributable to the equity holders of the parent company	<u><u>57,112,777,163.67</u></u>	<u><u>56,407,020,348.19</u></u>
Minority interests	<u>3,041,280,158.84</u>	<u>2,760,256,862.71</u>
Total owners' equity	<u><u>60,154,057,322.51</u></u>	<u><u>59,167,277,210.90</u></u>
Total liabilities and owners' equity	<u><u>128,665,701,749.82</u></u>	<u><u>130,862,389,408.99</u></u>

4.2 Consolidated Income Statement from the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Total operating income	34,385,739,092.48	35,514,132,109.66
Including: Operating income	34,385,739,092.48	35,514,132,109.66
II. Total operation costs	31,188,024,371.32	32,164,475,216.78
Including: Operation cost	24,630,002,728.47	25,656,918,241.65
Taxes and surcharges	226,621,968.74	246,995,795.60
Selling expenses	2,765,009,298.45	2,570,093,751.10
Administrative expenses	1,711,590,428.99	1,267,869,572.41
Research and development expenses	1,857,376,162.39	2,567,568,014.85
Financial expenses	-2,576,215.72	-144,970,158.83
Including: Interest expenses	404,731,220.63	566,379,365.74
Interest income	523,663,931.76	596,411,739.60
Add: Other gains	488,804,593.02	469,818,994.63
Income from investment (“-” refers to loss)	4,078,931.57	49,572,346.39
Including: Investment income from		
associates and joint ventures	55,208,448.30	114,786,910.11
Gains from derecognition of		
financial assets at		
amortized cost	-130,247,905.13	-196,803,060.74
Gain on change in fair value		
(“-” refers to loss)	-15,933,341.48	-126,902,135.32
Losses on credit impairment		
(“-” refers to loss)	-476,265,478.80	-376,579,682.64
Impairment losses on assets		
(“-” refers to loss)	-12,097,265.55	-19,698,910.23
Gains from asset disposal (“-” refers to loss)	663,679,851.88	-19,294,476.63

Item	Amount during the current period	Amount during the previous period
III. Operating profits (“-” refers to loss)	3,849,982,011.80	3,326,573,029.08
Add: Non-operating profits	75,536,604.35	73,066,661.46
Less: Non-operating expenses	33,874,677.84	24,277,952.85
IV. Total profits (“-” refers to total loss)	3,891,643,938.31	3,375,361,737.69
Less: Income tax expenses	399,291,788.46	312,700,585.24
V. Net profits (“-” refers to net loss)	3,492,352,149.85	3,062,661,152.45
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	3,492,352,149.85	3,062,661,152.45
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company (“-” refers to net loss)	3,139,015,862.65	2,855,056,429.34
2. Profit and loss attributable to minority interests (“-” refers to net loss)	353,336,287.20	207,604,723.11
VI. Net amount of other comprehensive income after tax	-338,085,459.40	73,046,122.05
Net amount of other comprehensive income after tax attributable to owners of the parent company	-338,085,459.40	73,046,122.05
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-280,461,629.60	-23,883,864.44
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments	-280,461,629.60	-23,883,864.44
4. Change in fair value of own credit risk		
5. Others		

Item	Amount during the current period	Amount during the previous period
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-57,623,829.80	96,929,986.49
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	-57,623,829.80	96,929,986.49
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	3,154,266,690.45	3,135,707,274.50
(I) Total comprehensive income attributable to owners of the parent company	2,800,930,403.25	2,928,102,551.39
(II) Total comprehensive income attributable to minority shareholders	353,336,287.20	207,604,723.11
VIII. Earnings per share:		
(I) Basic earnings per share	0.38	0.34
(II) Diluted earnings per share	0.37	0.34

4.3 Consolidated Cash Flow Statement from the Beginning of the Year to the End of the Reporting Period

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	38,206,740,028.17	35,651,312,275.66
Net increase in customer deposits and interbank deposits	44,859,755.63	
Refunds of taxes received	2,683,197,338.31	1,697,983,722.58
Cash received relating to other operating activities	1,041,804,581.12	3,276,265,455.24
Sub-total of cash inflow from operating activities	41,976,601,703.23	40,625,561,453.48
Cash paid for purchasing goods and receiving services	31,660,744,758.48	28,689,111,090.38
Net increase in customer loans and advances to customers		217,632,253.97
Cash paid to and for employees	4,283,342,139.40	3,905,198,665.80
Cash paid for taxes	2,290,513,561.64	1,839,972,821.01
Cash paid relating to other operating activities	2,534,246,544.85	4,831,408,961.71
Sub-total of cash outflow from operating activities	40,768,847,004.37	39,483,323,792.87
Net cash flow from operating activities	1,207,754,698.86	1,142,237,660.61
II. Cash flow from investing activities:		
Cash received from disposal of investments	1,607,276,785.04	6,876,178,116.74
Cash received from returns on investments	105,940,399.64	52,497,146.44
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	69,929,957.44	31,025,434.72
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	870,146,443.20	
Sub-total of cash inflow from investing activities	2,653,293,585.32	6,959,700,697.90
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	2,831,308,102.51	1,224,894,413.80
Cash paid for investment	1,452,462,528.94	6,839,284,066.20
Net increase in pledged loans		
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities		487,105,102.63
Sub-total of cash outflow from investing activities	4,283,770,631.45	8,551,283,582.63
Net cash flow from investing activities	-1,630,477,046.13	-1,591,582,884.73

Item	Amount during the current period	Amount during the previous period
III. Cash flow from financing activities:		
Cash received from investment		387,213,196.18
Including: Cash received by subsidiaries from the investment of minority shareholders		387,213,196.18
Cash received from borrowings	8,766,651,722.90	14,389,455,750.00
Cash received related to other financing activities		169,839,581.50
Sub-total of cash inflow from financing activities	8,766,651,722.90	14,946,508,527.68
Cash paid for repaying debts	5,942,789,053.80	10,592,477,598.03
Cash paid for distributing dividends and profits and interest repayment	3,168,676,142.63	3,204,952,157.70
Including: Dividends and profits paid by subsidiaries to minority shareholders	15,570,000.00	15,570,000.00
Cash paid related to other financing activities	160,247,820.65	1,196,025,662.98
Sub-total of cash outflow from financing activities	9,271,713,017.08	14,993,455,418.71
Net cash flow from financing activities	-505,061,294.18	-46,946,891.03
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-45,540,908.72	26,370,451.00
V. Net increase in cash and cash equivalents	-973,324,550.17	-469,921,664.15
Add: Balance of cash and cash equivalents at the beginning of the period	13,605,851,906.73	13,790,932,148.03
VI. Balance of cash and cash equivalents at the end of the period	12,632,527,356.56	13,321,010,483.88

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

Changsha, the PRC, 30 October 2024

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