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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 company incorporated in the People’s Republic of China with limited liability)

(Stock Code: 1157)

PROPOSED ISSUANCE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 30 October 2025, the board (the “**Board**”) of directors (the “**Directors**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) resolved to conditionally issue convertible bonds in a principal amount of up to RMB6 billion (equivalent to approximately HK\$6,576,928,136) (the “**Convertible Bonds**”), which are convertible into overseas listed foreign shares of nominal value of RMB1.00 each (“**H Shares**”) in the share capital of the Company (the “**Proposed Issuance**”) under specific mandate. The Company will seek a specific mandate from its shareholders (the “**Shareholders**”) in respect of the Proposed Issuance at an extraordinary general meeting (the “**EGM**”) and class meetings (the “**Class Meetings**”) of the Company.

I. PRINCIPAL TERMS OF THE PROPOSED ISSUANCE

The principal terms of the Proposed Issuance are set out below:

Issuer	:	The Company
Type of bonds	:	Bonds convertible into H Shares
Issue size	:	Not exceeding RMB6 billion (equivalent to approximately HK\$6,576,928,136)
Term	:	A term of five years
Issue price	:	100% of the principal amount of the Convertible Bonds

Interest	:	The annual yield to maturity rate of the Convertible Bonds will be 1.8%
Status	:	The Convertible Bonds will constitute direct, unsubordinated, unconditional and (subject to negative pledge as set out in the terms and conditions of the Convertible Bonds) unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves The payment obligations of the Company under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to negative pledge as set out in the terms and conditions of the Convertible Bonds, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations
Form and denomination	:	The Convertible Bonds will be issued in registered form in the specified denomination of RMB2,000,000 each and integral multiples of RMB1,000,000 in excess thereof Upon issue, the Convertible Bonds will be represented by a global certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.
Conversion rights	:	Subject to and upon compliance with the terms and conditions of the Convertible Bonds, each bondholder has the right to convert his/its Convertible Bond(s) into the H Share(s)
Determination of the number of conversion shares	:	The number of conversion shares will be determined by dividing the principal amount of the Convertible Bonds to be converted (translated into Hong Kong dollars at a fixed exchange rate of Renminbi to Hong Kong dollars prevailing on the bookbuilding date) by the conversion price in effect on the conversion date
Conversion period	:	Subject to and in compliance with the terms and conditions of the Convertible Bonds, the conversion rights attaching thereto may be exercised, at the option of the bondholder, at any time on or after the 41st day from the issue date up to the close of business (at the place where the certificate evidencing such Convertible Bond is deposited for conversion) on the date falling seven working days prior to the maturity date (both days inclusive), or if such Convertible Bond shall have been called for redemption by the Company before the maturity date, then up to and including the close of business (at the aforesaid place) on a date no later than seven working days prior to the designated redemption date

- Conversion price and reset mechanism** :
- (i) Initial conversion price: HK\$9.75 per H Share
 - (ii) Reset date: One day before the bookbuilding date
 - (iii) Reference price: 120% of the average closing price of H Shares during the five days immediately preceding (and including) the reset date (denominated in Hong Kong dollars and rounded up to two decimal places)
 - (iv) Reset mechanism of the initial conversion price: If the reference price on the reset date exceeds the initial conversion price, the conversion price will be adjusted to the reference price
- Adjustments to conversion price** :
- The conversion price will be subject to adjustments upon the occurrence of following specific events after completion of the Proposed Issuance, including:
- (i) consolidation, subdivision or re-classification of H Shares;
 - (ii) capitalisation of profits or reserves;
 - (iii) capital distributions to holders of H Shares;
 - (iv) rights issues of ordinary shares or options over ordinary shares at a consideration which is less than 95% of the prevailing market price per H Share;
 - (v) rights issues of other securities;
 - (vi) share issues at less than 95% of the prevailing market price per H Share;
 - (vii) other issues of convertible or exchangeable securities at less than 95% of the prevailing market price per H Share;
 - (viii) modification of conversion rights, etc. at a consideration which is less than 95% of the prevailing market price per H Share;
 - (ix) other offers to holders of H Shares; or
 - (x) such other event as the Company determines should result in an adjustment to the conversion price, as further set out in the terms and conditions of the Convertible Bonds as determined after the bookbuilding date

Adjustment in the event of change of control : If a change of control occurs, the Company shall give notice of such event to the bondholders and to the trustee and the agents in writing within 14 days after it becomes aware of such event. Following the giving of such notice, upon any exercise of conversion rights such that the conversion date falls within the period of 30 days following the later of (i) the occurrence of the change of control and (ii) the date on which the notice of such occurrence is given to bondholders (such period being the “**COC Conversion Period**”), the conversion price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

NCP = conversion price after such adjustment;

OCP = conversion price before adjustment; for the avoidance of doubt, OCP, for the purpose of this adjustment, shall be the conversion price applicable on the conversion date in respect of any conversion;

CP = the conversion premium as shall be determined on the bookbuilding date

c = the number of days from (and including) the first day of the COC Conversion Period to (but excluding) the maturity date; and

t = number of days from (and including) the issue date to (but excluding) the maturity date

Ranking of conversion shares : The H Shares issued upon exercise of the conversion rights will be fully paid up and will in all respects rank *pari passu* with, and be within the same class as, the H Shares in issue on the relevant registration date except for any right excluded by mandatory provisions of applicable law

Redemption price at maturity : Subject to an annual yield to maturity rate of 1.8%, the redemption price at maturity will be determined on the bookbuilding date

- Redemption at the option of the Company** : The Company may, having given not less than 30 but not more than 60 days' notice to the bondholders, the trustee and the principal agent (which notice shall be irrevocable), redeem all but not some only of the Convertible Bonds at their principal amount plus the interest accrued thereon but unpaid on the redemption date:
- (i) at any time after the second anniversary of the issue date but prior to the maturity date, provided that no such redemption may be made unless the closing price of an H Share for any 15 business days during which H Shares were traded within a period of 30 consecutive business days (and the last of such business day shall occur not more than 10 days prior to the date on which notice of such redemption is given) was, on each such 15 business day, at least 130 % of the conversion price then in effect. If there occurs an event giving rise to a change in the conversion price during any such 30 consecutive business days, appropriate adjustments for the relevant day(s) as approved by an independent financial adviser shall be made for the purpose of calculating the closing price of the H Shares on such day(s); or
 - (ii) if at any time the aggregate principal amount of the Convertible Bonds outstanding is less than 10% of the aggregate principal amount as originally issued
- Redemption at the option of the bondholders** : The Company will, at the option of the bondholders, redeem all or some only of his Convertible Bond(s) on the third anniversary of the issue date. Subject to an annual yield to maturity rate of 1.8%, the redemption price will be determined on the bookbuilding date
- Redemption arising from Relevant Event(s)** : Following the occurrence of a Relevant Event, each bondholder will have the right, at his option, to require the Company to redeem all or some only of his Convertible Bond(s) on the put date in respect of the Relevant Event at their outstanding principal amount as at such date plus the interest accrued thereon but unpaid on the redemption date
- “Relevant Event”** means the occurrence of either (a) a change of control in the Company; (b) delisting of the Company from the Hong Kong Stock Exchange; or (c) suspension in the trading of H Shares (i.e. suspension of trading in H Shares for more than 30 consecutive business days on the Hong Kong Stock Exchange)

II. CONVERSION PRICE AND CONVERSION SHARES

The initial conversion price shall be HK\$9.75 per H share (subject to adjustments), which represents:

- (a) a premium of approximately 35.23% over the closing price per H share of HK\$7.21 as quoted on the Hong Kong Stock Exchange on the last trading day immediately prior to the date of this announcement (being 28 October 2025); and
- (b) a premium of approximately 35.49% over the average closing price per H share of HK\$7.196 as quoted on the Hong Kong Stock Exchange for the last 30 consecutive trading days up to and including the last trading day immediately prior to the date of this announcement (being 28 October 2025).

The conversion price was determined after arm's length negotiations between the Company and the proposed manager(s) of the issuance, with reference to the prevailing market price of the H Shares and the terms and conditions of the Convertible Bonds (including the redemption rights). The Board considers that the conversion price is fair and reasonable based on current market conditions, and in the interests of the Company and the Shareholders as a whole.

Assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$9.75 per H Share, the Convertible Bonds will be convertible into 674,556,731 H Shares (assuming the exchange rate is based on the People's Bank of China's Renminbi central parity exchange rate of RMB0.91228 to HK\$1 on 28 October 2025), representing approximately (i) 43.45% of the total number of H Shares in issue and 7.80% of the total issued share capital of the Company, respectively, as at the date of this announcement, and (ii) 30.29% of the total number of H Shares in issue (as enlarged) and 7.24% of the enlarged total issued share capital of the Company, respectively. The conversion shares will be fully-paid and rank *pari passu* in all respects with the H Shares in issue on the registration date.

III. SUBSCRIBERS

The Company will issue the Convertible Bonds to no less than six subscribers (including individual, corporate and/or institutional professional investors) who are independent of and not connected with the Company and its connected person(s) (as defined in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("**Hong Kong Listing Rules**")).

IV. AUTHORISATION

A specific mandate will be sought from the Shareholders to authorise the Board and the chairman of the Company or his authorised person(s) to deal with any matters related to the Proposed Issuance at their absolute discretion, including but not limited to:

1. adjust and supplement the terms and plan of the Proposed Issuance as necessary, and formulate and implement the definitive plan thereof to the extent permitted by laws, regulations, other normative documents and the Company's articles of association (the "**Articles of Association**") and in accordance with the requirements of relevant regulatory authorities and stock exchanges within and outside the People's Republic of China (the "**PRC**"), after taking account of the Company's actual circumstances;

2. approve and, acting on behalf of the Company, modify, supplement, sign, submit, report and execute all relevant agreements, contracts and documents in the course of the Proposed Issuance;
3. approve and, acting on behalf of the Company, prepare, sign and deliver statutory documents related to the Proposed Issuance in accordance with the requirements of the regulatory authorities, and communicate with and reply to the regulatory authorities and other government departments during the review process, and handle information disclosure and other matters;
4. amend the corresponding provisions of the Articles of Association in due course according to the conversion of Convertible Bonds after completion of the Proposed Issuance, and complete the relevant industrial and commercial registration formalities for the change of the Company's registered capital and other related matters;
5. handle all matters related to the redemption, conversion and repurchase of Convertible Bonds at their absolute discretion during the term of the Convertible Bonds; and
6. other matters related to the Proposed Issuance.

V. USE OF PROCEEDS

The proceeds raised from the Proposed Issuance, after deducting all related expenses and expenses, will be allocated as follows: (i) 50% of the net proceeds will be used to support the implementation of the Company's global development strategies, including the construction of overseas manufacturing bases, warehousing and logistics systems, R&D centres, marketing systems, after-sales service systems and other projects in foreign countries including those in Europe, West Asia, Southeast Asia, Africa, the Americas and Oceania, and (ii) 50% of the net proceeds will be used to support the implementation of the Company's innovation-driven and high-quality product development strategies, including R&D and application of advanced technologies such as robots, new energy and intelligentisation (i.e. development of numerous new products such as new energy agricultural machinery, new energy mining machinery, humanoid intelligent robots and related core components). Details are as follows:

<u>No.</u>	<u>Projects</u>	<u>Intended allocation (%)</u>
1	Implementing global development strategies and establishing overseas business operations	50
<i>1.1</i>	<i>Establishing overseas manufacturing bases</i>	<i>10</i>
<i>1.2</i>	<i>Establishing overseas warehousing and logistics systems</i>	<i>5</i>
<i>1.3</i>	<i>Establishing overseas R&D centres</i>	<i>5</i>
<i>1.4</i>	<i>Establishing overseas marketing systems</i>	<i>15</i>
<i>1.5</i>	<i>Establishing overseas after-sales service systems</i>	<i>15</i>

<u>No.</u>	<u>Projects</u>	<u>Intended allocation (%)</u>
2	R&D and application of advanced technologies such as robots, new energy and intelligentisation	50
2.1	<i>New energy agricultural machinery</i>	15
2.2	<i>New energy mining machinery</i>	15
2.3	<i>Humanoid intelligent robots</i>	10
2.4	<i>Core components</i>	10

VI. REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE

- 1. The proceeds raised from the Proposed Issuance will enable the Company to strengthen R&D investment and establishment of overseas business operations, which are essential to support the Company in advancing its innovation-driven development and globalisation strategies**

In recent years, the Company has achieved progress in the application of advanced technologies, development of emerging segments and overseas business development through robust R&D investment and overseas comprehensive multi-level capacity building. In the first half of 2025, the Company's operating performance continued to grow, with revenue from emerging segments accounting for more than 45% and that from overseas operations accounting for more than 55% of the operating income. In addition, the Company's diversification and globalisation development strategies are under implementation at an accelerated pace.

With the rapid breakthroughs of new technologies such as robots, new energy and intelligentisation, the machinery and equipment industry has entered a new stage of digital, intelligent and green development. As such, the Company intends to use all the proceeds raised from the Proposed Issuance for R&D and establishment of overseas business operations, so as to meet the capital needs of increasing R&D investment and implementation of globalisation strategies.

- 2. Raising sufficient funds and sustaining robust R&D investment in the digital, intelligent and green technology fields are key determinants of the Company's success in "switching lanes to outperform competitors"**

The Company's consistent heavy R&D investment has allowed it to secure a leading position in the industry over a long period. In recent years, the Company has achieved several leading R&D milestones such as the world's largest horsepower wheeled tractor, largest hybrid mining truck, ultra-high meter straight arm aerial work machinery with a global top market share, and several humanoid robots that have been introduced into factory operation. Advanced technologies such as robots, new energy and intelligentisation have made rapid breakthroughs in recent years. The ability of the Company to fully incorporate such new technological elements and convert them into its own technical advantages is a core driving force for its next stage of development. The Company plans to use the proceeds from the Proposed Issuance to boost R&D investment and further integrate advanced technologies such as robots, new energy and intelligentisation with its operation, thereby laying a critical foundation for strengthening the global competitiveness of the Company.

3. Maintaining substantial investment in the global development strategies and establishing comprehensive overseas business capabilities are essential for achieving unique competitive advantages, ultimately securing a leading position in the global market

By adhering to the global development strategy of “end-to-end, digitalisation and localisation”, the Company has built numerous core business hubs across key overseas regions. With the gradual improvement of overseas business operations, the Company has continued to make breakthroughs in overseas markets. It has participated in the construction of numerous major projects such as the United Kingdom’s Inche Cape Offshore Wind Farm, Croatia’s Pelješac Cross-Sea Bridge, Qatar’s World Cup Stadium, Saudi Arabia’s NEOM New City (also known as the “City of the Future”), Indonesia’s Jakarta-Bandung High-speed Railway, Kazakhstan’s Astana World Expo national pavilion, Brazil’s Goiânia large-scale hydropower station, Argentina’s Kisse hydropower station, and Egypt’s New Alamein City ultra-high complex. To establish a leading position in the global market, the Company is actively advancing the development of several overseas projects by leveraging its overseas operation, with an aim to further reinforce its competitiveness through internationalisation and localisation. The Company plans to comprehensively strengthen overseas R&D investment, manufacturing, supply chain, marketing, service, logistics and other business chains through the Proposed Issuance, with a focus on expanding overseas talent pool and strengthening overall competitiveness to address global market demand.

The Directors (including independent non-executive Directors) are of the view that the terms of the Proposed Issuance are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

VII. ALTERNATIVE FUNDRAISING METHOD(S)

The Board has evaluated other fundraising alternatives before resolving to conduct the Proposed Issuance, including debt financing, issuance of A-share convertible bonds and issuance of additional shares. See below an analysis of each such financing option.

1. Debt financing

The interest of the Convertible Bonds is much lower than the prevailing cost of overseas financing through bank loans and other channels. The Proposed Issuance, as compared to other debt financing options of a similar scale, is expected to substantially reduce financial expenses and enhance profitability of the Company.

2. Issuance of A-share convertible bonds

Upon conversion of all Convertible Bonds to be issued by the Company into H Shares, the H-Share capital of the Company will be substantially expanded, resulting in a notable enhancement of H-Share liquidity when compared to the issuance of A-share convertible bonds. Accordingly, the Proposed Issuance enables the Company to further leverage the overseas capital market platform, and also enhances the international capital presence and support the global development strategies of the Company, thereby aligning with the continual expansion of its international business footprint.

3. Issuance of additional shares

The Convertible Bonds are proposed to be issued at a premium, which can effectively minimise the value dilution of the Shareholders' interests when compared to the commonly adopted approach of issuing additional shares at a discount for financing purpose. Further, the presence of a conversion period implies that the existing Shareholders' interests would not be diluted immediately by the Proposed Issuance.

VIII.EQUITY FUNDRAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fundraising activities in the 12 months preceding the date of this announcement.

IX. APPROVAL FOR THE PROPOSED ISSUANCE

The Proposed Issuance shall be subject to the approval and authorisation of the Shareholders at the EGM and Class Meetings.

The Company will obtain the Registration Certificate of Foreign Debt Borrowed by Enterprise from the National Development and Reform Commission of the PRC in relation to the Proposed Issuance. After the completion of the Proposed Issuance, the Company will submit a filing application to the China Securities Regulatory Commission and complete all other necessary approval, filing and registration procedures.

The Company will also make an application to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the H Shares to be issued upon the exercise of conversion rights attached to the Convertible Bonds on the Hong Kong Stock Exchange.

X. HONG KONG LISTING RULES IMPLICATIONS

A specific mandate will be sought by the Company from the Shareholders at the EGM and Class Meetings to issue the Convertible Bonds.

A circular containing (among other things) details of the specific mandate to be sought and the Proposed Issuance and notices of the EGM and the Class Meetings will be despatched to Shareholders in due course, in compliance with the requirements of the Hong Kong Listing Rules.

The Proposed Issuance may or may not materialise and no definitive agreement in relation thereto has been entered into as at the date of this announcement. Potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Proposed Issuance will be made by the Company as and when required.

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

Changsha, the PRC, 30 October 2025

As at the date of this announcement, the executive Director 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.

The translation of RMB into HK\$ throughout this announcement is based on the exchange rate of RMB0.91228 to HK\$1 and, unless otherwise stated, are provided for information purpose only.

** For identification purpose only*