THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ZCZL Industrial Technology Group Company Limited**, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS
CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS
NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2026
AND
NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2026

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

The Company will convene the EGM and H Share Class Meeting at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC at 2:00 p.m. on Wednesday, March 25, 2026. The notice convening the EGM and H Share Class Meeting is set out on pages 193 to 199 of this circular.

A form of proxy for use at the EGM and H Share Class Meeting is enclosed to this circular and published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.zczl.cn). Shareholders who intend to appoint a proxy to attend the EGM and H Share Class Meeting shall complete the form of proxy in accordance with the instructions printed thereon and return the same not less than 24 hours before the time appointed for holding the EGM and H Share Class Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending the EGM and H Share Class Meeting and voting in person if you so wish.

March 3, 2026

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In this circular, the following expressions shall have the following meanings, unless the context requires otherwise:

"A Shares"	ordinary shares issued by the Company and denominated in RMB with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
"A Shareholder(s)"	holder(s) of A Shares
"A Share Class Meeting"	the second A share class meeting of 2026 of the Company to be convened at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone at 2:00 p.m. on Wednesday, March 25, 2026 or any adjournment thereof
"A Share Convertible Corporate Bonds" or "Convertible Bonds"	the convertible corporate bonds with an amount of not exceeding RMB4.35 billion (RMB4.35 billion inclusive) that can be converted into new A Shares proposed to be issued by the Company in the PRC
"A Share Convertible Corporate Bondholder(s)" or "Bondholder(s)"	holder(s) of the A Share Convertible Corporate Bonds
"Articles of Association"	the Articles of Association of ZCZL Industrial Technology Group Company Limited
"Board"	the board of Directors of the Company
"Class Meetings"	the A Share Class Meeting and the H Share Class Meeting
"Company"	ZCZL Industrial Technology Group Company Limited (中創智領(鄭州)工業技術集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the Shares of which are listed on the main boards of the Hong Kong Stock Exchange and the Shanghai Stock Exchange (stock codes: 0564.HK and 601717.SH)
"Company Law"	the Company Law of the People's Republic of China, as amended from time to time

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Connected Shareholders"	the Company's shareholders, Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and its concerted party, Henan Asset Management Co., Ltd., Henan State-owned Capital Operation Group Co., Ltd. And its wholly-owned subsidiary Henan State-owned Capital Operation Group Investment Co., Ltd. and Henan Zhongyu Green New Energy Co., Ltd., as well as Directors Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Conversion Price"	the price of new A Shares to be issued upon the conversion of the A Share Convertible Corporate Bonds, subject to adjustment from time to time
"CSRC"	China Securities Regulatory Commission
"Director(s)"	director(s) of the Company
"EGM"	the second extraordinary general meeting of 2026 of the Company to be convened at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC at 2:00 p.m. on Wednesday, March 25, 2026 or any adjournment thereof
"Group"	the Company and its subsidiaries
"H Share Class Meeting"	the second H share class meeting of 2026 of the Company to be convened at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone at 2:00 p.m. on Wednesday, March 25, 2026 or any adjournment thereof

"H Share(s)"	ordinary shares in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
"H Shareholder(s)"	holder(s) of H Shares
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	a board committee comprising Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu, the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Possible Subscription
"Independent Financial Adviser"	Gram Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and the independent financial adviser responsible for providing advice to the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription that constitutes a connected transaction
"Independent Shareholders"	any Shareholder(s) of the Company who is/are not required to abstain from voting at the EGM for the connected transactions as contemplated under the Issuance of Convertible Corporate Bonds
"Issuance of A Share Convertible Corporate Bonds" or "Issuance"	the proposal for the issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB4.35 billion (RMB4.35 billion inclusive) of the Company
"Latest Practicable Date"	February 25, 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"Offering Document"	the Offering Document on Issuance of A Share Convertible Corporate Bonds to Non-specific Investors of ZCZL Industrial Technology Group Company Limited* (《中創智領(鄭州)工業技術集團股份有限公司向不特定對象發行A股可轉換公司債券募集說明書》)
"Possible Subscription"	the possible exercise of the pre-emptive rights by the Connected Shareholders to subscribe for the A Share Convertible Corporate Bonds under the proposed Issuance of A Share Convertible Corporate Bonds
"PRC"	the People's Republic of China, excluding, for the purpose of this circular only, Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	A Shares and H Shares
"Shareholder(s)"	shareholder(s) of the Company
"Shanghai Stock Exchange"	Shanghai Stock Exchange in the PRC
"Substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"%"	per cent

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

Members of the Board
Executive Directors:
Mr. JIAO Chengyao
Mr. JIA Hao
Mr. MENG Hechao
Mr. LI Kaishun

Non-executive Director:
Mr. CUI Kai

Independent Non-executive Directors:
Mr. JI Feng
Mr. FANG Yuan
Ms. YAO Yanqiu

Registered Office
No. 167, 9th Street,
Zhengzhou Section
(Econ-Tech Development Zone)
of China (He'nan)
Pilot Free Trade Zone, the PRC

Principal Place of Business in Hong Kong
40/F, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wanchai, Hong Kong

March 3, 2026

To the Shareholders

Dear Sir or Madam,

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2026 AND NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2026

I. INTRODUCTION

Reference is made to the Company's announcement dated January 15, 2026, in relation to the issuance of A share convertible corporate bonds to non-specific investors connected transaction in relation to possible subscription for a share convertible corporate bonds by connected persons.

The purpose of this circular is to provide you with the Notice of EGM and the H Share Class Meeting and, among others, other information, so as to enable you to make an informed decision to vote for or against the resolutions to be proposed at the EGM and the H Share Class Meeting. The relevant resolutions and their details are set out in Section III of this letter from the Board.

II. MATTERS TO BE ADDRESSED AT THE EGM

All proposals submitted for consideration at the EGM are special resolutions, requiring approval by more than two-thirds of the total shares held by shareholders with voting rights present at the meeting. Details of the proposals are as follows:

1. Proposal on the Company's Eligibility to Issue A-Share Convertible Bonds to Non-specific Investors

2. Proposal on the Company's Project to Issue A-Share Convertible Bonds to Non-specific Investors

   2.1 Type of Securities to be Issued

   2.2 Scale of Issuance

   2.3 Par Value and Issue Price

   2.4 Bond Term

   2.5 Bond Interest Rate

   2.6 Term and Method of Principal and Interest Repayment

   2.7 Conversion Period

   2.8 Determination and Adjustment of Conversion Price

   2.9 Downward Adjustment Clause for Conversion Price

   2.10 Method for Determining Conversion Quantity

   2.11 Redemption Terms

   2.12 Put Option Terms

   2.13 Dividend Entitlement in the Year of Conversion

   2.14 Issuance Method and Target Investors

   2.15 Arrangements for Allotment to Original A-shareholders

   2.16 Matters in Relation to the Meeting of Holders

2.17 Use of Proceeds

2.18 Guarantee Matters

2.19 Rating Matters

2.20 Deposit and Custody of Proceeds

2.21 Validity Period of the Issuance Plan

3. Proposal on the Plan of the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by the Company

4. Proposal on the Feasibility Analysis Report on the Use of Proceeds of the Issuance of A-Share Convertible Bonds to Non-Specific Investors

5. Proposal on the Discussion and Analysis Report on the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors

6. Proposal on the Measures to Compensate Dilution of Immediate Returns from the Issuance of A-share convertible bonds to Non-specific Investors and Commitments of the Relevant Entities

7. Proposal on the Formulation of Rules for Meeting of Holders of A Share Convertible Corporate Bonds

8. Proposal on the Authorisation to the Board of Directors and Its Authorized Representatives to Handle Specific Matters Related to the Issuance of A-Share Convertible Bonds to Non-specific Investors

9. Proposal on the Potential Participation of Major Shareholders, Directors and Their Associates in the Preferential Subscription of the A-Share Convertible Bonds Issued to Non-specific Investors

III. PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

1. Proposed Issuance of A Share Convertible Corporate Bonds

The Company intends to issue A-share convertible bonds to non-specific investors. In accordance with the provisions of the Company Law, the Securities Law of the People's Republic of China, the Measures for the Administration of Securities Issuance Registration of Listed Companies, and other relevant laws, regulations, and prescriptive documents, and after conducting a comprehensive self-inspection of the Company's actual circumstances, it is determined that the Company meets all conditions stipulated in current laws, regulations, and prescriptive documents regarding the issuance of A-share convertible bonds to non-specific investors, and satisfies the requirements for such issuance.

The Company intends to apply to the Shanghai Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount of not exceeding RMB4.35 billion (RMB4.35 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approvals of the Shareholders at the EGM and the Class Meetings, the issuance and listing review of the Shanghai Stock Exchange and the registration with the CSRC.

Details of the Issuance of A Share Convertible Corporate Bonds are as follows:

(1) Type of securities to be issued

The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted will be listed on the Shanghai Stock Exchange.

(2) Size of the Issuance

The total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB4.35 billion (RMB4.35 billion inclusive). The actual size of the Issuance shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings within the above range.

(3) Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

(4) Bonds term

The term of the A Share Convertible Corporate Bonds under the Issuance will be 6 years from the date of the Issuance.

(5) Coupon rate

The method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

(6) Term and method of principal and interest payment

The interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the final year.

Calculation of annual interest

Interest accrued for interest accrual year (the "**Annual Interest**") refers to the interest accrued to an A Share Convertible Corporate Bondholder in each year on each anniversary of the date of the Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by the holder.

The formula for calculating the Annual Interest is as follows: $I=B_1 \times i$

I: refers to the amount of the Annual Interest;

B_1: refers to the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by an A Share Convertible Corporate Bondholder as at the record date for interest payment in that interest accrual year ("**that year**" or "**each year**"); and

i: refers to the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

Method of interest payment

(a) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.

(b) Interest payment date: the interest payment date is each anniversary date of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first business day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date shall be an interest accrual year.

(c) Record date for interest payment: the record date for interest payment in each year shall be the last trading day preceding the interest payment date. The Company shall pay the interest accrued in that year within 5 trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders who have applied to convert their A Share Convertible Corporate Bonds into A Shares on or before the record date for interest payment.

(d) Tax payable on the interest income of A Share Convertible Corporate Bondholders under the Issuance shall be borne by such Bondholder.

(7) Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

Bondholders shall have the option as to whether to convert their bonds into shares or not and will become shareholders of the Company on the following day after the conversion.

(8) Determination and adjustment of the Conversion Price

Basis for determining the initial Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the average trading price of A Shares for the twenty trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such twenty trading days,

the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter based on the market conditions and the actual conditions of the Company prior to the Issuance.

The average trading price of A Shares for the immediately preceding twenty trading days = total trading amount of A Shares for the immediately preceding twenty trading days/total trading volume of A Shares for such twenty trading days.

The average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares for the immediately preceding trading day/total trading volume of A Shares for such trading day.

Method of adjustments and calculation formula to the Conversion Price

Upon completion of the Issuance, in case of certain events of the Company, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends, the Company shall adjust the conversion price in the order of occurrence of the aforementioned events (rounded to two decimal places, with the final digit rounded up or down as appropriate). The specific adjustment method is as follows:

Distribution of bonus share or conversion or increase of share capital: $P_1=P_0/(1+n)$;

Issuance of new shares or rights issue: $P_1=(P_0+A\times k)/(1+k)$;

The above two events occurring concurrently: $P_1=(P_0+A\times k)/(1+n+k)$;

Distribution of cash dividends: $P_1=P_0-D$;

The above three events occurring concurrently: $P_1=(P_0-D+A\times k)/(1+n+k)$;

Of which: P0 refers to the Conversion Price before adjustment, n refers to the rate of distribution of bonus share or conversion or increase of share capital, k refers to the rate of issuance of new shares or rights issue, A refers to the price of issuance of new shares or rights issue, D refers to the cash dividend per Share, and P1 refers to the adjusted Conversion Price.

Upon occurrence of any of the abovementioned changes in the Shares and/or Shareholder's interests, the Company shall adjust the Conversion Price based on order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the website of Shanghai Stock Exchange and the media designated by the CSRC for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). If the Conversion Price adjustment date is on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be implemented based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from share conversion of the A Share Convertible Corporate Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders. The details of adjustment to the Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities.

(9) Terms of downward adjustment to Conversion Price

Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least fifteen trading days out of any thirty consecutive trading days are no higher than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting for consideration and approval. In the event of an adjustment to the Conversion Price during the aforementioned thirty consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

The abovementioned proposal shall be subject to the approval of more than two-thirds of Shareholders with voting rights who attend the general meeting. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting. The adjusted Conversion Price shall be no less than the higher of the average trading price of A Shares for twenty trading days immediately preceding the date of such a general meeting and the average trading price of A Shares on the trading day immediately preceding the date of such a general meeting.

Procedures of adjustment

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish a general meeting resolution announcement and a Conversion Price adjustment announcement on the Shanghai Stock Exchange and the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the shareholding record date and the suspension period of share conversion. Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be implemented based on the adjusted Conversion Price.

(10) Method for determining the number of A Shares for conversion

Where an A Share Convertible Corporate Bondholder applies for the conversion during the conversion period under the Issuance, the formula for calculating the number of A Shares to be issued upon conversion is as below: Q=V/P, and rounded down to the nearest whole-share multiple.

Q: refers to the number of A Shares of which the A Share Convertible Corporate Bondholder applies for conversion;

V: refers to the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the A Share Convertible Corporate Bondholder applies for conversion; and

P: refers to the prevailing Conversion Price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the A Share Convertible Corporate Bondholder applies for the conversion. Where the remaining balance of the A Share Convertible Corporate Bonds is insufficient to be converted into one Share, the Company shall, in accordance with the relevant regulations of the Shanghai Stock Exchange and other authorities, pay the face value of such remaining A Share Convertible Corporate Bonds and the accrued interest corresponding to such balance in cash within five trading days following the conversion date. (The calculation method for accrued interest is detailed in Section 11, "Terms of Redemption"). The payment of accrued interest for the portion of such A Share Convertible Corporate Bonds that cannot be fully converted into one share shall be processed in accordance with the relevant regulations of the securities registration agency and other authorities.

(11) Terms of redemption

Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the Issuance, the Company will redeem all outstanding A-share convertible bonds that have not been converted into shares from the A Share Convertible Corporate Bondholder at a price equal to the face value of the bonds plus a certain percentage (including the final annual interest payment). The specific redemption price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter based on the market conditions upon the Issuance.

Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds under the Issuance, in the event of any of the following two circumstances, the Company shall have the right to redeem the whole or part of the outstanding A Share Convertible Corporate Bonds, at a price equal to the nominal value of the Convertible Bonds plus the then accrued interest:

① The closing prices of A Shares on at least fifteen trading days out of any thirty consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing Conversion Price; or

② The balance of the outstanding A Share Convertible Corporate Bonds under the Issuance is lower than RMB30 million.

The redemption period of the A Share Convertible Corporate Bonds is the same as the conversion period, commencing from the first trading day after the expiration of six months following the completion of the issuance and ending on the maturity date of the A Share Convertible Corporate Bonds.

Formula for calculating the accrued interest for the current period is: $I_A=B_2*i*t/365$.

I_A: refers to the accrued interest for the current period;

B_2: refers to the aggregate nominal value of the A Share Convertible Corporate Bonds held by Bondholders to be redeemed under the Issuance;

i: refers to the coupon rate of the A Share Convertible Corporate Bonds for the current year; and

t: refers to the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (inclusive) up to the redemption date of the current interest accrual year (excluding the redemption date).

In the event that an adjustment to the Conversion Price is made during the aforementioned thirty consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

(12) Terms of sale back

Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any thirty consecutive trading days are lower than 70% of the prevailing Conversion Price, the A Share Convertible Corporate Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at the nominal value of the bond plus the then accrued interest.

For the calculation of interest accrued for the current period, please refer to the paragraph headed "11. Terms of redemption".

In the event that an adjustment to the Conversion Price is made due to distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned thirty consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the Conversion Price before the adjustment and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid "thirty consecutive trading days" shall be re-counted from the first trading day following the downward adjustment to the Conversion Price.

The A Share Convertible Corporate Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the A Share Convertible Corporate Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual years. The A Share Convertible Corporate Bondholders are not allowed to exercise part of their sale back rights for multiple times.

Additional terms of sale back

Where the actual use of the proceeds raised from A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the Offering Document, and such difference is deemed a change in the use of proceeds pursuant to the relevant regulations of the CSRC or the Shanghai Stock Exchange or is considered by the CSRC and the Shanghai Stock Exchange as a change in the use of proceeds, the A Share Convertible Corporate Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at the nominal value of the bond plus the then accrued interest. Subject to additional condition of sale back, the Bondholders may sell their Convertible Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised.

Formula for calculating the accrued interest for the current period is: $I_A=B_3*i*t/365$.

I_A: refers to the accrued interest for the current period;

B_3: refers to the aggregate nominal value of the A Share Convertible Corporate Bonds held by the A Share Convertible Corporate Bondholders under the Issuance that are to be sold back;

I: refers to the coupon rate of the A Share Convertible Corporate Bonds for the current year; and

t: refers to the number of days on which interest is accrued, i.e. the actual number of calendar days from the last interest payment date (inclusive) up to the sell-back date of the current interest accrual year (excluding the sell-back date).

(13) Distribution of dividend after conversion

As the new A Shares to be issued upon the conversion of A Share Convertible Corporate Bonds under the Issuance shall rank pari passu with all the existing A Shares, and all existing A Shareholders (including those who become Shareholders by virtue of the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

(14) Method of the Issuance and target subscribers

The specific method of the Issuance of A Share Convertible Corporate Bonds shall be determined by the Board or its authorized person authorized by the EGM and the Class Meetings through negotiation with the lead underwriter in accordance with the relevant requirements of laws and regulations. The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the China Securities Depository and Clearing Corporation Limited Shanghai Branch (excluding those prohibited by the PRC laws and regulations).

(15) Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders shall be entitled to surrender such subscription rights. The proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorized person as authorized by the EGM and the Class Meetings based on the specific conditions upon the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The right to

subscribe in priority shall be subject to the Company Law, the Listing Rules and all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related-party transactions), before it can be implemented.

The remaining A Share Convertible Corporate Bonds which are not subject to the abovementioned pre-emptive rights of the existing A Shareholders and are not subscribed by the existing A Shareholders will be issued by way of online pricing through the trading system of the Shanghai Stock Exchange, or in a combination of offered to institutional investors offline and issued by way of online pricing through the trading system of the Shanghai Stock Exchange, and the balance shall be underwritten by the underwriters. Specific issuance method shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter of the Issuance.

(16) Matters relating to the meetings of Bondholders

The Company will stipulate in the prospectus the measures for protecting the Bondholders' rights, as well as the authority and procedures of the bondholders' meeting and conditions on which its resolution will become effective.

Rights of Convertible Bondholders

(a) to receive the agreed interest based on the number of the Convertible Bonds held;

(b) to convert the Convertible Bonds held by the Bondholders into the Company's A Shares under the conditions stipulated in the Offering Document;

(c) to exercise the right of sale back under the conditions stipulated in the Offering Document;

(d) to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(e) to obtain relevant information in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(f) to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document;

(g) to attend the meetings of the Bondholders, either in person or by proxy, and vote at the meetings in accordance with relevant stipulations under laws and administrative regulations, etc.; and

(h) other rights as creditors of the Company granted by laws, administrative regulations and the Articles of Association.

Obligations of Convertible Bondholders

(a) to comply with the relevant provisions of the terms of issuance of the Convertible Bonds by the Company;

(b) to pay the subscription amount based on the amount of Convertible Bonds subscribed by them;

(c) not to request the Company to repay the principal and interest of the Convertible Bonds in advance, except as required by laws, regulations, the Articles of Association or as agreed in the Offering Document;

(d) to abide by the effective resolutions passed at the meeting of the Bondholders; and

(e) other obligations that shall be borne by the Convertible Bondholders as required by laws, administrative regulations and the Articles of Association.

During the term of the Convertible Bonds, a meeting of the Bondholder shall be convened upon the occurrence of any of the followings

(a) Intends to amend the agreements as stipulated in the Offering Document;

(b) Intends to amend the meetings' rules for Bondholders;

(c) Intends to change the bond trustee manager or the main content of the trust management agreement;

(d) The Company fails to make timely payments of principal and interest on the Convertible Bonds;

(e) The Company undergoes a capital reduction (excluding reductions resulting from share repurchases under equity incentive or employee share ownership schemes, performance commitment repurchases, or share repurchases necessary to preserve corporate value and shareholders' interests), merger, or similar events that may cause a material adverse change in solvency, requiring a decision or authorisation to implement corresponding measures;

(f) The Company undergoes division, receivership and dissolution, files for bankruptcy, or enters bankruptcy proceedings in accordance with the law;

(g) Material changes occur in the guarantor or collateral (if any);

(h) Written proposal to convene a meeting is submitted by the Company or the Bondholders holding, individually or jointly, 10% or more of the total outstanding principal amount of the Convertible Bonds;

(i) The Company's management is unable to perform its duties normally, resulting in serious uncertainty regarding the Company's ability to discharge its debts;

(j) The Company proposes a debt restructuring plan; and

(k) Occurrence of other events materially affecting the rights and interests of Bondholders.

The following institutions or persons may propose in writing to convene a meeting of Bondholders

(a) The Board;

(b) The Bondholders individually or jointly holding 10% or more of the total nominal value of the outstanding Convertible Bonds;

(c) The bond trustee manager; and

(d) Other institutions or persons as prescribed by laws, regulations, the CSRC, or the Shanghai Stock Exchange.

When the Bondholders holding, in aggregate, more than 10% of the total outstanding principal amount of the Convertible Bonds propose to convene a Bondholders' meeting, they may jointly appoint one representative as a liaison to assist the bond trustee manager in completing the relevant meeting convening procedures.

(17) Use of proceeds

The total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.35 billion (RMB4.35 billion inclusive). The net proceeds after deducting issuance expenses are intended to be used for the following purposes:

Unit: RMB0'000

Name of Project	Total investment amount	Proceeds proposed to be invested and expected investment time			
		2026	2027	2028	Total
New Energy Vehicle High-End Components Industrial Base Project	218,700	62,200	62,200	62,100	186,500
Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	61,100	26,700	26,800	/	53,500
Full-Scene R&D Center Project for Intelligent Manufacturing	39,800	14,000	14,000	/	28,000
Intelligent Mobile Robot Manufacturing Base Project	61,900	23,500	23,500	/	47,000
Replenishing the Working Capital	120,000	120,000	/	/	120,000
Total	**501,500**	**246,400**	**126,500**	**62,100**	**435,000**

(18) Guarantees

No guarantee is provided for the Issuance of A Share Convertible Corporate Bonds.

(19) Rating

A credit rating agency with relevant qualifications will issue a credit rating report for the Issuance of A Share Convertible Corporate Bonds.

(20) Management and deposit for proceeds raised

The Company has formulated the Administrative Measures on the Proceeds Raised. The proceeds from the Issuance will be deposited in a specific account (i.e. the dedicated account for proceeds) established by the Company. The specific account opening particulars will be determined by the Board or its authorized person prior to the Issuance.

(21) Validity period of the Issuance plan

The validity period of the plan for the Issuance of A Share Convertible Corporate Bonds by the Company to non-specific investors shall be 12 months, with effect from the date on which the Issuance plan is considered and approved at the EGM and the Class Meetings.

2. Connected Transaction in Relation to Possible Subscription for A Share Convertible Corporate Bonds by Connected Persons

According to the subscription arrangement for the existing A Shareholders as set out in the plan for the Issuance of A Share Convertible Corporate Bonds, preferential placement of the A Share Convertible Corporate Bonds issued by the Company will be granted to the existing A Shareholders. The existing A Shareholders are entitled to surrender such rights. The specific amount of preferential placement to be granted to the existing A Shareholders shall be determined by the Board or its authorized person as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds. The preferential placement is subject to the Company Law, the Listing Rules and all applicable laws, regulations and rules of any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related party transactions, before it can be implemented).

As at the Latest Practicable Date, the Connected Shareholders hold 8,645,200 H Shares and 583,188,521 A Shares. The Connected Shareholders shall have the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds and the right to surrender such rights. the Connected Shareholders may subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of approximately RMB1,645,004,800.

The terms and conditions of the Possible Subscription for A Share Convertible Corporate Bonds by the Connected Shareholders are the same as those of subscription for A Share Convertible Corporate Bonds by other existing A Shareholders.

Assuming that 100% of the A Share Convertible Corporate Bonds under the Issuance are firstly placed to the existing A Shareholders, and the Connected Shareholders exercise the pre-emptive rights in full, based on the proportion of A Shares held by the Connected Shareholders as at the Latest Practicable Date and the maximum amount of the Convertible Bonds of RMB1,645,004,800 to be issued by the Company, the maximum amount to be subscribed by the Connected Shareholders shall be as follows:

Connected Shareholder	**Number of A Shares held** *(Shares)*	**Percentage of number of A Shares held to the total number of issued A Shares** *%*	**Maximum subscription amount under the Possible Subscription for A Share Convertible Corporate Bonds** *(RMB0'000)*
Hong Yi Investment Management (Henan) Partnership (Limited Partnership)	263,985,719	17.12	74,462.68
Henan Asset Management Co., Ltd.	69,209,157	4.49	19,521.89
Henan State-owned Capital Operation Group Co., Ltd.	178,224,597	11.56	50,271.96
Henan State-owned Capital Operation Group Investment Co., Ltd.	34,159,479	2.22	9,635.39
Henan Zhongyu Green New Energy Co., Ltd.	31,508,305	2.04	8,887.57
Mr. JIAO Chengyao	3,226,964	0.21	910.23
Mr. JIA Hao	2,442,300	0.16	688.90
Mr. MENG Hechao	231,000	0.01	65.16
Mr. LI Kaishun	201,000	0.01	56.70
Total	**583,188,521**	**37.82**	**164,500.48**

Notes:

1. Henan Asset Management Co., Ltd. and Hong Yi Investment Management (Henan) Partnership (Limited Partnership) are parties acting in concert. In addition to the 69,209,157 A Shares of the Company mentioned in the table above, Henan Asset Management Co., Ltd. also holds 8,645,200 H Shares of the Company.

2. Henan State-owned Capital Operation Group Investment Co., Ltd. and Henan Zhongyu Green New Energy Co., Ltd. are both wholly-owned subsidiaries of Henan State-owned Capital Operation Group Co., Ltd.

3. Authorization to be Granted to the Board or Its Authorized Person

Subject to approvals of the Shareholders at the EGM and the Class Meetings, the Board or its authorized person will be fully authorized to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds at its discretion, including but not limited to determining the specific provisions and plans of the Issuance, engaging relevant intermediaries, preparing, amending and submitting relevant application materials in accordance with the requirements of regulatory authorities, executing necessary documents, amending the Articles of Association, implementing necessary procedures and taking other necessary actions.

4. Reasons for and Benefits of the Proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription

The plan for Issuance was approved by the Board after careful deliberation. Its implementation will facilitate the expansion of the Company's business scale and enhance its overall competitiveness, thereby increasing the interests of all shareholders. The Possible Subscription will support the smooth implementation of the Issuance and contribute to the advancement of the Company's long-term strategic decisions.

5. Impact of the Proposed Issuance of A Share Convertible Corporate Bonds on the Shareholding Structure of the Company

The conversion price and the final issuance size of the A Share Convertible Bonds to be issued by the Company have not been determined currently. Therefore, it cannot be ascertained that the specific dilution effect on the shareholding interests of existing Shareholders if all Convertible Bond investors convert their bonds into shares. The Board confirms that the theoretical dilution effect (as defined under Rule 7.27B of the Listing Rule) in relation to the Issuance shall be no more than 25%. However, in view of the following circumstances, the Company considers that this issuance is fair and reasonable and in the interests of the Company and its shareholders as a whole:

(1) This issuance is a key initiative for the Company to align with the country's call for industrial upgrading and practice the strategic upgrading of its principal business. The investment projects are closely centered on the Company's principal business and development strategy, which will continuously enhance the Company's competitiveness;

(2) The initial conversion price of the A Share Convertible Bond under this issuance shall not be lower than the average trading price of the Company's A Shares for the twenty trading days prior to the announcement date of the prospectus (if the share price is adjusted due to ex-rights or ex-dividends during such twenty trading days, the average trading price of the trading days before the adjustment shall be calculated based on the price adjusted for the corresponding ex-rights or ex-dividends) and the average trading price of the Company's A Shares in the previous trading day. The specific initial conversion price is determined, subject to authorization by the EGM and the

Class Meeting, by the Board (or a person authorized by the Board) prior to issuance based on market conditions and the Company's specific circumstances through consultation with the lead underwriter. Therefore, the conversion price will not be lower than the price of the underlying shares at the time of the announcement of the prospectus, which is reasonable and fair;

(3) The issuance of the Convertible Bonds will not cause immediate dilution on the interests of existing Shareholders;

(4) The terms of this issuance will be determined in strict accordance with the the relevant laws and regulations governing A Shares, which is fair and reasonable;

(5) It is expected that the issuance and conversion of the Convertible Bonds this time will not result in the Company's violation of the public float requirements.

Following this issuance, to effectively guard against the risk of dilution to the Shareholders' immediate returns and enhance the Company's sustainable profitability going forward, the Company has formulated a number of measures and undertakes to strive to enhance its operation performance, and increase future earnings to offset the diluted immediate returns. The specific measures are as follows:

(1) Intensify efforts in product R&D and market expansion to continuously enhance the Company's competitiveness

The Company will rely on its own technological R&D capabilities to strengthen R&D and innovation, improve product quality, optimize product structure, elevate the Company's market position and profitability, and consolidate and enhance the Company's competitive edge in the market.

(2) Strengthen internal control management to comprehensively improve the operation and management efficiency

The Company has established a sound management structure comprising the Shareholders' meetings, the Board and its various special committees, independent Directors, the Board secretary and the senior management in accordance with the laws, regulations and normative documents, which has laid a solid foundation for the Company's operation, management and internal control. In the future, the Company will further improve its operation and management capacity and enhance the overall profitability of the Company. In addition, the Company will strive to improve the efficiency of fund utilization, improve and strengthen the investment decision-making process, design a more rational fund use plan, rationally utilize various financing tools and channels, control the Company's fund costs and save finance expenses. Meanwhile, the Company will also continue to strengthen internal control, enhance cost management, strengthen the supervision of budget implementation, comprehensively and effectively control the Company's operation and management risks, and ensure the sustainable, stable and healthy development of the Company.

(3) Strengthen the management of the proceeds and accelerate the implementation progress of investment projects

To standardize the management and use of the proceeds and improve the efficiency and effectiveness of fund utilization, the Company has formulated the Proceeds Management System of ZCZL Industrial Technology Group Company Limited (the "Proceeds Management System") in accordance with the Company Law, the Securities Law of the People's Republic of China, the Listing Rules of the Shanghai Stock Exchange and other relevant laws, regulations and normative documents, as well as the actual situation of the Company, which clearly stipulates the deposit, use and supervision of the proceeds of the Company.

After the proceeds are in place, the Company will manage the use of proceeds in strict accordance with the requirements of relevant laws and regulations and the Proceeds Management System to ensure the standardized and effective use of the proceeds. On the premises of ensuring construction quality, the Company will accelerate the construction of investment projects, improve the efficiency of utilization of the proceeds, strive to complete the investment projects at an early date and realize the expected benefits, so as to improve the Company's profitability, enhance the Shareholders' returns in the coming years and reduce the risk of dilution to the immediate returns arising from this issuance.

(4) Maintain a stable profit distribution system and strengthen the investors' return mechanism

To further improve and perfect a sustainable, scientific and stable shareholder dividend mechanism and supervision mechanism, the Company has formulated detailed provisions regarding the profit distribution policy and formulated the Three-Year (2025-2027) Shareholder Return Plan in accordance with the relevant provisions and regulatory requirements of the China Securities Regulatory Commission, so as to actively reward investors, effectively protect the legitimate rights and interests of all Shareholders and strengthen the protection for minority investors.

Following this issuance, the Company will unswervingly promote the high-quality development of the Company, coordinate the dynamic balance of business development, performance growth and shareholder returns in light of the Company's current operating situation and business development plan, take into account the short-term and long-term interests of investors, actively implement the profit distribution policy, strive to strengthen shareholder returns, continue to provide sustained and stable dividend returns for investors, and reward the general investors in a timely manner.

The shareholding structures of the Company as at the Latest Practicable Date and after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares (assuming that (i) the Company issues A Share Convertible Corporate Bonds with a maximum issuance amount of RMB4.35 billion; (ii) all existing A Shareholders subscribe for A Share Convertible Corporate Bonds in full in proportion to their current shareholdings in A

Shares; (iii) all A Share Convertible Corporate Bonds are fully converted into A Shares at the initial Conversion Price of RMB25.02 per Share, which shall be calculated based on the higher of the average trading price of A Shares for the twenty trading days immediately preceding the Latest Practicable Date and the average trading price of A Shares on the immediately preceding trading day; and (iv) the Company does not issue and allot any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares) are as follows:

				Immediately after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares		
Class of Shareholders	Number of Shares	Approximate percentage of the number of issued A Shares as at the Latest Practicable Date	Approximate percentage of the number of issued Shares	Number of Shares	Approximate percentage of the number of issued A Shares	Approximate percentage of the number of issued Shares
Connected	583,188,521 (A)	37.82%	32.66%	648,936,115(A)	37.82%	33.12%
Shareholders	8,645,200 (H)	–	0.48%	8,645,200(H)	–	0.44%
The Public	958,977,209 (A)	62.18%	53.71%	1,067,090,526(A)	62.18%	54.46%
	234,589,000 (H)	–	13.14%	234,589,000(H)	–	11.97%
Total	**1,785,399,930**	**100.00%**	**100.00%**	**1,959,260,841**	**100.00%**	**100.00%**

Notes:

1. Percentages may not add up to 100% due to rounding.

2. "A" refers to A Shares and "H" refers to H Shares.

Upon the Issuance of A Share Convertible Corporate Bonds, should the Company distributes bonus shares, converts or increases share capital, issues new shares or rights issue or distributes cash dividends (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds), the Conversion Price shall be adjusted in accordance with the sequence of occurrence of the aforementioned events as set out in the paragraph headed "8. Determination and Adjustment of the Conversion Price".

6. Listing Rules Implications

As the Connected Shareholders are all connected persons of the Company, accordingly, the subscription of the A Share Convertible Corporate Bonds by the Connected Shareholders will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

In respect of the resolution to consider the Possible Subscription, as the Connected Shareholders hold 591,833,721 issued Shares, representing approximately 33.15% of the issued share capital of the Company as at the date of the Latest Practicable Date, they shall abstain from voting at the EGM and the Class Meetings.

The Directors who hold A Shares of the Company, namely Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun, and Mr. CUI Kai who serves as a director of the Connected Shareholder Henan Asset Management Co., Ltd., are required to and have abstained from voting in respect of the resolution to consider the Possible Subscription at the Board meeting. The resolution on the Possible Subscription has been considered and approved by the Board. Save for the above, no other Directors are or deemed to be materially interested in the above resolution. In addition, none of the Directors have abstained or are required to abstain from voting on other resolutions considered at the Board meeting.

The Independent Board Committee has been formed by the Company to give recommendations to the Independent Shareholders on the Possible Subscription and the transactions contemplated thereunder. The Independent Financial Adviser has also been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the following matters: (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

All existing A Shareholders whose name appear on the register of members of A Shareholders on the record date for the preferential placement to the A Shareholder shall have the pre-emptive right to subscribe for the A Share Convertible Corporate Bonds. No Shareholder shall enjoy any privilege by virtue of being a connected person of the Company.

The Board expects that the Company will maintain sufficient public float in compliance with the applicable minimum requirement under the Listing Rules.

7. General

(1) Information about the Company

The Company is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. The principal businesses of the Company's coal mining machinery segment are complete sets of equipment for integrated coal mining, the R&D, design, production, sales and services of intelligent control system, with products used by the major coal industry groups throughout the country and successively exported to various countries. The coal mine hydraulic support with the highest supporting height and the highest working resistance globally, the domestically first whole set and intelligent equipment for integrated mining supplied by a single factory and the domestically first exported whole set equipment for integrated mining are researched and developed and manufactured by the Company. There are two brands under the auto parts segment of the Company, being SEG and ASIMCO. SEG is a world-leading technology and service provider for automobile starter motors and generators, which constantly drives auto energy conservation and emission reduction and technological innovation, leading the developments of green travel technology. Also, its technology of 48V

low-voltage hybrid motors and market shares are world-leading. Relying on its high-end R&D advantages, worldwide sales network and quickly responding locally, high-voltage drive motor for new energy vehicles progresses quickly. The principal products of ASIMCO include parts using materials application technology as their core such as engine cylinder blocks and heads, camshaft and powder metallurgy products, noise and vibration absorber and brake seal, piston ring and valve seat ring. Also, ASIMCO is committed to researching and developing high-efficient and intelligent air suspension system, and strives to march into new energy automobile chassis sector, to provide high quality parts products for PRC and global auto markets.

(2) Information about the Connected Shareholders

Hong Yi Investment Management (Henan) Partnership (Limited Partnership) primarily engages in investment in industries such as advanced manufacturing, high-end machinery, intelligent equipment, while also providing enterprise management consulting, among other businesses. Its ultimate beneficial owner is Hongqian Enterprise Management (Henan) Co., Ltd, the executive partner. To the best of the Company's knowledge after reasonable inquiry, Hongqian Enterprise Management (Henan) Co., Ltd., the executive partner, has no actual controller. It is owned as to 34%, 33% and 33% by Zhengzhou Younaide Enterprise Management Consultancy Co., Ltd. (ultimately owned and controlled by Mr. ZHANG Yichen), Henan Jiyuan Iron and Steel (Group) Co., Ltd. (ultimately owned and controlled by Mr. LI Yutian) and Henan Hong Pu Equity Interests Investment Funding (Limited Partnership) (ultimately owned and controlled by the Henan Provincial Department of Finance), respectively. Henan Asset Management Co., Ltd. primarily engages in investment and asset management, private fund management, equity custody management and entrusted asset management services. Its ultimate beneficial owner is the Henan Provincial Department of Finance. Henan Asset Management Co., Ltd. and Hong Yi Investment Management (Henan) Partnership (Limited Partnership) are parties acting in concert.

Henan State-owned Capital Operation Group Co., Ltd. primarily engages in investment activities, financing advisory services, and socioeconomic consulting services, among other businesses. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government. Henan State-owned Capital Operation Group Investment Co., Ltd. is a wholly-owned subsidiary of Henan State-owned Capital Operation Group Co., Ltd., primarily engaging in investment activities, information technology consulting services, and socioeconomic consulting services, among other businesses. Henan Zhongyu Green New Energy Co., Ltd. is also a wholly-owned subsidiary of Henan State-owned Capital Operation Group Co., Ltd., primarily engaged in investment activities and emerging energy technology R&D, among other businesses.

Mr. JIAO Chengyao serves as the chairman of the Board and executive Director of the Company.

Mr. JIA Hao serves as the vice chairman, executive Director, and part-time employee director of the Company.

Mr. MENG Hechao serves as an executive Director of the Company.

Mr. LI Kaishun serves as an executive Director of the Company.

8. Basis of Determination of Coupon Rate of the A Share Convertible Corporate Bonds

In determining the coupon rate of the A Share Convertible Corporate Bonds, the Company and the lead underwriter will make reference to, among other things, national policies, market conditions and the specific circumstances of the Company.

Taking into account that (i) the determination mechanism of the coupon rate (i.e the Board or its authorized person being authorized to negotiate and determine with the lead underwriter in accordance with national policies, market conditions and the specific conditions of the Company before the Issuance) is subject to the approval of the Shareholders at the EGM and the Class Meetings; (ii) other factors as set out in the previous paragraph that the Company and the lead underwriter take into account when determining the coupon rate; and (iii) the determination mechanism of the coupon rate is in compliance with the applicable laws and regulations in the PRC, the Company considers that the proposed determination mechanism of the coupon rate of the A Share Convertible Corporate Bonds is fair and reasonable and in the interests of the Shareholders and the Company as a whole.

9. Equity Financing Activities in the Past 12 Months

In the past 12 months prior to the Latest Practicable Date, the Company has not conducted any equity financing activities involving the issuance of equity securities.

10. Relevant Risks of the Issuance of A Share Convertible Corporate Bonds

The Issuance of A Share Convertible Corporate Bonds is subject to certain risks, including but not limited to the risk of changes in politics, laws, regulations and policies, management risk, risk in approvals, etc. Investors are advised to take abovementioned risk factors into due consideration when evaluating the Issuance of A Share Convertible Corporate Bonds.

11. Implications of the PRC Regulatory Requirements on the Proposed Issuance of A Share Convertible Corporate Bonds

Pursuant to the requirements of the Rules Governing the Listing of Shares on the Shanghai Stock Exchange, if the abovementioned connected persons subscribe for the Convertible Bonds to be issued by the Company, the transaction is exempted from the approval and disclosure requirements for related party transactions.

The proposed Issuance of A Share Convertible Corporate Bonds by the Company may, upon the exercise of the conversion rights of the A Share Convertible Corporate Bonds, lead to the issuance of new A Shares, the actual number of which depends on a number of factors, including the Conversion Price of the A Share Convertible Corporate Bonds.

The Board considers that the conversion of A Share Convertible Corporate Bonds into new A Shares will dilute the interests of the existing A Shareholders and H Shareholders in the Company's share capital. Pursuant to the Articles of Association and the provisions of the relevant PRC laws and regulations, the proposed Issuance of A Share Convertible Corporate Bonds shall be subject to, among other things, the Shareholders' approvals at the EGM and Class Meetings, and approvals from the relevant PRC regulatory authorities.

12. Relevant Proposals in Relation to the Proposed Issuance of A-Share Convertible Bonds

The Proposals in Relation to the Proposed Issuance of A-Share Convertible Bonds include:

(i) Proposal on the Company's Eligibility to Issue A-Share Convertible Bonds to Non-specific Investors

(ii) Proposal on the Company's Project to Issue A-Share Convertible Bonds to Non-specific Investors

(iii) Proposal on the Plan of the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by the Company

(iv) Proposal on the Feasibility Analysis Report on the Use of Proceeds of the Issuance of A-Share Convertible Bonds to Non-Specific Investors

(v) Proposal on the Discussion and Analysis Report on the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors

(vi) Proposal on the Measures to Compensate Dilution of Immediate Returns from the Issuance of A-share convertible bonds to Non-specific Investors and Commitments of the Relevant Entities

(vii) Proposal on the Formulation of Rules for Meeting of Holders of A Share Convertible Corporate Bonds

(viii) Proposal on the Authorisation to the Board of Directors and Its Authorized Representatives to Handle Specific Matters Related to the Issuance of A-Share Convertible Bonds to Non-specific Investors

(ix) Proposal on the Potential Participation of Major Shareholders, Directors and Their Associates in the Preferential Subscription of the A-Share Convertible Bonds Issued to Non-specific Investors

The proposal on the connected transaction concerning the potential subscription of A-share convertible bonds by connected persons solely pertains to the potential subscription of A-share convertible bonds by such connected persons. The consideration of this proposal and the implementation of its relevant content shall not constitute a prerequisite for the consideration and implementation of the overall issuance plan and other relevant proposals.

Details of the relevant proposals are set out in Appendices I to VIII to this circular.

Investors should be aware that the proposed Issuance of A Share Convertible Corporate Bonds is subject to the approvals of the Shareholders at the EGM and the Class Meetings, issuance and listing review of the Shanghai Stock Exchange and the registration with the CSRC. As the proposed Issuance of A Share Convertible Corporate Bonds is still subject to the fulfilment of various conditions, the Issuance of A Share Convertible Corporate Bonds may or may not proceed, or become effective. the Connected Shareholders may or may not subscribe for the A Share Convertible Corporate Bonds. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

IV. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, March 20, 2026 to Wednesday, March 25, 2026 (both days inclusive), during which period no transfer of Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Wednesday, March 25, 2026 are entitled to attend the EGM and the H Share Class Meeting. H Shareholders of the Company who intend to attend the EGM and the H Share Class Meeting but have not yet registered are required to deposit the transfer documents together with relevant share certificates at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, March 19, 2026.

V. VOTING AT THE EGM AND THE H SHARE CLASS MEETING

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the shareholders' meeting of the Company shall be taken by poll except where the chairman, acting in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the chairman of the EGM and the H Share Class Meeting will, pursuant to the Articles of Association, demand vote by poll for resolution proposed at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholders are required to abstain from voting on the resolutions to be proposed at the EGM and the H Share Class Meeting.

During a poll vote, any Shareholder present in person or by proxy (in the case of a Shareholder being a corporation, by its duly authorised representative) shall have one vote for each Share registered in the Shareholder's name in the register of members. According to the Articles of Association, a Shareholder (including proxy) entitled to two or more votes is under no obligation to cast all his/her votes for or against any resolution.

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board of the Company has established an Independent Board Committee comprising all independent non-executive directors to provide recommendations to the Independent Shareholders in relation to the Potential Subscription and the transactions contemplated thereunder. The Company has also appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on: (i) whether the terms of the Potential Subscription are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether it is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

VII. RECOMMENDATIONS

The Board (including Independent Non-Executive Directors) is of the opinion that although the Proposed A-Share Convertible Bonds Issue and the Possible Subscription are not being undertaken in the ordinary and usual course of business of the Group, they are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the terms are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, the Directors (including Independent Non-Executive Directors) recommend that the Shareholders vote in favor of the resolutions to be proposed at the EGM and the H-Share Class Meeting as set out in the Notice of EGM and H-Share Class Meeting.

VIII. OTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, as well as other information set out in Appendices I to VIII of this circular.

By Order of the Board
ZCZL Industrial Technology Group Company Limited
JIAO Chengyao
Chairman

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 00564)

March 3, 2026

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

This letter is written in connection with the circular of the Company dated March 3, 2026 (the "**Circular**"), and forms part of the Circular. Unless otherwise stated, terms defined herein shall have the same meanings as in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to (i) whether the terms of the Potential Subscription are on normal commercial terms and fair and reasonable to the Independent Shareholders; and (ii) whether it is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, as well as to make a recommendation as to how the Independent Shareholders should vote at the EGM. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same matters.

We wish to draw your attention to the letter from the Board as set out on pages 5 to 33 of this Circular and the letter from Gram Capital as set out on pages 36 to 54 of this Circular.

Having considered the Letter from the Board and the advice of the Independent Financial Adviser set out in the Circular, we are of the opinion that: (i) the terms of the Potential Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Potential Subscription does not constitute part of the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend that Independent Shareholders vote in favor of the relevant resolution to be proposed at the EGM and the H Share Class Meeting to approve the Potential Subscription and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee of
ZCZL Industrial Technology Group Company Limited

Independent Non-executive Director
JI Feng

Independent Non-executive Director
FANG Yuan

Independent Non-executive Director
YAO Yanqiu

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

3 March 2026

To: The independent board committee and the independent shareholders of ZCZL Industrial Technology Group Company Limited

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Possible Subscription, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 3 March 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

The Company intends to apply to the Shanghai Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount of not exceeding RMB4.35 billion (RMB4.35 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approvals of the Shareholders at the EGM and the Class Meetings, the issuance and listing review of the Shanghai Stock Exchange and the registration with the CSRC.

As the Connected Shareholders are all connected persons of the Company, the Possible Subscription will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable; (ii) whether the Possible Subscription is in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Possible Subscription at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the Company's continuing connected transactions, details of which are set out in the Company's circular dated 29 May 2025 (the "**IFA Engagement**"). Save for the IFA Engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date.

Notwithstanding the IFA Engagement, as at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Besides, apart from the advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser and the IFA Engagement, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company, their subsidiaries and/or associates.

Having considered the above, in particular (i) none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the IFA Engagement was only independent financial advisory engagement, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Issuance. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Connected Shareholders or their respective subsidiaries or associates, nor have we considered the taxation implication on the Company and its subsidiaries or the Shareholders as a result of the Possible Subscription. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Possible Subscription, we have taken into consideration the following principal factors and reasons:

(1) Background of and reasons for the Issuance (including the Possible Subscription)

Information on the Company

With reference to the Board Letter, the Company is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. The principal businesses of the Company's coal mining machinery segment are complete sets of equipment for integrated coal mining, the research and development (R&D), design, production, sales and services of intelligent control system, with products used by the major coal industry groups throughout the country and successively exported to various countries. The coal mine hydraulic support with the highest supporting height and the highest working resistance globally, the domestically first whole set and intelligent equipment for integrated mining supplied by a single factory and the domestically first exported whole set equipment for integrated mining are researched and developed and manufactured by the Company. There are two brands under the auto parts segment of the Company, being SEG and ASIMCO. SEG is a world-leading technology and service provider for automobile starter motors and generators, which constantly drives auto energy conservation and emission reduction and technological innovation, leading the developments of green travel technology. Also, its technology of 48V low-voltage hybrid motors and market shares are world-leading. Relying on its high-end R&D advantages, worldwide sales network and quickly responding locally, high-voltage drive motor for new energy vehicles progresses quickly. The principal products of ASIMCO include parts using materials application technology as their core such as engine cylinder blocks and heads, camshaft and powder metallurgy products, noise and vibration absorber and brake seal, piston ring and valve seat ring. Also, ASIMCO is committed to researching and developing high-efficient and intelligent air suspension system, and strives to march into new energy automobile chassis sector, to provide high quality parts products for PRC and global auto markets.

Set out below are the consolidated financial information of the Group for the two years ended 31 December 2024 as extracted from the Company's annual report for the year ended 31 December 2024 (the "**2024 Annual Report**") and the six months ended 30 June 2025 (with comparative figures for the corresponding period in 2024) as extracted from the Company's interim report for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the six months ended 30 June 2025 ("1H2025") *RMB'000 (unaudited)*	For the six months ended 30 June 2024 ("1H2024") *RMB'000 (unaudited)*	Changes from 1H2024 to 1H2025 *%*	For the year ended 31 December 2024 ("FY2024") *RMB'000 (audited)*	For the year ended 31 December 2023 ("FY2023") *RMB'000 (audited)*	Changes from FY2023 to FY2024 *%*
Revenue	19,981,541	18,953,466	5.42	37,052,042	36,423,236	1.73
– Manufacture of coal mining machinery	*10,148,702*	*9,804,291*	*3.51*	*19,469,659*	*18,853,805*	*3.27*
– Manufacture of auto parts	*9,832,839*	*9,149,175*	*7.47*	*17,582,383*	*17,569,431*	*0.07*
Gross profit	4,654,028	4,524,116	2.87	8,853,173	7,602,058	16.46
Profit attributable to owners of the Company	2,527,446	2,174,797	16.22	3,943,489	3,301,334	19.45

FY2024 vs FY2023

As depicted from the above table, the Group's revenue for FY2024 increased by approximately 1.73% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was primarily due to the increase of sales of hydraulic roof supports for FY2024.

The Group's gross profit for FY2024 also increased by approximately 16.46% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was mainly due to the full year decline in prices of key raw materials and improvement in manufacturing capacity efficiency, as well as the increase in overall revenue shares of high-margin products.

In addition, the profit attributable to owners of the Company for FY2024 increased by approximately 19.45% as compared to that for FY2023. With reference to the 2024 Annual Report, such increase was mainly due to (i) the aforesaid increases in the Group's revenue and gross profit; and (ii) the increase of approximately 47.30% in the Group's other income, which was mainly due to the Group gained more additional input value-added tax credit.

1H2025 vs 1H2024

As depicted from the above table, the Group's revenue for 1H2025 increased by approximately 5.42% as compared to that for 1H2024. With reference to the 2025 Interim Report, such increase was primarily due to increase of approximately 7.47% in the Group's manufacture of auto parts business segment, which was primarily attributable to the Group's growth strategy and the increase in demand of auto parts market in the first half of 2025.

The Group's gross profit for 1H2025 also increased by approximately 2.87% as compared to that for 1H2024. With reference to the 2025 Interim Report, such increase was primarily driven by the aforesaid increase in the Group's revenue.

In addition, the profit attributable to owners of the Company for 1H2025 increased by approximately 16.22% as compared to that for 1H2024. With reference to the 2025 Interim Report, such increase was mainly due to (i) the aforesaid increases in the Group's revenue and gross profit; and (ii) the increase of approximately 570.69% in the Group's other gains and losses, which was mainly derived from the increases of approximately 135.38% and approximately 716.33% in the Group's fair value gain on financial assets at fair value through profit or loss and net fair value gain in derivative financial instruments respectively.

Information on the Connected Shareholders

With reference to the Board Letter, the Connected Shareholders are the Company's shareholders, Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and its concerted party, Henan Asset Management Co., Ltd., Henan State-owned Capital Operation Group Co., Ltd. and its wholly-owned subsidiary Henan State-owned Capital Operation Group Investment Co., Ltd. and Henan ZhongyuGreen New Energy Co., Ltd., as well as Directors who hold A Shares, i.e. Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun. Background information of the Connected Shareholders are set out under the section headed "7. General — (2) Information about the Connected Shareholders" of the Board Letter.

Reasons for and benefits of the Issuance (including the Possible Subscription) and use of proceeds

With reference to the Board Letter, the implementation of Issuance will facilitate the expansion of the Company's business scale and enhance its overall competitiveness, thereby increasing the interests of all shareholders. The Possible Subscription will support the smooth implementation of the Issuance and contribute to the advancement of the Company's long-term strategic decisions.

Use of proceeds

The total amount of proceeds to be raised from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB4.35 billion (RMB4.35 billion inclusive). The net proceeds after deducting issuance expenses are intended to be used as follows: (a) as to RMB1.865 billion for the New Energy Vehicle High-End Components Industrial Base Project (estimated total project investment amount of RMB2.187 billion); (b) as to RMB0.535 billion for the Intelligent Upgrade Project for High-End Hydraulic Component Production Systems (estimated total project investment amount of RMB0.611 billion); (c) as to RMB0.280 billion for the Intelligent Manufacturing Full Scenario R&D Center Project (estimated total project investment amount of RMB0.398 billion); (d) as to RMB0.470 billion for the Intelligent Mobile Robot Manufacturing Base Project (estimated total project investment amount of RMB0.619 billion; and (e) as to RMB1.200 billion for replenishing the working capital.

In the event that the actual amount of proceeds from the Issuance after deducting issuance expenses is less than the amount of raised proceeds to be invested in the projects, the Board of the Company or its authorized persons shall, without altering the projects to be invested by the proceeds raised, make appropriate adjustment to the sequence and amount of the proceeds to be invested in the above projects according to the actual needs of the project, and any shortfall will be made up by the Company with its self-raised funds. Before the receipt of the proceeds from the Issuance, the Company will invest with its self-raised funds as required based on the actual progress of the projects to be invested. When the proceeds are available, such funds used will be replaced by the proceeds so raised.

In respect of the New Energy Vehicle High-End Components Industrial Base Project, the successful implementation of which will not only alleviate the Company's production capacity bottlenecks and better meet the demands of downstream vehicle manufacturers but also accelerate the strategic upgrade of the Company's product technology toward electrification and intelligentization, laying a solid foundation for sustainable high-quality development.

In respect of the Intelligent Upgrade Project for High-End Hydraulic Component Production Systems, through process layout re-optimization, intelligent production line planning, smart warehousing and logistics construction and comprehensive digital system integration across all business processes, the project aims to achieve lean, intelligent and green production in hydraulic support cylinder machining and assembly, which will further enhance efficiency and quality, reduce production costs and establish an internationally leading smart factory.

In respect of the Intelligent Manufacturing Full Scenario R&D Center Project, it (i) responses to national smart manufacturing strategy and align with industrial policy direction; (ii) align with industry technology iteration trends to address the sore point of market demand upgrades; and (iii) implement the Company's "intelligent leadership" core strategy.

In respect of Intelligent Mobile Robot Manufacturing Base Project, it will allow the Company to comprehensively upgrade the foundational capabilities of logistics equipment, establish an intelligent hardware support system integrating a unified technological foundation with scenario-based application suites and create a digital benchmark factory for intelligent mobile robots, effectively drive the Company's transformation from primarily providing solutions to equally emphasizing solutions and intelligent equipment manufacturing, further enabling the construction of efficient and flexible internal logistics systems for customers.

As advised by the Directors, the Company will continue to facilitate the development of industrial intelligence sector through the implementation of multiple measures. The Company will focus on strategic targets, adhere to the direction of technological innovation, strengthen innovation-driven development continuously, accelerate digital transformation and global presence, develop high-end manufacturing business and intelligent manufacturing and cultivate and develop new-quality productivity.

Based on the above factors, the Group's proposed use of proceeds is in line with the Group's development strategies. Having also considered the estimated total project investment amounts, we are of the view that the proposed use of proceeds to be acceptable.

Financing alternatives

With reference to the Board Letter, the Company has not conducted any equity fund-raising activities involving the issuance of equity securities in the past twelve months immediately preceding the Latest Practicable Date.

Upon our enquiry with the Directors, we understood that the Directors had considered both debt financing (such as borrowings from banks or other financial institutions) and equity financing (such as rights issue for both PRC and Hong Kong capital market, public issuance and placing of H Shares for Hong Kong capital market) as fund-raising methods for the Group from Hong Kong capital market and/or the PRC capital market based on the capital needs of the Group and the Group's project development as a whole.

- In respect of pure debt financing, although both pure debt financing and the issue of convertible bonds may incur interest expenses, based on the Directors' understanding, interest expenses incurred from pure debt financing would be normally higher than the coupon rate of convertible bonds.

For our due diligence purposes, we conducted research through Wind Financial Terminal and noted that there were seven convertible bonds listed on the PRC capital market from 1 December 2025 up to and including the date of announcement of the Issuance (including the Possible Subscription) (i.e. 15 January 2026, the "**Announcement Date**"). The coupon rates of the aforesaid convertible bonds issued by companies listed in the PRC capital market would normally be gradually increased during each anniversary (i.e. 1st anniversary: 0.10% to 0.20%, 2nd anniversary: 0.30% to 0.40%, 3rd anniversary: 0.6% to 0.8%, 4th anniversary: 1.00% to 1.50%, 5th anniversary: 1.50% to 2.00% and 6th anniversary: 1.80% to 2.50%). According to the announcement on loan prime rate published on the website of the People's Bank of China in January 2026, the one-year loan prime rate is 3.00% per annum and the above-five-year loan prime rate is 3.50% per annum, which are effective until the next release. According to the 2025 Interim Report, the Group's effective interest rate as at 30 June 2025 ranged from 1.05% to 3.70% per annum for fixed-rate borrowings and 1.85% to 5.41% per annum for variable-rate borrowings.

In addition, banks or other financial institutions will usually request the Company to provide sufficient appropriate collaterals to secure the loan facilities applied for. Furthermore, upon conversion of the A Share Convertible Corporate Bonds, the Company's capital base will be enlarged.

- In respect of equity financing, the Board did not consider equity financing by way of issuing new Shares this time as the issue of new Shares will normally have an immediate dilution impact on the shareholding of the existing shareholders within a relative short period.

- In respect of the issuing of H Share convertible bonds, as the closing prices of H Shares was lower than that of A Shares, the number of H Shares to be issued upon full conversion of the H Share convertible bonds will be substantially more than the number of A Shares to be issued upon full conversion of the A Share convertible bonds. This will lead to a deeper dilution effect to the shareholding of the existing shareholders upon conversion.

  For Shareholders' information, the closing prices/average trading prices of H Shares and A Shares were (i) HK$21.52 per H Share and RMB24.24 per A Share as at the Announcement Date; (ii) HK$20.86 per H Share and approximately RMB23.99 per A Share for the last five consecutive trading days immediately preceding the Announcement Date; and (iii) approximately HK$20.79 per H Share and approximately RMB24.24 per A Share for the last 30 consecutive trading days immediately preceding the Announcement Date.

Having considered the above, we concur with the Directors that regarding the current market condition, the Issuance is an appropriate fund raising method to the Company.

Taking into account that (i) the Possible Subscription is part of the Issuance and the priority subscription arrangement will be applied to all A Shareholders including both connected persons (who are A Shareholders) and existing public A Shareholders; (ii) participation by the Connected Shareholders will demonstrate their solid confidence in the prospects of the Group; (iii) the proposed use of proceeds from the Issuance to be acceptable; and (iv) the financing alternatives as considered by the Company, we concur with the Directors that although the Possible Subscription (being part of the Issuance) is not conducted in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole.

(2) Principal terms of Issuance (including the Possible Subscription)

With reference to the Board Letter, as at the Latest Practicable Date, the Connected Shareholders hold 8,645,200 H Shares and 583,188,521 A Shares. The Connected Shareholders shall have the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds and the right to surrender such rights. the Connected Shareholders may subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of approximately RMB1,645,004,800. The terms and conditions of the Possible Subscription for A Share Convertible Corporate Bonds by the Connected Shareholders are the same as those of subscription for A Share Convertible Corporate Bonds by other existing A Shareholders.

Type of securities to be issued

The type of the securities to be issued is convertible corporate bonds which can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted will be listed on the Shanghai Stock Exchange.

Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100 each.

Size of the Issuance

The total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB4.35 billion (RMB4.35 billion inclusive). The actual size of the Issuance shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings within the above range.

Assuming that 100% of the A Share Convertible Corporate Bonds under the Issuance are firstly placed to the existing A Shareholders, and the Connected Shareholders exercise the pre-emptive rights in full, based on the proportion of A Shares held by the Connected Shareholders as at the Latest Practicable Date and the maximum amount of the Convertible Bonds of RMB1,645,004,800 to be issued by the Company, the maximum amount to be subscribed by the Connected Shareholders shall be as follows:

Connected Shareholder	**Number of A Shares held** *(Shares)*	**Percentage of number of A Shares held to the total number of issued A Shares** *%*	**Maximum subscription amount under the Possible Subscription for A Share Convertible Corporate Bonds** *(RMB0'000)*
Hong Yi Investment Management (Henan) Partnership (Limited Partnership)	263,985,719	17.12	74,462.68
Henan Asset Management Co., Ltd.	69,209,157	4.49	19,521.89
Henan State-owned Capital Operation Group Co., Ltd.	178,224,597	11.56	50,271.96
Henan State-owned Capital Operation Group Investment Co., Ltd.	34,159,479	2.22	9,635.39
Henan Zhongyu Green New Energy Co., Ltd.	31,508,305	2.04	8,887.57
Mr. JIAO Chengyao	3,226,964	0.21	910.23
Mr. JIA Hao	2,442,300	0.16	688.90
Mr. MENG Hechao	231,000	0.01	65.16
Mr. LI Kaishun	201,000	0.01	56.70
Total	**583,188,521**	**37.82**	**164,500.48**

Bonds Term

The term of the A Share Convertible Corporate Bonds under the Issuance will be 6 years from the date of the Issuance.

Given that the duration of A share convertible corporate bonds of the Comparable Transactions (as defined below) is six years, we are of the view that the bonds term of 6 years is on normal commercial terms.

Determination and adjustment of the Conversion Price

(1) Basis for determining the initial Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the average trading price of A Shares for the twenty trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such twenty trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter based on the market conditions and the actual conditions of the Company prior to the Issuance.

We understood from the Company that the above basis for the determining of the initial Conversion Price was in compliance with relevant PRC regulations. For our due diligence purpose, we noted from《上市公司證券發行註冊管理辦法》(the Measures for the Administration of Securities Issuance Registration of Listed Companies*, the "**Administrative Measures**") promulgated by the CSRC on 17 February 2023 that the conversion price shall not be lower than the average trading price of the company's shares for the 20 trading days immediately preceding the publication date of the offering document and the average trading price on the trading day immediately preceding the publication date of the offering document. Accordingly, we consider that the basis for determining the initial Conversion Price is in compliance with the Administrative Measures.

Given that the initial conversion price does not fix as at the Latest Practicable Date, to further assess the fairness and reasonableness of the terms of the Possible Subscription, we searched for proposals for issuance of A share convertible bonds initially announced and not terminated by companies which are listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange from 1 January 2026 (being 15 days prior to and including the Announcement Date) up to the Announcement Date, which is an adequate duration to reflect the recent market practice. To the best of our knowledge and as far as we are aware of, we found 5 issuances which meet the aforesaid criteria for comparison (the "**Comparable Transaction(s)**") and they are exhaustive. As (i) the convertible bond issuers of the Comparable Transactions are companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange; and (ii) the underlying conversion shares of the A Share Convertible Corporate Bonds are A Shares and the Issuance shall be subject to, among others, the issuance and listing review of the Shanghai Stock Exchange and the registration with the CSRC, we are of the view that the Comparable Transactions are comparable and representative. Shareholders should note that the businesses, operations and prospects of the Company are not exactly the same with the subject companies of the Comparable Transactions.

Set out below are the key terms of the Comparable Transactions as extracted from the relevant announcements:

Company name (Stock code)	Date of initial announcement	Term (years)	Interest rate	Conversion price	Adjustment (including downward adjustment to the conversion price (Yes/No)
Hubei Zhenhua Chemical Co., Ltd. (SH603067)	4 January 2026	6	The method for determination of coupon rate of the convertible corporate bonds and the final interest rate for the interest accrual year shall be determined by the company's board of directors (or an authorized representative of the board) prior to the issuance, as authorized by the company's shareholders' meeting, through consultation with the sponsor (lead underwriter) in accordance with national policies, market conditions, and the actual conditions of the company.	The initial conversion price of the convertible corporate bonds shall not be lower than the average trading price of the company's shares for the twenty trading days immediately preceding the date of publication of the offering document (in the event that the company's share price was adjusted due to ex-right and ex-dividend during such twenty trading days, the average trading price of the company's shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of the company's shares on the immediately trading day preceding the date of publication of the offering document. The specific initial conversion price shall be determined by the company's board of directors or its authorized persons as authorized by the general meeting of the company through negotiation with the sponsor (lead underwriter based on the market conditions and the actual conditions of the company prior to the issuance.	Yes
Nanjing Quanxin Cable Technology Co., Ltd. (SZ300447)	8 January 2026	6	Same as the above	Same as the above	Yes
Ningbo Fujia Industrial Co., Ltd. (SH603219)	8 January 2026	6	Same as the above	Same as the above	Yes
Dongguan Dingtong Precision Metal Co., Ltd. (SH688668)	14 January 2026	6	Same as the above	Same as the above	Yes
Richinfo Technology Co., Ltd. (SZ300634)	15 January 2026	6	Same as the above	Same as the above	Yes

Source: the cninfo website

According to the table above, the initial conversion prices under the issuance of A share convertible bonds by companies listed are (i) to be determined by its respective board of directors with reference to the market conditions and (if possible) the determination between the company and its principal sponsor, subject to the authorisation at the shareholders' general meeting; and (ii) shall not be lower than the price as required under the Administrative Measures.

Despite that the initial conversion price does not fix at this stage, in light of the above factors including (i) the basis for the determination of the initial conversion price is incompliance with the Administrative Measures; (ii) our findings regarding the initial conversion prices under the issuance of A share convertible bonds by companies listed; and (iii) the same Conversion Price will be applied to all holders of the Convertible Bonds (including the Connected Shareholders), we are of the view that it is acceptable that the conversion price was undetermined as at the Latest Practicable Date and the basis for the determination of initial conversion price is on normal commercial terms and fair and reasonable.

(2) Method of adjustments and calculation formula to the Conversion Price

With reference to the Board Letter, upon completion of the Issuance, in case of certain events of the Company, such as distribution of bonus shares, conversion or increase of share capital, issuance of new shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends, the Company shall adjust the conversion price in the order of occurrence of the aforementioned events (rounded to two decimal places, with the final digit rounded up or down as appropriate) in accordance with the formulae set out under the sub-section headed "(8) Determination and adjustment of the Conversion Price - Method of adjustments and calculation formula to the Conversion Price" under the section headed "1. Proposed Issuance of A Share Convertible Corporate Bonds" as set out in "III. Proposed Issuance of A share Convertible Corporate Bonds to Non-specific Investors and Connected Transaction in relation to Possible Subscription for A Share Convertible Corporate Bonds by Connected Persons" to the Circular. The adjustment formulae are fully in compliance with the relevant PRC laws and regulations.

We noted that the Comparable Transactions also contained provisions for adjustment to the conversion price similar to those of the Issuance.

Coupon rate

With reference to the Board Letter, the method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for the interest accrual year shall be determined by the Board or its authorized persons as authorized by the EGM and the Class Meetings through negotiation with the lead underwriter in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

According to the Article 16 of the Administrative Measures that the coupon rate of convertible corporate bonds shall be determined by the issuer and the lead underwriter through discussion, but it shall comply with relevant applicable state laws and regulations. Accordingly, we consider that the basis for the determination of coupon rate is in compliance with the Administrative Measures.

We also noted that the above basis for the coupon rate is similar to that for the Comparable Transactions.

In view of the above, we are of the view that it is acceptable that the coupon rate of the A Share Convertible Corporate Bonds was undetermined as at the Latest Practicable Date and the basis for the determination of the coupon rate is on normal commercial terms and fair and reasonable.

Term and method of principal and interest payment

With reference to the Board Letter, the interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the final year.

(1) Calculation of annual interest

Interest accrued for interest accrual year refers to the interest accrued to an A Share Convertible Corporate Bondholder in each year on each anniversary of the date of the Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by the holder in accordance with the formula set out under the sub-section headed "(6) Term and method of principal and interest payment" under the section headed "1. Proposed Issuance of A Share Convertible Corporate Bonds" as set out in "III. Proposed Issuance of A share Convertible Corporate Bonds to Non-specific Investors and Connected Transaction in relation to Possible Subscription for A Share Convertible Corporate Bonds by Connected Persons" to the Circular.

We noticed that the calculations of annual interest of the Comparable Transactions are the same with that of the Issuance.

(2) Method of interest payment

(a) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.

(b) Interest payment date: the interest payment date is each anniversary date of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first business day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date shall be an interest accrual year.

(c) Record date for interest payment: the record date for interest payment in each year shall be the last trading day preceding the interest payment date. The Company shall pay the interest accrued in that year within 5 trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest accrual years to the Bondholders who have applied to convert their A Share Convertible Corporate Bonds into A Shares on or before the record date for interest payment.

(d) Tax payable on the interest income of A Share Convertible Corporate Bondholders under the Issuance shall be borne by such Bondholder.

We noticed that the methods of interest payment of the Comparable Transactions are the same with those of the Issuance.

Conversion period

With reference to the Board Letter, the conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

Bondholders shall have the option as to whether to convert their bonds into shares or not and will become shareholders of the Company on the following day after the conversion.

We noticed that the conversion period of the Comparable Transactions is the same with that of the Issuance.

Terms of downward adjustment to Conversion Price

(1) Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least fifteen trading days out of any thirty consecutive trading days are no higher than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting for consideration and approval. In the event of an adjustment to the Conversion Price during the aforementioned thirty consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

The abovementioned proposal shall be subject to the approval of more than two-thirds of Shareholders with voting rights who attend the general meeting. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting. The adjusted Conversion Price shall be no less than the higher of the average trading price of A Shares for twenty trading days immediately preceding the date of such a general meeting and the average trading price of A Shares on the trading day immediately preceding the date of such a general meeting.

(2) Procedures of adjustment

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish a general meeting resolution announcement and a Conversion Price adjustment announcement on the Shanghai Stock Exchange and the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the shareholding record date and the suspension period of share conversion. Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be implemented based on the adjusted Conversion Price.

We noticed that the Comparable Transactions also contained provisions for downward adjustment to the conversion price similar to those of the Issuance.

Other terms

We also reviewed other terms of the Proposed Issuance such as "terms of redemption", "terms of sale back", "distribution of dividend after conversion", "subscription arrangement for the existing A Shareholders", "matters relating to the meetings of Bondholders" and were not aware of any abnormal term as compared to the Comparable Transactions.

We also noted from the Annex I to the Circular that in accordance with the provisions of the Company Law of the《中華人民共和國公司法》(People's Republic of China*),《中華人民共和國證券法》(the Securities Law of the People's Republic of China*), the Administrative Measures, and other relevant laws, regulations, and prescriptive documents, and after conducting a comprehensive self-inspection of the Company's actual circumstances, it is determined that the Company meets all conditions stipulated in current laws, regulations, and prescriptive documents regarding the issuance of A-share convertible bonds to non-specific investors, and satisfies the requirements for such issuance.

Having considered (i) our view on the basis of determining the initial Conversion Price as set out above; (ii) the pricing mechanism of the initial Conversion Price, the adjustment provisions (including the downward adjustment) to the Conversion Price and the determination method of the coupon rate are similar or same to those of the Comparable Transactions; and (iii) the terms of the Convertible Bonds will be the same to all subscribers (including the Connected Shareholders), we are of the view that the terms of the Possible Subscription are fair and reasonable.

Dilution effect on the shareholding interests of the public H Shareholders as a result of the Possible Subscription

Assuming that (i) the Company issues A Share Convertible Corporate Bonds with a maximum issuance amount of RMB4.35 billion; (ii) all existing A Shareholders subscribe for A Share Convertible Corporate Bonds in full in proportion to their current shareholdings in A Shares; and (iii) all A Share Convertible Corporate Bonds are fully converted into A Shares at the illustrative initial Conversion Price (i.e. RMB25.02, which was calculated based on the higher of the average trading price of A Shares for the twenty trading days immediately preceding the Latest Practicable Date and the average trading price of A Shares on the immediately trading day preceding the Latest Practicable Date); and (iv) the Company does not issue and allot any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares, the shareholding interests of the public H Shareholders would be diluted by approximately 1.17 percentage point as a result of the full conversion of the A Share Convertible Corporate Bonds. In this regard, taking into account (i) the reasons for the Issuance (including the Possible Subscription) and the intended use of proceeds; and (ii) the terms of the Possible Subscription being fair and reasonable, we are of the view that the said level of dilution to the shareholding interests of the public H Shareholders is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable; and (ii) although the Possible Subscription is not conducted in the ordinary and usual course of business of the Company, it is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Possible Subscription and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

* *For identification purpose only*

ZCZL Industrial Technology Group Company Limited (hereinafter referred to "ZCZL" or the "Company") intends to issue A-share corporate convertible bonds to non-specific investors. In accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Measures for the Administration of Securities Issuance Registration of Listed Companies, and other relevant laws, regulations, and prescriptive documents, and after conducting a comprehensive self-inspection of the Company's actual circumstances, it is determined that the Company meets all conditions stipulated in current laws, regulations, and prescriptive documents regarding the issuance of A-share corporate convertible bonds to non-specific investors, and satisfies the requirements for such issuance.

A Share Stock Abbreviation: 中創智領 **Stock Code: 601717**
H Share Stock Abbreviation: ZCZL **Stock Code: 0564**

中創智領(鄭州)工業技術集團股份有限公司

ZCZL Industrial Technology Group Company Limited

(No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone)

PLAN OF THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

January 2026

DECLARATION

1. The Company and all Board members warrant that the contents in this Plan are true, accurate and complete and have no false representations, misleading statements or material omissions, and they will severally and collectively accept legal responsibility for the authenticity, accuracy and completeness of the information contained in the Plan.

2. The Company assumes the liabilities for any changes in operation and revenue of the Company after the Issuance of A Share Convertible Corporate Bonds to non-specific investors. Any investment risks arising from the Issuance of A Share Convertible Corporate Bonds to non-specific investors shall be borne by the investors.

3. The Plan is the statement of the Board of the Company on the Issuance of A Share Convertible Corporate Bonds to non-specific investors, and any contradictory statement constitutes misinterpretation.

4. Investors shall consult their stock brokers, solicitors, professional accountants or other professional advisors for any questions and doubts.

5. Matters mentioned in the Plan do not represent any substantive judgment, confirmation, approval from or registration with the approving authorities regarding the Issuance of A Share Convertible Corporate Bonds to non-specific investors. Effect and completion of the matters relating to the Issuance of A Share Convertible Corporate Bonds to non-specific investors mentioned in the Plan shall be subject to consideration at the Shareholders' general meeting, review of the Shanghai Stock Exchange for issuance and listing, and application to the China Securities Regulatory Commission for registration.

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DEFINITIONS

In the Plan, unless the context otherwise requires, the following expressions have the following meanings:

ZCZL, Company, the Company, the Listed Company	ZCZL Industrial Technology Group Company Limited (formerly known as Zhengzhou Coal Mining Machinery Group Company Limited)
Issuance, the Convertible Bond, the Convertible Corporate Bond	The Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by ZCZL Industrial Technology Group Company Limited
Convertible Corporate Bonds, Convertible Bonds	The corporate bond legally issued and may be converted into the Company's A-shares within a specified period under agreed conditions
Plan, this Plan	Plan of the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by ZCZL Industrial Technology Group Company Limited
Articles of Association	Articles of Association of ZCZL Industrial Technology Group Company Limited
Company Law	The Company Law of the People's Republic of China
Securities Law	The Securities Law of the People's Republic of China
Registration Management Measures	Administrative Measures for the Registration of Securities Issuance by Listed Companies
Meeting of Holders	The Meeting of Holders of A Share Convertible Corporate Bonds of ZCZL Industrial Technology Group Company Limited
Rules for Meeting of Holders	Rules for Meetings of Holders of A Share Convertible Corporate Bond of ZCZL Industrial Technology Group Company Limited
Prospectus	Prospectus for Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by ZCZL Industrial Technology Group Company Limited
Yuan, ten thousand Yuan, hundred million Yuan	Renminbi (RMB), RMB0'000, RMB100 million

China Securities Regulatory Commission, CSRC	China Securities Regulatory Commission
SSE	Shanghai Stock Exchange
Reporting Period, Each Period of the Reporting Period, Most Recent Three-Year Period	The year of 2022, 2023 and 2024, and January to September 2025
End of Each Reporting Period	31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025

Note: Unless otherwise specified, discrepancies between the total figures and the sum of individual items in this Plan are due to rounding.

I. EXPLANATION OF COMPLIANCE WITH CONDITIONS FOR ISSUING A-SHARE CONVERTIBLE BONDS TO NON-SPECIFIC INVESTORS

Pursuant to the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Registration of Securities Issuance by Listed Companies, and other relevant laws, regulations, and prescriptive documents, after conducting a comprehensive self-examination and analysis of the actual circumstances and relevant matters of ZCZL Industrial Technology Group Company Limited, the Company's Board of Directors has determined that the Company meets all conditions stipulated in current laws, regulations, and prescriptive documents regarding the issuance of A-share Convertible Bonds to unspecified parties and is qualified to issue A-share Convertible Bonds to unspecified parties.

II. OVERVIEW OF THE ISSUANCE

(I) Type of Securities to be Issued

The type of securities under the Issuance is convertible corporated bonds convertible into the Company's A-shares. The A-share Convertible Bonds under the Issuance and the future converted A-shares will be listed on the Shanghai Stock Exchange.

(II) Size of Issuance

The total amount of proceeds from the A-share Convertible Bonds under the Issuance shall not exceed RMB4,350,000,000 (including RMB4,350,000,000). The specific size of issuance shall be determined by the Board of Directors (or by persons authorized by the Board of Directors), as authorized by the general meeting, within the aforementioned limit.

(III) Par Value and Issue Price

The A-share Convertible Bonds under the Issuance shall be issued at par value, with each bond having a par value of RMB100.

(IV) Bond Term

The term of the A-share Convertible Bonds under the Issuance shall be 6 years from the date of issuance.

(V) Bond Rate

The determination method for the coupon rate of the A-share Convertible Bonds under the Issuance and the final interest rate level for each interest accrual year shall be determined by the Board of Directors (or persons authorized by the Board of Directors) as authorized by the general meeting through consultation with the lead underwriter prior to issuance, based on national policies, market conditions, and the specific circumstances of the Company.

(VI) Term and Method of Principal and Interest Payment

The A-share Convertible Bonds under the Issuance shall bear interest payable on an annual basis. Upon maturity, the principal of all outstanding A-share Convertible Bonds that have not been converted into shares and the final year's interest shall be repaid.

1. Interest Calculation for Interest Accrual Years

The interest for each interest accrual year (hereinafter referred to as "**annual interest**") refers to the interest that holders of these A-share Convertible Bonds are entitled to receive for each full year starting from the issuance date of these A-share Convertible Bonds, based on the total par value of the A-share Convertible Bonds held.

The formula for calculating annual interest is: $I = B_1 \times i$

I: means the annual interest amount;

B_1: means the total par value of A-share Convertible Bonds held by the holder on the interest payment record date during the interest accrual year (hereinafter referred to as "**the current year**" or "**each year**");

i: means the coupon rate of the A-share Convertible Bonds for the current year.

2. Interest Payment Method

(1) The A-share Convertible Bonds under the Issuance shall adopt an annual interest payment method, with the interest accrual commencement date being the first day of issuance of the A-share Convertible Bonds.

(2) Interest Payment Date: The interest payment date for each year shall be the date on which one full year has elapsed since the issuance date of the A-share Convertible Bonds. If such date falls on a statutory holiday or rest day, payment shall be postponed to the next trading day, with no additional interest payable for the postponement period. The period between any two consecutive interest payment dates constitutes one interest accrual year.

(3) Interest Payment Record Date: The annual interest payment record date shall be the trading day immediately preceding each interest payment date. The Company shall pay the interest for the relevant year within five trading days following each interest payment date. For A-share Convertible Bonds converted into the Company's A-shares on or before the interest payment record date (inclusive), the Company shall no longer pay interest to the holders for the current interest period and all subsequent interest periods.

(4) The tax liability on interest income received by holders of A-share Convertible Bonds shall be borne by such holders.

(VII) Conversion Period

The conversion period for these A-share Convertible Bonds shall commence on the first trading day following the expiration of six months from the date of completion of the issuance of these A-share Convertible Bonds and shall continue until the maturity date of these A-share Convertible Bonds.

Holders shall have the option to convert or not convert, and shall become shareholders of the Company on the day following conversion.

(VIII) Determination and Adjustment of Conversion Price

1. Basis for Determination of Initial Conversion Price

The initial conversion price for the A-share Convertible Bonds issued shall not be lower than the average trading price of the Company's A-shares over the twenty trading days preceding the date of announcement of the prospectus (if share price adjustments due to ex-rights or ex-dividend events occurred during such twenty trading days, the average trading price for the days prior to such adjustments shall be calculated based on prices adjusted for the corresponding ex-rights or ex-dividend events) and the average trading price of the Company's A-shares on the preceding trading day. The specific initial conversion price shall be determined by the Board of Directors (or its authorized representative) prior to issuance, based on market conditions and the Company's specific circumstances, through consultation with the lead underwriter, subject to authorization by the Company's general meeting.

Average trading price of the Company's A-shares over the previous twenty trading days = Total trading amount of the Company's A-shares over the previous twenty trading days / Total trading volume of the Company's A-shares over the previous twenty trading days;

Average trading price of the Company's A-shares on the previous trading day = Total trading amount of the Company's A-shares on the previous trading day / Total trading volume of the Company's A-shares on that trading day.

2. Adjustment Method and Calculation Formula for Conversion Price

Following the completion of the Issuance, when the Company distributes stock dividends, capitalizes reserves, issues new shares (excluding capital increases resulting from the conversion of A-share Convertible Bonds under the Issuance), conducts rights offerings, or distributes cash dividends, the Company shall adjust the conversion price in the order of occurrence of the above events (rounded to two decimal places, with the last digit rounded up or down as appropriate). The specific adjustment methods are as follows:

Stock dividends or capitalization of retained earnings: $P_1 = P_0 / (1 + n)$;

New share issuance or rights issue: $P_1 = (P_0 + A \times k) / (1 + k)$;

Concurrent occurrence of both above: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

Cash dividend distribution: $P_1 = P_0 - D$;

Where the above three items are conducted simultaneously: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$;

Where: P_0 is the conversion price before adjustment; n is the ratio of stock dividends distributed or capitalization ratio; k is the ratio of new share issuance or rights issue; A is the price of newly issued shares or rights issue shares; D is the cash dividend per share distributed; P_1 is the adjusted conversion price.

When the Company experiences the aforementioned changes in share capital and/or shareholders' equity, it shall sequentially adjust the conversion price. The Company shall publish an announcement regarding the conversion price adjustment on the websites of the Shanghai Stock Exchange and the information disclosure media designated by CSRC. The announcement shall specify the conversion price adjustment date, adjustment method, and suspension period for conversion (if needed). The Company shall also make the announcement in the Hong Kong market as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association (if needed). If the conversion price adjustment date falls on or after the conversion application date of the A-share convertible bond holder and before the conversion registration date, the holder's conversion application shall be implemented at the adjusted conversion price.

Where the Company may carry out share repurchases, mergers, demergers, or any other circumstances that alter the class, number, and/or shareholder equity of its shares, thereby potentially affecting the creditor rights or derivative conversion rights of holders of A-share Convertible Bonds, the Company shall adjust the conversion price based on the specific circumstances, adhering to principles of fairness, impartiality, and equity, and fully protecting the rights and interests of holders of A-share Convertible Bonds. The content and operational procedures for conversion price adjustments shall be formulated in accordance with the relevant laws, regulations, and provisions of the securities regulatory authorities in effect at the time.

(IX) Downward Adjustment Clause for Conversion Price

1. Adjustment Authority and Scope

During the term of the A-share Convertible Bonds under the Issuance, if the closing price of the Company's A-shares is not higher than 85% of the prevailing conversion price on at least fifteen trading days within any consecutive thirty trading days, the Company's Board of Directors shall have the right to propose a downward adjustment plan for the conversion price and submit it to the Company's general meeting for resolution. If a conversion price adjustment occurred during the aforementioned 30 consecutive trading days, the calculation shall be based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and on the adjusted conversion price and closing price for trading days on and after the adjustment date.

The aforementioned proposal shall be implemented only upon approval by shareholders holding more than two-thirds of the voting rights present at the meeting. When the general meeting votes on this matter, shareholders holding the Company's A-share Convertible Bonds issued on this occasion shall abstain. The adjusted conversion price shall not be lower than the higher of the average trading price of the Company's A-shares over the twenty trading days preceding the date of the general meeting and the average trading price of the Company's A-shares on the preceding trading day.

2. Revision Procedures

If the Company decides to revise the conversion price downward, it shall publish the announcement of the general meeting resolution and the announcement of the conversion price revision on the Shanghai Stock Exchange and the information disclosure media designated by CSRC. The announcement shall specify the revision amount, the record date, and the suspension period for conversion applications. The Company shall also make the necessary disclosures in the Hong Kong market in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company's Articles of Association (if needed). Conversion applications shall resume and the adjusted conversion price shall apply from the first trading day (i.e., the Conversion Price Adjustment Date) following the record date.

If the Conversion Price Adjustment Date falls on or after the conversion application date for holders of A-share Convertible Bonds and before the Conversion Share Registration Date, such conversion applications shall be implemented at the adjusted conversion price.

(X) Means for Determining the Quantity of Conversion

When holders of A-share Convertible Bonds apply for conversion during the conversion period, the conversion quantity shall be calculated using the formula: Q = V / P, rounded down to the nearest whole number of shares.

Q: means the quantity of A-share Convertible Bonds for which conversion is requested by the holder;

V: means the total par value of convertible bonds subject to conversion as applied for by the holder;

P: means the conversion price effective on the day of the conversion application.

The shares applied for conversion by holders of A-share Convertible Bonds must be in multiples of one share. For any remaining balance of A-share Convertible Bonds that cannot be converted into one share during conversion, the Company shall, in accordance with the relevant regulations of the Shanghai Stock Exchange and other authorities, pay the par value of such remaining A-share Convertible Bonds and the accrued interest corresponding to such balance in cash within five trading days following the conversion date (the calculation method for accrued interest is detailed in Section (XI) Redemption Clauses). The payment of accrued interest for the portion of the current A-share Convertible Bonds that cannot be converted into one share shall be processed in accordance with the relevant regulations of the securities registration agency and other authorities.

(XI) Redemption Clauses

1. Maturity Redemption Clause

Within five trading days after the maturity of the A-share Convertible Bonds under the Issuance, the Company shall redeem all unconverted A-share Convertible Bonds from holders at a price equal to the par value of the bonds plus a certain premium (including the final annual interest payment). The specific redemption price shall be determined by the Board of Directors (or its authorized representative), authorized by the general meeting, in consultation with the lead underwriter based on market conditions prevailing at the time of issuance.

2. Conditional Redemption Clause

During the conversion period of the A-share Convertible Bonds under the Issuance, the Company shall have the right to redeem all or part of the unconverted A-share Convertible Bonds at the bond par value plus accrued interest for the period if either of the following two circumstances occurs:

① During the conversion period of the A-share Convertible Bonds under the Issuance, if the closing price of the Company's A-shares is not less than 130% (inclusive) of the current conversion price on at least fifteen consecutive trading days within any thirty-day period;

② When the outstanding balance of the A-share Convertible Bonds under the Issuance falls below RMB30 million.

The redemption period for these A-share Convertible Bonds shall be the same as the conversion period, commencing on the first trading day following the expiration of six months from the issuance completion date and ending on the maturity date of these A-share Convertible Bonds.

The formula for calculating accrued interest for the period is: $I_A = B_2 * i * t / 365$.

I_A: means the accrued interest for the period;

B_2: means the total par value of the redeemable A-share Convertible Bonds held by the holders of the Issuance;

i: means the annual coupon rate of the A-share Convertible Bonds;

t: means the interest accrual days, i.e., the actual calendar days from the previous interest payment date to the redemption date of the current interest accrual year (inclusive of the start date but exclusive of the end date).

If a conversion price adjustment occurs during the aforementioned consecutive thirty trading days, the calculation shall be based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and on the post-adjusted conversion price and closing price for trading days on and after the adjustment date.

(XII) Put Option

1. Conditional Put Option

During the final two interest accrual years of the A-share Convertible Bonds under the Issuance, if the closing price of the Company's A-shares falls below 70% of the prevailing conversion price for any consecutive thirty trading days, holders of the A-share Convertible Bonds shall have the right to sell all or part of their holdings back to the Company at the bond par value plus accrued interest for the period.

The calculation method for accrued interest during the period is detailed in the relevant content under "(XI) Redemption Clauses".

If, during the aforementioned consecutive thirty trading days, the conversion price has been adjusted due to events such as the issuance of stock dividends, capitalization of reserves, issuance of new shares (excluding capital increases resulting from the conversion of the A-share Convertible Bonds under the Issuance),rights issues, or cash dividends, the conversion price shall be calculated based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and based on the adjusted conversion price and closing price for the adjustment date and subsequent trading days. Should the conversion price be downwardly adjusted, the aforementioned consecutive thirty trading days shall be recalculated starting from the first trading day following the downward adjustment of the conversion price.

During the final two interest accrual years of the A-share Convertible Bonds under the Issuance, holders of A-share Convertible Bonds may exercise their put option for one instance upon first meeting the put conditions in that year under the aforementioned terms. If holders fail to submit and implement a put within the subscription period announced by the company upon first meeting the put conditions, they shall not exercise the put option again in that interest accrual year. Holders of A-share Convertible Bonds may not exercise partial repurchase rights multiple times.

2. Additional Put Option Clause

During the term of these A-share Convertible Bonds, if the use of the proceeds from the Issuance deviates significantly from the commitments made in the prospectus, and such deviation is deemed a change in the use of proceeds by CSRC or SSE, or is recognized as such by the CSRC or SSE, holders of A-share Convertible Bonds shall have the right to sell back all or part of their A-share Convertible Bonds held for one instance. Holders of the A-share Convertible Bonds may sell back all or part of their holdings to the Company at the bond par value plus accrued interest for the period. Holders may exercise this right during the additional sale period announced by the Company after the additional sale conditions are met. If holders fail to submit an additional sale application during the designated period, they shall not exercise the additional put option again.

The formula for calculating accrued interest for the current period is: $I_A = B_3 * i * t / 365$.

I_A: means the accrued interest for the current period;

B_3: means the total par value of the A-share Convertible Bonds held by the holder of the A-share Convertible Bonds to be repurchased in the Issuance;

i: means the annual coupon rate of the A-share Convertible Bonds;

t: means the interest accrual days, i.e., the actual calendar days from the previous interest payment date to the repurchase date of the current interest accrual year (inclusive of the start date but exclusive of the end date).

(XIII) Dividend Entitlement in Conversion Year

A-shares of the Company increased through the conversion of the A-share Convertible Bonds shall enjoy the same rights as the original A-shares. All A-shareholders registered on the record date for dividend distribution (including shareholders by virtue of the conversion of the A-share Convertible Bonds) shall participate in the distribution of dividends for the relevant period and enjoy equal rights.

(XIV) Issuance Method and Target Investors

The specific issuance method for the A-share Convertible Bonds shall be determined through consultation between the Board of Directors (or its authorized representative) and the lead underwriter in accordance with relevant laws and regulations, as authorized by the general meeting. The issuance targets for the A-share Convertible Bonds include natural persons, legal entities, securities investment funds, and other investors meeting legal requirements holding securities accounts with China Securities Depository and Clearing Corporation Limited, Shanghai Branch (excluding those prohibited by national laws and regulations).

(XV) Arrangements for Allotment to Existing A-shareholders

The A-share Convertible Bonds under the Issuance shall be allotted on a priority basis to the Company's existing A-shareholders, who shall have the right to waive their subscription rights. The specific proportion of priority allocation to existing A-shareholders is submitted to the general meeting for authorization to the Board of Directors (or persons authorized by the Board of Directors) to determine on the basis of the specific circumstances at the time of issuance, and shall be disclosed in the issuance announcement for these A-share Convertible Bonds. Such preferential allotment shall be subject to compliance with all applicable laws, regulations, and rules under the Company Law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, or any other governmental or regulatory authorities (including but not limited to rules and requirements relating to related party transactions), before it can be implemented.

The portion remaining after the preferential allotment to existing A-shareholders and the portion relinquished by existing A-shareholders shall be issued through an online fixed-price offering via the trading system of SSE, or through a combination of an offline placement to institutional investors and an online fixed-price offering via the Trading system of SSE. Any remaining portion shall be underwritten by the underwriters. The specific issuance method shall be determined by the Board of Directors (or persons authorized by the Board of Directors) in consultation with the lead underwriter for the Issuance, subject to authorization by the Company's general meeting.

(XVI) Matters in Relation to the Meeting of Holders

The Company shall stipulate in the prospectus the measures for protecting holders' rights, as well as the authority, procedures, and conditions for the effectiveness of resolutions of the Meeting of Holders.

1. Rights of Convertible Bond Holders:

(1) To receive agreed-upon interest based on the amount of convertible bonds held;

(2) To convert the convertible bonds held into the Company's A-shares in accordance with the conditions specified in the prospectus;

(3) To exercise the put option in accordance with the conditions specified in the prospectus;

(4) To transfer, donate, or pledge the convertible bonds held in accordance with laws, administrative regulations, and the Articles of Association;

(5) To obtain relevant information in accordance with laws, administrative regulations, and the Articles of Association;

(6) To request repayment of principal and interest on the Convertible Bonds from the Company within the timeframe and by the method specified in the prospectus;

(7) To participate in Meeting of Holders or appoint proxies to participate in such meetings and exercise voting rights in accordance with laws, administrative regulations, and other relevant provisions;

(8) To exercise other rights conferred upon them as creditors of the Company under laws, administrative regulations, and the Articles of Association.

2. ***Obligations of Convertible Bond Holders:***

(1) To comply with the relevant provisions of the terms of issuance of convertible bonds of the Company;

(2) To pay the subscription monies corresponding to the amount of convertible bonds subscribed;

(3) Not to demand early repayment of principal and interest on convertible bonds except as provided by laws, regulations, the Articles of Association, or the prospectus;

(4) To comply with valid resolutions adopted at Meeting of Holders;

(5) To fulfill other obligations stipulated by laws, administrative regulations, and the Articles of Association as the responsibility of convertible bond holders.

3. ***During the term of these convertible bonds, a Meeting of Holders shall be summoned when any of the following circumstances arise:***

(1) Proposed amendments to the provisions of the prospectus;

(2) Proposed amendments to the Rules of the Meeting of Holders;

(3) Proposed changes to the bond trustee or the principal terms of the trustee agreement;

(4) The Company fails to make timely payment of principal and interest on the Convertible Bonds;

(5) A reduction in the Company's capital (excluding reductions resulting from share repurchases for equity incentive or employee stock ownership plans, performance commitment repurchases, or repurchases necessary to preserve the Company's value and shareholder interests), merger, or other event that may cause a material adverse change in the Company's debt servicing capacity, requiring a decision or authorization to take corresponding measures;

(6) The Company's division, entry into receivership, dissolution, filing for bankruptcy, or entry into bankruptcy proceedings as prescribed by law;

(7) Significant changes occur in the guarantor or collateral (if any).

(8) A written proposal to convene a meeting by holders holding, individually or collectively, 10% or more of the total outstanding principal amount of the Convertible Bonds;

(9) The Company's management is unable to perform their duties normally, resulting in serious uncertainty regarding the Company's ability to repay its debts;

(10) The Company proposes a debt restructuring plan;

(11) Occurrence of other events that materially affect the rights and interests of holders.

4. The following entities or individuals may submit a written proposal to convene a Meeting of Holders:

(1) The Company's Board of Directors;

(2) Holders holding individually or collectively 10% or more of the total outstanding principal amount of the convertible bonds;

(3) The bond trustee;

(4) Other institutions or persons as prescribed by laws, regulations, CSRC, or SSE.

When holders holding in aggregate 10% or more of the outstanding principal amount of the convertible bonds propose to convene a Meeting of Holders, they may jointly appoint one representative as a liaison to assist the bond trustee in completing the relevant meeting convening procedures.

(XVII) Use of Proceeds from the Current Offering

The Company intends to raise a total of no more than RMB4.35 billion (inclusive) through the issuance of A-share Convertible Bonds to non-specific investors. The net proceeds from the Issuance, after deducting issuance expenses, are proposed to be invested in the following projects:

Unit: RMB100 million

No.	Project Name	Total Investment Amount	Proposed Allocation of Proceeds
1	New Energy Vehicle High-End Components Industrial Base Project	21.87	18.65
2	Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	6.11	5.35
3	Intelligent Manufacturing Full-Scene R&D Center Project	3.98	2.80
4	Intelligent Mobile Robot Manufacturing Base Project	6.19	4.70
5	Working Capital Supplement	12.00	12.00
Total		**50.15**	**43.50**

If the actual proceeds from the Issuance (after deducting issuance expenses) are less than the total amount planned for investment in this fundraising, the Company's Board of Directors (or persons authorized by the Board of Directors) will arrange the specific use of the proceeds based on the importance and urgency of the fundraising purposes. The shortfall will be addressed through self-proceeds. Without altering the fundraising investment projects of the Issuance, the Company's Board of Directors (or persons authorized by the Board of Directors) may appropriately adjust the sequence and amount of fundraising investments for the aforementioned projects based on actual project needs.

Prior to the receipt of proceeds from the Issuance of A-share Convertible Bonds, the Company will advance funds from self-raised sources based on the actual progress of the fundraising investment projects. Upon receipt of the proceeds, the Company will replace such advanced funds in accordance with the procedures stipulated by relevant laws and regulations.

(XVIII) Guarantee Matters

No guarantee is provided for the A-share Convertible Bonds under the Issuance.

(XIX) Rating Matters

A credit rating agency will issue a credit rating report for the Issuance of A-share Convertible Bonds.

(XX) Deposit and Custody of Proceeds

The Company has formulated a Proceeds Management System. Proceeds from the Issuance will be deposited into a special account established by the Company (i.e., the dedicated account for proceeds). Specific account opening arrangements will be determined by the Company's Board of Directors (or persons authorized by the Board of Directors) prior to the issuance.

(XXI) Validity Period of the Issuance Plan

The validity period of the Company's plan to issue A-share Convertible Bonds to non-specific investors shall be 12 months from the date of approval by the Company's general meeting.

III. FINANCIAL ACCOUNTING INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

ZCZL was listed on SSE on 3 August 2010. The Company's financial statements for the years ended 31 December 2022, 2023, and 2024 have been audited by Lixin Certified Public Accountants LLP (Special General Partnership). The financial statements for the nine months ended 30 September 2025, are unaudited.

In the Plan, the reporting period shall refer to the years 2022, 2023, 2024, and January to September 2025.

Any discrepancies between the totals presented in the Plan and the direct sum of their respective line items are due to rounding.

(I) Balance Sheets, Income Statements, and Cash Flow Statements for the Most Recent Three Years and the Current Period

1. Consolidated Balance Sheets for the Past Three Years and the Current Period

Unit: RMB0'000

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Current assets:				
Cash and Cash Equivalents	288,563.96	401,766.30	587,683.52	438,049.53
Trading Financial Assets	499,256.20	665,212.35	631,653.75	617,587.49
Derivative Financial Assets	–	–	1,033.41	–
Notes receivable	98,389.43	136,207.43	123,754.25	166,372.29
Accounts Receivable	1,308,598.57	924,484.07	785,892.46	670,082.61
Accounts Receivable Financing	146,014.83	168,499.48	261,055.25	283,060.18
Prepayments	114,763.13	68,091.13	63,475.77	94,454.80
Other receivables	49,102.57	34,817.12	23,266.98	34,440.67
Inventories	767,551.91	945,366.62	929,929.27	783,512.41
Assets held for sale	9,107.17	9,107.17	9,107.17	–
Non-current assets due within one year	38,595.32	26,889.86	24,520.44	13,899.55
Other current assets	71,944.89	124,753.27	210,876.23	238,651.74
Total current assets	**3,391,888.00**	**3,505,194.80**	**3,652,248.51**	**3,340,111.26**
Non-current assets:				
Long-term receivables	40,456.38	37,404.69	27,477.09	20,340.80
Long-term equity investments	79,266.49	72,339.74	77,718.47	27,886.83
Other equity instruments investments	72,062.97	42,062.97	40,945.48	79,817.18
Other non-current financial assets	32,481.58	88,412.85	126,955.85	34,682.87
Investment property	24,906.10	26,067.09	31,835.75	33,600.36
Fixed assets	627,779.61	602,449.76	485,063.01	442,641.28
Construction in progress	115,288.46	99,851.17	105,764.24	67,060.45
Right-of-use assets	116,195.21	113,637.30	128,534.00	132,259.06
Intangible assets	144,182.54	151,850.56	119,168.01	101,181.74
Development expenditures	41,815.16	25,069.92	16,276.50	42,987.79
Goodwill	8,828.28	8,828.28	8,828.28	13,190.51
Deferred expenses	18,477.94	16,143.73	15,998.58	17,170.74
Deferred income tax assets	40,420.17	37,248.64	37,741.33	46,070.30
Other non-current assets	42,301.50	30,051.82	42,884.70	31,116.37
Total non-current assets	**1,404,462.39**	**1,351,418.54**	**1,265,191.31**	**1,090,006.30**
Total assets	**4,796,350.38**	**4,856,613.34**	**4,917,439.82**	**4,430,117.56**

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Current liabilities:				
Short-term borrowings	168,114.29	141,102.19	66,205.77	72,643.96
Financial liabilities held for trading	1,628.45	8,455.80	1,145.31	1,739.50
Notes payable	347,282.68	301,977.45	352,174.76	329,090.94
Accounts payable	851,473.64	835,599.98	705,387.03	603,056.54
Advance receipts	26,477.11	24,745.14	4,494.27	261.93
Contract liabilities	134,582.84	316,409.47	422,067.96	377,671.56
Accrued employee compensation	54,514.78	66,606.61	74,675.18	71,054.18
Taxes payable	54,610.90	70,969.97	65,180.93	39,288.77
Other payables	105,055.04	79,635.67	74,779.43	83,595.61
Current portion of non-current liabilities	203,265.28	216,741.53	66,511.97	268,108.70
Other current liabilities	28,899.41	48,160.15	59,839.92	51,959.86
Total current liabilities	**1,975,904.43**	**2,110,403.97**	**1,892,462.52**	**1,898,471.55**
Non-current liabilities:				
Long-term borrowings	210,641.38	263,299.51	616,423.61	431,342.03
Lease liabilities	106,235.13	105,008.42	120,181.33	125,077.72
Long-term payables	10,074.83	12,696.90	1,673.03	1,683.23
Long-term employee compensation payable	39,232.49	29,737.74	29,813.24	21,517.04
Contingent liabilities	28,117.66	24,674.76	31,192.72	32,919.72
Deferred revenue	24,344.06	24,876.91	22,743.61	21,044.31
Deferred income tax liabilities	12,328.21	11,184.35	14,355.60	32,596.78
Other non-current liabilities	1,689.73	159.93	461.34	1,637.07
Total non-current liabilities	**432,663.51**	**471,638.53**	**836,844.47**	**667,817.89**
Total liabilities	**2,408,567.93**	**2,582,042.50**	**2,729,306.99**	**2,566,289.44**

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
Shareholders' equity:				
Share capital	178,539.99	178,539.99	178,140.90	178,224.60
Capital surplus	455,704.97	458,657.69	540,998.31	534,960.38
Less: treasury stock	55,618.71	–	5,242.66	11,819.78
Other comprehensive income	4,561.39	–8,564.73	2,420.93	21,784.75
Special reserve	5,912.13	4,212.04	2,737.12	–
Legal reserve	102,351.95	102,351.95	102,351.95	102,351.95
Retained earnings	1,624,415.27	1,459,883.01	1,216,414.65	955,224.81
Total equity attributable to owners of the parent company	2,315,866.99	2,195,079.95	2,037,821.20	1,780,726.70
Minority interests	71,915.46	79,490.88	150,311.63	83,101.42
Total shareholders' equity	**2,387,782.45**	**2,274,570.84**	**2,188,132.83**	**1,863,828.12**
Total liabilities and shareholders' equity	**4,796,350.38**	**4,856,613.34**	**4,917,439.82**	**4,430,117.56**

2. Consolidated Income Statements for the Past Three Years and the Current Period

Unit: RMB0'000

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
I. Total operating revenue	3,076,716.75	3,705,204.19	3,642,323.65	3,204,330.60
Of which: operating revenue	3,074,480.95	3,702,456.63	3,639,595.67	3,202,090.81
Interest income	2,235.80	2,747.56	2,727.97	2,239.79
II. Total operating costs	2,684,398.08	3,231,820.30	3,267,348.76	2,900,515.31
Of which: cost of sales	2,362,384.85	2,814,073.88	2,862,473.61	2,540,472.65
Interest expense	463.83	1,090.86	1,340.26	983.45
Taxes and surcharges	12,400.79	15,030.89	18,086.55	16,670.30
Selling expenses	66,725.56	92,174.93	86,931.95	81,039.05
Administrative expenses	102,489.86	144,014.62	126,184.60	109,808.89
Research and development expenses	123,199.41	152,015.06	156,064.99	137,840.53
Financial expenses	16,733.78	13,420.05	16,266.80	13,700.44
Of which: interest expense	15,896.86	25,176.83	37,122.07	28,302.54
Interest income	4,544.64	8,757.56	12,679.28	12,082.12
Plus: other income	27,230.67	47,543.75	29,058.86	31,539.66
Investment income (losses are presented with a "–" sign)	5,868.99	14,863.86	12,619.80	22,823.47
Of which: investment income from associates and joint ventures	3,033.32	5,973.49	5,285.77	2,819.73
Gain on derecognition of financial assets measured at amortized cost	–	–435.48	–1,019.96	–1,261.22
Gain on changes in fair value (losses presented with a "–")	35,628.65	14,769.72	–5,646.26	3,895.58
Credit impairment loss (losses presented with a "–")	–25,170.44	–15,771.83	4,846.50	–13,719.45
Asset impairment loss (losses are presented with a "–" sign)	–901.74	–14,825.49	–7,740.41	–42,220.00
Gain on asset disposal (losses are presented with a "–")	664.15	1,648.96	1,111.23	1,412.13
III. Operating profit (losses presented with a "–")	**435,638.96**	**521,612.86**	**409,224.60**	**307,546.69**
Plus: non-operating income	1,304.60	5,154.40	2,293.62	1,928.69
Less: non-operating expenses	1,035.04	6,751.23	2,943.89	467.62
IV. Total profit (total loss presented with a "–" sign)	**435,908.52**	**520,016.02**	**408,574.34**	**309,007.75**
Less: income tax expense	65,453.58	98,057.44	61,666.77	46,207.27

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
V. Net profit (net loss presented with a "–" sign)	**370,454.94**	**421,958.58**	**346,907.57**	**262,800.48**
(I) By going concern basis	–	–	–	–
1. Net profit from continuing operations (net loss is presented with a "–" sign)	370,454.94	421,958.58	346,907.57	262,800.48
2. Net profit from discontinued operations (net loss is presented with a "–")	–	–	–	–
(II) By ownership classification	–	–	–	–
1. Net profit attributable to owners of the parent company (net loss is presented with a "–" sign)	364,497.05	393,383.61	327,396.27	253,823.49
2. Minority interest in net income (net loss is presented with a "–")	5,957.89	28,574.97	19,511.30	8,976.99
VI. Net other comprehensive income, net of tax	**13,126.12**	**–10,985.66**	**4,520.08**	**31,601.11**
(I) Net comprehensive income attributable to owners of the parent after tax	13,126.12	–10,985.66	4,520.08	31,601.11
(II) Net other comprehensive income attributable to minority interests after tax	–	–	–	–
VII. **Total Comprehensive Income**	**383,581.06**	**410,972.92**	**351,427.65**	**294,401.59**
(I) Total comprehensive income attributable to owners of the parent company	377,623.18	382,397.95	331,916.35	285,424.60
(II) Total comprehensive income attributable to minority interests	5,957.89	28,574.97	19,511.30	8,976.99
VIII Earnings per share:				
(I) Basic earnings per share (RMB/share)	2.08	2.21	1.85	1.45
(II) Diluted earnings per share (RMB/share)	2.07	2.21	1.85	1.45

3. Consolidated Cash Flow Statements for the Past Three Years and the Current Period

Unit: RMB0'000

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
I. Cash Flows from Operating Activities:				
Cash received from sales of goods and services	2,406,070.42	3,365,428.26	3,352,731.17	2,836,993.06
Tax refunds received	95,000.63	124,744.86	139,765.01	131,712.11
Cash received from other operating activities	90,741.27	72,634.90	81,322.92	83,459.25
Subtotal of cash inflows from operating activities	**2,591,812.32**	**3,562,808.02**	**3,573,819.10**	**3,052,164.42**
Cash paid for purchases of goods and services	1,865,749.72	2,367,547.66	2,516,638.95	2,096,189.31
Net increase in customer loans and advances	3,845.56	31,058.15	–4,945.52	–13,817.52
Cash paid to and on behalf of employees	282,941.21	362,712.45	328,146.25	359,658.65
Taxes and fees paid	271,217.12	289,564.61	313,245.77	272,490.17
Cash paid for other operating activities	80,291.39	117,677.37	115,056.18	111,997.15
Subtotal of cash outflows from operating activities	**2,504,045.00**	**3,168,560.24**	**3,268,141.62**	**2,826,517.76**
Net cash flow from operating activities	**87,767.32**	**394,247.77**	**305,677.48**	**225,646.66**

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
II. Cash flows from investing activities:				
Cash received from recovery of investments	905,670.09	1,055,339.11	1,135,484.69	745,935.40
Cash received from investment income	23,659.60	34,676.30	26,645.97	14,965.83
Net cash recovered from disposal of fixed assets, intangible assets, and other long-term assets	2,181.58	20,039.13	4,640.50	226.98
Net cash received from disposal of subsidiaries and other business units	–	–	–	26,461.22
Cash received from other activities related to investing activities	201.84	383.25	1,544.83	14,239.74
Subtotal of cash inflows from investing activities	**931,713.11**	**1,110,437.80**	**1,168,315.99**	**801,829.16**
Cash paid for acquisition of property, plant, and equipment, intangible assets, and other long-term assets	105,891.02	197,248.08	108,199.81	111,477.92
Cash paid for investments	687,448.48	969,530.83	1,190,049.82	1,023,042.88
Net cash paid to acquire subsidiaries and other business units	–	6,884.51	–	–
Cash paid for other investing activities	100.60	228.59	1,086.08	20,163.37
Subtotal of cash outflows from investing activities	**793,440.10**	**1,173,892.01**	**1,299,335.71**	**1,154,684.17**
Net cash flow from investing activities	**138,273.01**	**–63,454.21**	**–131,019.72**	**–352,855.01**

Item	30 September 2025	31 December 2024	31 December 2023	31 December 2022
III. Cash flows from financing activities:				
Cash received from investment activities	48,292.45	2,371.74	54,900.98	89,019.19
Of which: Cash received from minority shareholders' investment in subsidiaries	20,321.56	400.00	54,492.00	–
Cash received from obtaining loans	292,499.73	254,586.45	433,573.58	466,376.25
Cash received from other financing activities	62,765.55	46,667.19	18,660.30	18,462.62
Subtotal of cash inflows from financing activities	**403,557.73**	**303,625.37**	**507,134.85**	**573,858.06**
Cash paid to repay debt	360,722.20	386,687.35	422,745.21	283,323.89
Cash paid for dividends, profits, or interest payments	216,674.11	203,079.11	142,871.11	102,789.02
Of which: Dividends and profits paid by subsidiaries to minority shareholders	549.76	29,426.73	7,237.19	–
Cash paid for other financing activities	159,036.78	191,996.54	36,182.02	24,328.65
Subtotal of cash outflows from financing activities	**736,433.10**	**781,763.01**	**601,798.34**	**410,441.57**
Net cash flow from financing activities	**–332,875.37**	**–478,137.63**	**–94,663.49**	**163,416.50**
IV. Effect of exchange rate changes on cash and cash equivalents	**9,437.99**	**–2,937.17**	**5,198.45**	**4,567.58**
V. Net increase in cash and cash equivalents	**–97,397.04**	**–150,281.24**	**85,192.72**	**40,775.72**
Add: Cash and cash equivalents at beginning of period	298,632.68	448,913.92	363,721.20	322,945.48
VI. Cash and cash equivalents at end of period	**201,235.64**	**298,632.68**	**448,913.92**	**363,721.20**

(II) Changes in the Scope of Consolidated Financial Statements

The primary changes in the scope of consolidated financial statements for the three years ended 31 December and the current interim period are as follows:

1. Major Changes in the 2022 Consolidation Scope

Serial No.	Full Name of Subsidiary	Changes in Consolidation Scope
1	SEG Automotive E-Drive System Co., Ltd.	Newly established subsidiary newly included
2	Zhengzhou Hengda Kunpeng Technology Co., Ltd. (Note)	Newly established subsidiary newly included
3	ASIMCO Technologies (Yizheng) Co., Ltd.	Newly established subsidiary newly included
4	ZMJ Emerging Industry Investment (Henan) Partnership (Limited Partnership)	Newly established subsidiary newly included
5	Hubei Super-Elec Auto Electric Motor Co., Ltd.	Disposed subsidiary no longer included
6	SEG New Energy Automobile Technology Co., Ltd.	Completed deregistration, no longer included

Note: Renamed from "Zhengzhou Hengda Intelligent Control Technology Co., Ltd." to "Zhengzhou Yingzhike Technology Co., Ltd." on 9 September 2022; renamed from "Zhengzhou Yingzhike Technology Co., Ltd." to "Zhengzhou Hengda Kunpeng Technology Co., Ltd." on 27 December 2024.

2. Major Changes in the Scope of Consolidation for 2023

None.

3. Major Changes in the Scope of Consolidation in 2024

Serial No.	Full Name of Subsidiary	Changes in Consolidation Scope
1	Zhengzhou Coal Mining Intelligent Working Face Technology Co., Ltd.	Newly included after acquiring control through capital increase
2	Zhengzhou Coal Mining Machinery Mining Crane (Zhengzhou) Co., Ltd.	Newly established subsidiary newly included

4. Major Changes in Consolidation Scope for January to September 2025

No.	Full Name of Subsidiary	Changes in Consolidation Scope
1	ASIMCO Automotive Components (Chongqing) Co., Ltd.	Newly established subsidiary newly included
2	Chuangxin Digital Intelligence (Henan) Technology Co., Ltd.	Newly established subsidiary newly included
3	ASIMCO Thermal Management Technology (Yizheng) Co., Ltd.	Newly established subsidiary newly included
4	ZMJ Technology R&D Center (Beijing) Co., Ltd.	Newly established subsidiary newly included
5	ZMJ Germany GmbH	Completed deregistration, no longer included
6	SMG Acquisition Luxembourg Holdings S.à r.l.	Completed deregistration, no longer included

(III) Key Financial Indicators for the Past Three Years and the Current Period

1. Company's Asset Income Performance for the Past Three Years and the Current Period

The Company has calculated the return on net assets in accordance with the China Securities Regulatory Commission's "Rules for the Preparation and Disclosure of Information by Companies Issuing Securities to the Public No. 9—Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Revision)" (CSRC Announcement [2010] No. 2) and the "Interpretative Announcement No. 1 on Information Disclosure by Companies Issuing Securities to the Public—Non-Recurring Gains and Losses (2023 Revision)" (CSRC Announcement [2023] No. 65), the net asset return and earnings per share are calculated as follows:

Item		January to September 2025	2024	2023	2022
Before non-recurring gains and losses	Basic earnings per share (RMB/share)	2.075	2.212	1.853	1.446
	Diluted earnings per share (RMB/share)	2.074	2.212	1.848	1.446
Return on equity before non-recurring gains and losses (weighted average) (%)		16.01%	18.34%	17.15%	15.74%
After deducting non-recurring gains and losses	Basic earnings per share (RMB/share)	1.796	2.026	1.713	1.147
	Diluted earnings per share (RMB/share)	1.795	2.026	1.709	1.147
Return on equity after deducting non-recurring gains and losses (weighted average) (%)		13.86%	16.93%	15.96%	12.50%

Note: Data for January to September 2025 is not annualized.

2. Other Key Financial Indicators

Item	30 September 2025/ January to September 2025	31 December 2024/ Full Year 2024	31 December 2023/ Full Year 2023	31 December 2022/ Full Year 2022
Current Ratio (times)	1.72	1.66	1.93	1.76
Quick Ratio (times)	1.33	1.21	1.44	1.35
Debt-to-asset ratio (consolidated)	50.22%	53.17%	55.50%	57.93%
Debt-to-asset ratio (parent company)	34.53%	42.86%	48.99%	45.72%
Net asset per share (RMB/share)	12.97	12.29	11.44	9.99
Accounts receivable turnover ratio (times/year)	2.75	4.33	5.00	5.15
Inventory turnover ratio (times/year)	2.76	3.00	3.31	3.61
Interest coverage ratio (times)	28.42	21.65	12.01	11.92

Note:

1. Financial indicator calculation formulas are as follows:

   (1) Current ratio = current assets/current liabilities;

   (2) Quick ratio = (current assets - inventory)/current liabilities;

   (3) Debt-to-asset ratio = total liabilities/total assets;

   (4) Book value per share = equity attributable to parent company shareholders / total shares outstanding at period end;

   (5) Accounts receivable turnover = revenue/average book value of accounts receivable;

   (6) Inventory turnover ratio = cost of goods sold/average book value of inventory;

   (7) Interest coverage ratio = (total profit + interest expense)/interest expense;

2. Data for January to September 2025 is not annualized.

(IV) Analysis of the Company's Financial Condition

1. Asset Analysis

The composition of the Company's assets for the past three years and the most recent period is shown in the table below:

Unit: RMB0'000, %

Item	30 September 2025		31 December 2024		31 December 2023		31 December 2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current Assets:								
Monetary funds	288,563.96	6.02	401,766.30	8.27	587,683.52	11.95	438,049.53	9.89
Trading financial assets	499,256.20	10.41	665,212.35	13.70	631,653.75	12.85	617,587.49	13.94
Derivative financial assets	–	–	–	–	1,033.41	0.02	–	–
Notes receivable	98,389.43	2.05	136,207.43	2.80	123,754.25	2.52	166,372.29	3.76
Accounts receivable	1,308,598.57	27.28	924,484.07	19.04	785,892.46	15.98	670,082.61	15.13
Accounts receivable financing	146,014.83	3.04	168,499.48	3.47	261,055.25	5.31	283,060.18	6.39
Prepayments	114,763.13	2.39	68,091.13	1.40	63,475.77	1.29	94,454.80	2.13
Other receivables	49,102.57	1.02	34,817.12	0.72	23,266.98	0.47	34,440.67	0.78
Inventories	767,551.91	16.00	945,366.62	19.47	929,929.27	18.91	783,512.41	17.69
Assets held for sale	9,107.17	0.19	9,107.17	0.19	9,107.17	0.19	–	–
Non-current assets due within one year	38,595.32	0.80	26,889.86	0.55	24,520.44	0.50	13,899.55	0.31
Other current assets	71,944.89	1.50	124,753.27	2.57	210,876.23	4.29	238,651.74	5.39
Total current assets	**3,391,888.00**	**70.72**	**3,505,194.80**	**72.17**	**3,652,248.51**	**74.27**	**3,340,111.26**	**75.40**

Item	30 September 2025		31 December 2024		31 December 2023		31 December 2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Non-current assets:								
Long-term receivables	40,456.38	0.84	37,404.69	0.77	27,477.09	0.56	20,340.80	0.46
Long-term equity investments	79,266.49	1.65	72,339.74	1.49	77,718.47	1.58	27,886.83	0.63
Other equity instruments	72,062.97	1.50	42,062.97	0.87	40,945.48	0.83	79,817.18	1.80
Other non-current financial assets	32,481.58	0.68	88,412.85	1.82	126,955.85	2.58	34,682.87	0.78
Investment property	24,906.10	0.52	26,067.09	0.54	31,835.75	0.65	33,600.36	0.76
Fixed assets	627,779.61	13.09	602,449.76	12.40	485,063.01	9.86	442,641.28	9.99
Construction in progress	115,288.46	2.40	99,851.17	2.06	105,764.24	2.15	67,060.45	1.51
Right-of-use assets	116,195.21	2.42	113,637.30	2.34	128,534.00	2.61	132,259.06	2.99
Intangible assets	144,182.54	3.01	151,850.56	3.13	119,168.01	2.42	101,181.74	2.28
Development expenditures	41,815.16	0.87	25,069.92	0.52	16,276.50	0.33	42,987.79	0.97
Goodwill	8,828.28	0.18	8,828.28	0.18	8,828.28	0.18	13,190.51	0.30
Long-term deferred expenses	18,477.94	0.39	16,143.73	0.33	15,998.58	0.33	17,170.74	0.39
Deferred income tax assets	40,420.17	0.84	37,248.64	0.77	37,741.33	0.77	46,070.30	1.04
Other non-current assets	42,301.50	0.88	30,051.82	0.62	42,884.70	0.87	31,116.37	0.70
Total non-current assets	**1,404,462.39**	**29.28**	**1,351,418.54**	**27.83**	**1,265,191.31**	**25.73**	**1,090,006.30**	**24.60**
Total assets	**4,796,350.38**	**100.00**	**4,856,613.34**	**100.00**	**4,917,439.82**	**100.00**	**4,430,117.56**	**100.00**

As of the end of 2022, 2023, 2024, and September 2025, the Company's total assets amounted to RMB44,301,175,600, RMB49,174,398,200, RMB48,566,133,400, and RMB47,963,503,800, respectively.

From the perspective of overall asset structure, the company maintains a high proportion of current assets. As of the end of 2022, 2023, 2024, and September 2025, the company's current assets amounted to RMB33,401,112,600, RMB36,522,485,100, RMB35,051,948,000 and RMB33,918,880,000, respectively, representing 75.40%, 74.27%, 72.17% and 70.72% of total assets, respectively. Within current assets, accounts receivable, inventory, trading financial assets, and cash and cash equivalents constitute relatively significant proportions.

As of the end of 2022, 2023, 2024, and September 2025, the Company's total non-current assets amounted to RMB10,900,063,000, RMB12,651,913,100, RMB13,514,185,400 and RMB14,044,623,900, respectively, with non-current assets accounting for 24.60%, 25.73%, 27.83%, and 29.28% of total assets, respectively. Fixed assets constitute a relatively high proportion of the Company's non-current assets.

2. Liability Analysis

The composition and changes in the Company's liabilities over the past three years and the most recent period are shown in the table below:

Unit: RMB0'000, %

Item	30 September 2025		31 December 2024		31 December 2023		31 December 2022	
	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Current Liabilities:								
Short-term loans	168,114.29	6.98	141,102.19	5.46	66,205.77	2.43	72,643.96	2.83
Financial liabilities held for trading	1,628.45	0.07	8,455.80	0.33	1,145.31	0.04	1,739.50	0.07
Notes payable	347,282.68	14.42	301,977.45	11.70	352,174.76	12.90	329,090.94	12.82
Accounts payable	851,473.64	35.35	835,599.98	32.36	705,387.03	25.84	603,056.54	23.50
Advance receipts	26,477.11	1.10	24,745.14	0.96	4,494.27	0.16	261.93	0.01
Contract liabilities	134,582.84	5.59	316,409.47	12.25	422,067.96	15.46	377,671.56	14.72
Accrued employee compensation	54,514.78	2.26	66,606.61	2.58	74,675.18	2.74	71,054.18	2.77
Taxes payable	54,610.90	2.27	70,969.97	2.75	65,180.93	2.39	39,288.77	1.53
Other payables	105,055.04	4.36	79,635.67	3.08	74,779.43	2.74	83,595.61	3.26
Non-current liabilities due within one year	203,265.28	8.44	216,741.53	8.39	66,511.97	2.44	268,108.70	10.45
Other current liabilities	28,899.41	1.20	48,160.15	1.87	59,839.92	2.19	51,959.86	2.02
Total current liabilities	**1,975,904.43**	**82.04**	**2,110,403.97**	**81.73**	**1,892,462.52**	**69.34**	**1,898,471.55**	**73.98**
Non-current liabilities:								
Long-term borrowings	210,641.38	8.75	263,299.51	10.20	616,423.61	22.59	431,342.03	16.81
Lease liabilities	106,235.13	4.41	105,008.42	4.07	120,181.33	4.40	125,077.72	4.87
Long-term payables	10,074.83	0.42	12,696.90	0.49	1,673.03	0.06	1,683.23	0.07
Long-term employee compensation payable	39,232.49	1.63	29,737.74	1.15	29,813.24	1.09	21,517.04	0.84
Estimated liabilities	28,117.66	1.17	24,674.76	0.96	31,192.72	1.14	32,919.72	1.28
Deferred revenue	24,344.06	1.01	24,876.91	0.96	22,743.61	0.83	21,044.31	0.82
Deferred income tax liabilities	12,328.21	0.51	11,184.35	0.43	14,355.60	0.53	32,596.78	1.27
Other non-current liabilities	1,689.73	0.07	159.93	0.01	461.34	0.02	1,637.07	0.06
Total non-current liabilities	432,663.51	17.96	471,638.53	18.27	836,844.47	30.66	667,817.89	26.02
Total liabilities	**2,408,567.93**	**100.00**	**2,582,042.50**	**100.00**	**2,729,306.99**	**100.00**	**2,566,289.44**	**100.00**

As of the end of 2022, 2023, 2024, and September 2025, the Company's total liabilities amounted to RMB25,662,894,400, RMB27,293,069,900, RMB25,820,425,000 and RMB24,085,679,300, respectively.

From the perspective of the overall debt structure, the company's current liabilities account for a relatively high proportion. As of the end of 2022, 2023, 2024, and September 2025, the Company's current liabilities amounted to RMB18,984,715,500, RMB18,924,625,200, RMB21,104,039,700 and RMB19,759,044,300, respectively, accounting for 73.98%, 69.34%, 81.73%, and 82.04% of total liabilities, respectively. Accounts payable, notes payable and contract liabilities accounted for relatively high proportions within the Company's current liabilities.

As of the end of 2022, 2023, 2024, and September 2025, the Company's non-current liabilities were RMB6,678,178,900, RMB8,368,444,700, RMB4,716,385,300 and RMB4,326,635,100,

respectively, accounting for 26.02%, 30.66%, 18.27%, and 17.96% of total liabilities, respectively. The proportion of medium- and long-term borrowings within the company's non-current liabilities was relatively high.

3. Debt Repayment and Operational Capacity Analysis

The Company's debt repayment and operational capacity analysis at the end of each period for the last three years and the current period is as follows:

(1) Debt-to-Asset Ratio

Item	30 September 2025	31 December 2024	31 December 2024	31 December 2024
Debt-to-asset ratio (consolidated)	50.22%	53.17%	55.50%	57.93%
Debt-to-asset ratio (parent company)	34.53%	42.86%	48.99%	45.72%

Note: Debt-to-asset ratio = total liabilities / total assets.

As of the end of 2022, 2023, 2024, and September 2025, the Company's consolidated debt-to-asset ratio were 57.93%, 55.50%, 53.17%, and 50.22%, respectively, showing an overall decline.

(2) Current Ratio and Quick Ratio

Item	30 September 2025	31 December 2024	31 December 2024	31 December 2024
Current ratio (times)	1.72	1.66	1.93	1.76
Quick ratio (times)	1.33	1.21	1.44	1.35

Note:

1. Current ratio = current assets / current liabilities;

2. Quick ratio = (current assets - inventory) / current liabilities.

As of the end of 2022, 2023, 2024, and September 2025, the company's current ratios were 1.76, 1.93, 1.66, and 1.72, respectively, while its quick ratios were 1.35, 1.44, 1.21, and 1.33, respectively.

(3) Key Asset Turnover Ratios

Item	January to September 2025	2024	2023	2022
Accounts receivable turnover ratio (times/year)	2.75	4.33	5.00	5.15
Inventory turnover ratio (times/year)	2.76	3.00	3.31	3.61

Note:

1. Accounts receivable turnover = total operating revenue / average book value of accounts receivable;

2. Inventory turnover ratio = cost of goods sold / average book value of inventory;

3. Data for January to September 2025 is not annualized.

For the years 2022, 2023, 2024, and January to September 2025, the Company's accounts receivable turnover rates were 5.15 times/year, 5.00 times/year, 4.33 times/year, and 2.75 times/year (unannualized), respectively. Inventory turnover rates were 3.61 times/year, 3.31 times/year, 3.00 times/year, and 2.76 times/year (unannualized), respectively.

4. Company Profitability Analysis

Unit: RMB0'000

Item	January to September 2025	2024	2023	2022
Revenue	3,074,480.95	3,702,456.63	3,639,595.67	3,202,090.81
Operating profit	435,638.96	521,612.86	409,224.60	307,546.69
Total profit	435,908.52	520,016.02	408,574.34	309,007.75
Net profit	370,454.94	421,958.58	346,907.57	262,800.48
Of which: Net profit attributable to owners of the parent company	364,497.05	393,383.61	327,396.27	253,823.49

For the years 2022, 2023, 2024, and January to September 2025, the Company's operating revenues were RMB32,020,908,100, RMB36,395,956,700, RMB37,024,566,300, and RMB30,744,809,500, respectively. The Company's net profit attributable to shareholders of the parent company was RMB2,538,234,900, RMB3,273,962,700, RMB3,933,836,100, and RMB3,644,970,500, respectively, demonstrating steady growth in both operating revenue and net profit.

IV. USE OF PROCEEDS FROM THE ISSUANCE TO NON-SPECIFIC INVESTORS

The Company intends to issue A-share Convertible Bonds to non-specific investors, with the total proceeds not exceeding RMB4.35 billion (inclusive). The net proceeds from the issuance, after deducting issuance expenses, will be invested in the following projects:

Unit: RMB100 million

No.	Project Name	Total Investment	Proposed Allocation of Proceeds
1	New Energy Vehicle High-End Components Industrial Base Project	21.87	18.65
2	Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	6.11	5.35
3	Intelligent Manufacturing Full-Scene R&D Center Project	3.98	2.80
4	Intelligent Mobile Robot Manufacturing Base Project	6.19	4.70
5	Working Capital Supplement	12.00	12.00
Total		**50.15**	**43.50**

If the actual proceeds from the Issuance (after deducting issuance expenses) are less than the total amount planned for investment in this fundraising, the Company's Board of Directors (or persons authorized by the Board of Directors) will arrange the specific use of the proceeds based on the importance and urgency of the fundraising purposes. The shortfall will be addressed through self-proceeds. Without altering the fundraising investment projects of the Issuance, the Company's Board of Directors (or persons authorized by the Board of Directors) may appropriately adjust the sequence and amount of fundraising investments for the aforementioned projects based on actual project needs.

Prior to the receipt of proceeds from the Issuance of A-share Convertible Bonds, the Company will advance funds from self-raised sources based on the actual progress of the fundraising investment projects. Upon receipt of the proceeds, the Company will replace such advanced funds in accordance with the procedures stipulated by relevant laws and regulations.

V. THE COMPANY'S PROFIT DISTRIBUTION

(I) Current Profit Distribution Policy of the Company

The specific provisions regarding profit distribution in the Company's currently effective Articles of Association are as follows:

"**Article 251** In distributing its after-tax profits, the Company shall allocate ten percent (10%) of its after-tax profits to the statutory common reserve fund of the Company. Allocation to the company's statutory common reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory common reserve fund of the Company is not sufficient to cover the Company's loss from the previous year, the current year profits shall be used to cover such loss before allocation is made to the statutory common reserve fund pursuant to the previous paragraph.

After allocation to the statutory common reserve fund has been made from the after-tax profits of the Company, 10% of the discretionary surplus reserve fund shall be allocated from the after-tax profits.

After the Company has covered its loss and made allocation to the reserve funds, the remainder of the after-tax profits shall be distributed to the shareholders in proportion to their share holdings, unless otherwise stipulated in the Company's Articles of Association.

If the shareholders' general meeting, in violation of the previous paragraph, distributes profits to shareholders before covering losses of the Company and making allocation to the Company's statutory common reserve fund, the profit so distributed must be returned to the Company

The shares of the Company held by the Company may not apply to profit distribution.

Article 252 The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. However, capital reserves may not be used to cover the losses of the Company.

When the statutory common reserve fund is to be converted into capitals, the amount remaining in the said statutory common reserve fund may not fall below 25% of the registered capital.

Article 253 When a resolution with respect of profit distribution is passed at the shareholders' general meeting of the Company pursuant to pertinent laws and regulations of the Company, the Company shall complete such profit distribution and capitalization of capital reserves into share capital within two (2) months upon adoption of such resolution in the shareholders' general meeting, or within two (2) months after the Board of Directors formulates a specific plan based on the interim cash dividend conditions and ceilings approved by the annual shareholders' general meeting.

Article 254 The profit distribution policies of the Company shall observe the following provisions:

(I) Profit distribution of the Company shall reflect a reasonable investment return to the investors and, by giving considerations to the reasonable capital demands of the Company, work out a profit distribution plan in conformity with the sustainable development requirement and profit optimization principle of the Company by referring to factors such as the volume of stocks, development strategies, investment plans, profit growths and cash flows;

(II) The Company may pay dividends in the form of cash or shares and may conduct interim dividend distribution in the form of cash. If the cash flow allows, profit distribution should be conducted in the form of cash.

(III) The conditions of cash dividend of the Company: when the Company records a profit for the year and the cumulative undistributed profit for the year, after making up for losses in previous years and allocation to the common reserve fund in accordance with laws, is positive in value, and where the auditing firm issues a unqualified audit opinion on the financial report of the Company for the year, the Company may prioritize distribution of dividend in cash. If the Company distributes dividend in cash, it shall follow the rules below:

(1) if the Company is in a mature development stage without significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 80%;

(2) if the Company is in a mature development stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 40%;

(3) if the Company is in a growth stage with significant cash outlay arrangements, the minimum percentage of cash dividend in profit distribution shall be 20%;

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution. Major investment or significant cash expenditure refers to the proposed external investment by the Company within the next twelve months, asset acquisition (including land use rights) or facilities procurement with accumulated expenditure amounting to or exceeding 10% of the latest audited net assets of the Company.

(IV) Specific conditions for dividend distribution in shares: provided that the Company's business is in a sound condition and the reasonable scale of share capital of the Company is ensured, and the Board of the Company believes dividend payment in shares will be in the interests of all shareholders of the Company, the Company may propose to distribute dividends in shares and implement upon the consideration and approval at the general meeting;

(V) The profits of the Company to be distributed shall not go beyond the scope of cumulative distributable profits.

(VI) When profits are obtained in the current year and after the Company has sufficiently allocated to the statutory common reserve fund, the cumulative profits distributed in cash for the last three (3) years shall not be less than 30% of the average distributable profits realized for the last (3) years.

(VII) Where there is a change in the Company's control resulting from securities issuance, material asset reorganization, merger, division or acquisition, the Company shall disclose in details the cash dividend policy and relevant arrangements after such offering, issuance, reorganization or change in the control, as well as the Board's explanation of the aforesaid, in the prospectus, offering proposal, material asset reorganization report, report of change of interest or acquisition report;

(VIII) On the premise that the return to shareholders has been thoroughly considered and the legitimate rights and interests of the public shareholders are guaranteed, if the Company realizes profits at the current year, the Board of Directors shall bring forward scientific and reasonable profit distribution suggestions and proposal and submit them to the shareholders' general meeting for voting. The Company shall practically secure the right of public shareholders to attend the shareholders' general meeting, and the Board of Directors, independent Directors and shareholders meeting certain conditions may solicit the right to vote at the shareholders' general meeting from shareholders of the Company.

(IX) Decision-making processes and mechanisms for profit distribution of the Company

1. The Board of Directors of the Company shall devise a reasonable dividend distribution recommendation and proposal based on the profitability, capital requirements and shareholders' returns plan of the Company and implement after the consideration and approval at the general meeting upon the consideration and approval by the Board. Any adjustment thereof shall go through the procedures above again. The independent Directors of the Company shall examine the profit distribution proposal and issue independent opinions thereon; independent Directors may solicit opinions of minority shareholders and prepare a dividend distribution proposal and submit it directly to the Board for consideration.

2. The Company shall strictly implement its cash dividend policy as determined in the Articles of Association and the specific cash dividend proposal as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association, it is required to satisfy the conditions under the Articles of Association and execute appropriate decision-making procedures after substantiation. The adjustment or changes shall be passed by shareholders representing not less than two-thirds of voting rights held by all shareholders present at the meeting; the independent Directors shall give explicit opinion on matters such as the truthfulness, adequacy and reasonableness of the reasons for adjustments and changes, truthfulness and validity of the approval procedures as well as its compliance with the conditions required in the Articles of Association, and communicate and exchange ideas with minority shareholders before the general meeting and give timely reply to issues that concern minority shareholders. Independent directors may collect opinions from shareholders through network voting system, if necessary.

3. Specific conditions for the Company to adjust the cash dividend policy: (1) the Company suffers from losses or has issued loss warning announcement; (2) the balance of cash, excluding cash raised from capital markets and cash within special funding for special purposes or special account management funding such as a government special financial funds (including bank deposits and bonds with high liquidity), is not sufficient to pay the cash dividends within two months from the date of general meeting approving the profit distribution; (3) the following established dividend policy will render if impossible for the material investment projects and material transactions approved by the general meeting or the Board of Directors of the Company to be implemented according to established transaction plans; (4) the Board has reasonable grounds to believe that following the established dividend policy will have material adverse impact on the continuing operation and profitability of the Company.

(X) Mechanism for supervision and limiting on cash dividend

1. The audit and risk management committee shall supervise the implementation of dividend distribution policy by and shareholders' returns plan of the Board of Directors and the management, and the execution and decision-making procedures thereof;

2. The Board and the general meeting of the Company shall, in the decision-making and substantiation process in respect of profit distribution policy, fully consider the opinions of independent Directors and minority shareholders. When considering the specific plan on cash dividend distribution in the general meeting, active communication and exchange with shareholders, especially minority shareholders, shall be conducted via different channels, including but not limited to telephone, facsimile, e-mails, letters and the Internet, to thoroughly listen to the views and needs of minority shareholders, and reply to questions concerned by minority shareholders shall also be made in a timely manner;

3. If profit is recorded but the Board of Directors of the Company does not put forth a cash dividend distribution proposal, reasons therefor and the use of capital that may otherwise be used as dividends but has been retained by the Company shall be disclosed in its periodic report, and independent Directors shall express explicit independent opinions thereon;

4. The Company shall fully disclose the formulation and execution of the cash distribution policy in its periodical reports. The report shall explain: whether the profit distribution is in compliance with the Company' s Articles of Association or with the general meeting resolution; whether the standard and proportion of profit distribution is precise and clear; whether the decision-making procedures and mechanisms are adequate; whether the independent Directors have fulfilled their responsibilities and played their role; whether the minority shareholders have the opportunity to fully express their views and needs; whether the legitimate rights and interests of minority shareholders are fully protected and so forth. In the event that adjustment or change of the cash distribution policy is carried out, full explanation shall also be given as to whether the conditions and procedures for the adjustment or change are compliant and transparent."

(II) Profit Distribution Status of the Company in the Past Three Years

1. The Company's 2022 Profit Distribution Plan

As is considered and approved at the 2022 Annual General Meeting held on 25 May 2023, on the basis of total share capital of 1,782,245,970 shares prior to the implementation of the plan, a cash dividend of RMB0.56 per share (tax inclusive) will be distributed, totaling RMB998,057,743.20 (tax inclusive).

2. The Company's 2023 Profit Distribution Plan

As is considered and approved at the 2023 Annual General Meeting held on 12 June 2024, on the basis of total share capital of 1,785,537,930 shares prior to the implementation of the plan, a cash dividend of RMB0.84 per share (tax inclusive) will be distributed, totaling RMB1,499,851,861.20 (tax inclusive).

3. The Company's 2024 Profit Distribution Plan

As is considered and approved at the 2024 Annual General Meeting held on 5 June 2025: on the basis of total share capital of 1,785,399,930 shares prior to the implementation of the plan, a cash dividend of RMB1.12 per share (tax inclusive) will be distributed, totaling RMB1,999,647,921.60 (tax inclusive).

The Company's cash dividend distribution for 2022-2024 is as follows:

Unit: RMB0'000

Item	2024	2023	2022
Cash Dividend Amount (including tax)	199,964.79	149,985.19	99,805.77
Cash dividends paid through other means (e.g., share repurchases)	–	–	–
Net profit attributable to ordinary shareholders of the listed company in the consolidated financial statements for the dividend year	393,383.61	327,396.27	253,823.49
Ratio of cash dividends (including other forms) to net profit attributable to common shareholders of the listed company in the consolidated financial statements	50.83%	45.81%	39.32%
Cumulative cash dividends (including other forms) over the past three years			449,755.75
Average annual distributable net profit over the past three years			324,867.79
Cumulative cash dividends paid over the past three years (including other forms) / Average annual distributable net profit over the past three years			138.44%

The Company has distributed a total of RMB4,497,557,500 in profits via cash dividends (including other methods) over the past three years, representing 138.44% of the average annual distributable profits achieved during this period. The Company's cash dividend policy complies with the relevant regulations of CSRC and the Articles of Association.

(III) Shareholder Return Plan for the Next Three Years

In accordance with the "Guidance on Listed Companies No. 3 - Cash Dividends of Listed Companies," the "Shanghai Stock Exchange Self Regulatory Guidance No. 1 - Standardized Operations," the Articles of Association, and other relevant regulations, and based on actual circumstances, the Company convened its 13th Meeting of the Sixth Session of Board of Directors on 28 March 2025, at which the "Zhengzhou Coal Mining Machinery Group Co., Ltd. Three-Year (2025-2027) Shareholder Return Plan" was considered and approved. This plan was subsequently considered and approved at the 2024 Annual General Meeting held on 5 June 2025.

VI. STATEMENT BY THE BOARD OF DIRECTORS OF THE COMPANY REGARDING THE ABSENCE OF BREACH OF TRUST

According to the Memorandum of Cooperation on Implementation of Joint Punishments to the Defaulter (《關於對失信被執行人實施聯合懲戒的合作備忘錄》) (Fa Gai Cai Jin [2016] No. 141) and the Memorandum of Cooperation on Implementation of Joint Punishments to the Defaulted Customs Enterprise (《關於對海關失信企業實施聯合懲戒的合作備忘錄》) (Fa Gai Cai Jin [2017] No. 427) and by searching on www.creditchina.gov.cn and the National Enterprise Credit Information Publicity System, the Company and its subsidiaries have not been listed as defaulters such as defaulted customs enterprises, and no default has occurred that may affect the issuance of A Share Convertible Corporate Bonds to non-specific investors by the Company.

VII. DECLARATION BY THE COMPANY'S BOARD OF DIRECTORS REGARDING FUTURE REFINANCING PLANS WITHIN THE NEXT TWELVE MONTHS

Regarding other refinancing plans within the next twelve months, apart from the current Issuance of A-share Convertible Bonds to non-specific investors, the following statement is hereby made by the Board of the Company: "From the date when the plan on the issuance of A Share Convertible Corporate Bonds to non-specific investors is considered and approved at the general meeting of the Company, the Company will determine whether to implement other refunding plans within the next twelve months in accordance with its business development".

Board of Directors
of
ZCZL Industrial Technology Group Company Limited

15 January 2026

A-share Stock Abbreviation: 中創智領 **Stock Code: 601717**
H-share Stock Abbreviation: ZCZL **Stock Code: 0564**

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

(No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone)

DISCUSSION AND ANALYSIS REPORT ON THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

January 2026

SECTION I: NECESSITY OF THE CURRENT SECURITIES ISSUANCE AND SELECTION OF SECURITIES TYPE

ZCZL Industrial Technology Group Company Limited (hereinafter referred to as "**ZCZL**", the "**Company**" or the "**Issuer**") is a listed company of the main board of both the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. To meet the capital requirements for the development of the Company, expand its operational scale, enhance its comprehensive competitiveness and improve profitability, based on its actual circumstances and in accordance with the relevant requirements of the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), and the Measures for the Administration of Securities Issuance Registration of Listed Companies (hereinafter referred to as the "**Registration Measures**"), the Company intends to raise funds through the Issuance of A-share convertible bonds to non-specific investors (hereinafter referred to as the "Issuance"; the convertible bonds is referred to as the "**Convertible Bonds**").

I. TYPE OF SECURITIES TO BE ISSUED

The type of securities under the Issuance is convertible bonds convertible into the Company's A-shares. These A-share convertible bonds and the future converted A-shares will be listed on the main board of the Shanghai Stock Exchange.

II. FEASIBILITY AND NECESSITY OF THE CURRENT FUNDRAISING INVESTMENT PROJECTS

The fundraising projects for the Issuance of A-share convertible bonds to non-specific investors have undergone careful deliberation by the Company. The implementation of these projects will further enhance the Company's core competitiveness and strengthen its sustainable development capabilities. For detailed analysis, please refer to the "Feasibility Analysis Report on the Use of Proceeds of the Issuance of A-share Convertible Bonds to non-specific investors by ZCZL Industrial Technology Group Company Limited" published on the website of Shanghai Stock Exchange on 16 January 2026.

SECTION II: APPROPRIATENESS OF THE SELECTION SCOPE, QUANTITY, AND CRITERIA FOR THE TARGET OF THE ISSUANCE

I. APPROPRIATENESS OF THE SELECTION SCOPE FOR THE TARGET OF THE ISSUANCE

The specific issuance method for these A-share convertible bonds is submitted to the general meeting for authorization to the Board of Directors (or persons authorized by the Board of Directors) to determine through consultation with the lead underwriter in accordance with relevant laws and regulations. The target of the Issuance for these A-share convertible bonds are natural persons, legal entities, securities investment funds and other investors meeting legal requirements (excluding those prohibited by national laws and regulations) holding securities accounts with China Securities Depository and Clearing Corporation Limited, Shanghai Branch.

The A-share convertible bonds shall be offered with priority to the Company's existing A-shareholders, who shall have the right to waive their subscription rights. The specific priority allocation ratio for existing A-shareholders is submitted to the general meeting for authorization to the Board of Directors (or persons authorized by the Board of Directors) to determine based on the specific circumstances at the time of issuance, and shall be disclosed in the Issuance announcement for these A-share convertible bonds. The portion remaining after the preferential allocation to existing A-shareholders and the portion resulting from existing A-shareholders waiving their preferential rights shall be issued through an online fixed-price offering via the Shanghai Stock Exchange trading system, or through a combination of offline placement to institutional investors and online fixed-price offering via the Shanghai Stock Exchange trading system. Any remaining portion shall be underwritten by the underwriters. The specific issuance method is subject to authorization by the general meeting for the Board of Directors (or persons authorized by the Board of Directors) to determine in consultation with the lead underwriter for the Issuance.

The selection scope of the target of the Issuance complies with the relevant laws, regulations, and prescriptive documents of the China Securities Regulatory Commission and the Shanghai Stock Exchange, and the selection scope is appropriate.

II. APPROPRIATENESS OF THE NUMBER OF TARGETS OF THE ISSUANCE

The target of the Issuance of A-share convertible bond include natural persons, legal entities, securities investment funds, and other investors meeting legal requirements (excluding those prohibited by national laws and regulations) holding securities accounts with China Securities Depository and Clearing Corporation Limited, Shanghai Branch.

The criteria for the target of the Issuance comply with the relevant laws, regulations, and prescriptive documents of the CSRC and the Shanghai Stock Exchange, and the number of targets of the Issuance is appropriate.

III. APPROPRIATENESS OF THE CRITERIA FOR THE TARGET OF THE ISSUANCE

The subscribers for this A-share convertible bond issuance should possess a certain level of risk identification and risk-bearing capacity, as well as corresponding financial strength.

The criteria for the target of the Issuance comply with the relevant requirements of the "Registration Administration Measures" and other applicable laws, regulations, and prescriptive documents. The criteria for the target of the Issuance are appropriate.

SECTION III: REASONABLENESS OF THE PRICING PRINCIPLES, BASIS, METHODOLOGY AND PROCEDURES FOR THE ISSUANCE

I. REASONABLENESS OF PRICING PRINCIPLES FOR THE ISSUANCE

The Company will determine the Issuance period after obtaining the CSRC's approval decision for the registration of the Issuance and consulting with the lead underwriter. The pricing principles for the Issuance are as follows:

(i) Bond Coupon Rate

The method for determining the coupon rate of the A-share convertible bonds issued in the Issuance and the final interest rate level for each interest-bearing year shall be authorized by the general meeting to the Board of Directors (or persons authorized by the Board of Directors) to determine in consultation with the lead underwriter prior to issuance, based on national policies, market conditions, and the specific circumstances of the Company.

(ii) Determination and Adjustment of Conversion Price

1. Basis for Determination of Initial Conversion Price

The initial conversion price for the A-share Convertible Bonds issued shall not be lower than the average trading price of the Company's A-shares over the twenty trading days preceding the date of announcement of the prospectus (if share price adjustments due to ex-rights or ex-dividend events occurred during such twenty trading days, the average trading price for the days prior to such adjustments shall be calculated based on prices adjusted for the corresponding ex-rights or ex-dividend events) and the average trading price of the Company's A-shares on the preceding trading day. The specific initial conversion price shall be determined by the Board of Directors (or its authorized representative) prior to issuance, based on market conditions and the Company's specific circumstances, through consultation with the lead underwriter, subject to authorization by the Company's general meeting.

Average trading price of the Company's A-shares over the previous twenty trading days = Total trading amount of the Company's A-shares over the previous twenty trading days / Total trading volume of the Company's A-shares over the previous twenty trading days;

Average trading price of the Company's A-shares on the previous trading day = Total trading amount of the Company's A-shares on the previous trading day / Total trading volume of the Company's A-shares on that trading day.

2. Adjustment Method and Calculation Formula for Conversion Price

Following the completion of the Issuance, when the Company distributes stock dividends, capitalizes reserves, issues new shares (excluding capital increases resulting from the conversion of A-share Convertible Bonds under the Issuance), conducts rights offerings, or distributes cash dividends, the Company shall adjust the conversion price in the order of occurrence of the above events (rounded to two decimal places, with the last digit rounded up or down as appropriate). The specific adjustment methods are as follows:

Stock dividends or capitalization of retained earnings: $P_1=P_0/(1+n)$;

New share issuance or rights issue: $P_1=(P_0+A\times k)/(1+k)$;

Concurrent occurrence of both above: $P_1=(P_0+A\times k)/(1+n+k)$;

Cash dividend distribution: $P_1=P_0-D$;

Where the above three items are conducted simultaneously: $P_1=(P_0-D+A\times k)/(1+n+k)$;

Where: P_0 is the conversion price before adjustment; n is the ratio of stock dividends distributed or capitalization ratio; k is the ratio of new share issuance or rights issue; A is the price of newly issued shares or rights issue shares; D is the cash dividend per share distributed; P_1 is the adjusted conversion price.

When the Company experiences the aforementioned changes in share capital and/or shareholders' equity, it shall sequentially adjust the conversion price. The Company shall publish an announcement regarding the conversion price adjustment on the websites of the Shanghai Stock Exchange and the information disclosure media designated by CSRC. The announcement shall specify the conversion price adjustment date, adjustment method, and suspension period for conversion (if needed). The Company shall also make the announcement in the Hong Kong market as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association (if needed). If the conversion price adjustment date falls on or after the conversion application date of the A-share convertible bond holder and before the conversion registration date, the holder's conversion application shall be implemented at the adjusted conversion price.

Where the Company may carry out share repurchases, mergers, demergers, or any other circumstances that alter the class, number, and/or shareholder equity of its shares, thereby potentially affecting the creditor rights or derivative conversion rights of holders of A-share Convertible Bonds, the Company shall adjust the conversion price based on the specific circumstances, adhering to principles of fairness, impartiality, and equity, and fully protecting the rights and interests of holders of A-share Convertible Bonds. The content and operational procedures for conversion price adjustments shall be formulated in accordance with the relevant laws, regulations, and provisions of the securities regulatory authorities in effect at the time.

II. RATIONALE FOR THE PRICING BASIS OF THE ISSUANCE

The initial conversion price for the A-share Convertible Bonds issued shall not be lower than the average trading price of the Company's A-shares over the twenty trading days preceding the date of announcement of the prospectus (if share price adjustments due to ex-rights or ex-dividend events occurred during such twenty trading days, the average trading price for the days prior to such adjustments shall be calculated based on prices adjusted for the corresponding ex-rights or ex-dividend events) and the average trading price of the Company's A-shares on the preceding trading day. The specific initial conversion price shall be determined by the Board of Directors (or its authorized representative) prior to issuance, based on market conditions and the Company's specific circumstances, through consultation with the lead underwriter, subject to authorization by the Company's general meeting.

Average trading price of the Company's A-shares over the previous twenty trading days = Total trading amount of the Company's A-shares over the previous twenty trading days / Total trading volume of the Company's A-shares over the previous twenty trading days;

Average trading price of the Company's A-shares on the previous trading day = Total trading amount of the Company's A-shares on the previous trading day / Total trading volume of the Company's A-shares on that trading day.

The basis for pricing of the Issuance complies with relevant laws, regulations, and prescriptive documents such as the "Registration Administration Measures", and the pricing basis is reasonable.

III. THE PRICING METHOD AND PROCEDURES FOR THE ISSUANCE ARE REASONABLE

The pricing method and procedures for the Issuance of A-share convertible bonds to non-specific investors comply with the relevant requirements of laws and regulations such as the "Registration Administration Measures". The Company has convened a meeting of the Board of Directors to consider and approve matters related to the Issuance of A-share convertible bonds, disclosed relevant announcements on the website of Shanghai Stock Exchange and the designated information disclosure media, and will submit the matter to the Company's general meeting for consideration.

The pricing method and procedures for the Issuance comply with the relevant requirements of laws, regulations, and prescriptive documents such as the "Registration Administration Measures". The pricing method and procedures for the Issuance are reasonable.

In summary, the principles, basis, methods and procedures for pricing of the Issuance comply with the requirements of relevant laws, regulations, and prescriptive documents, and are compliant and reasonable.

SECTION IV: FEASIBILITY OF THE METHOD OF THE ISSUANCE

The Company's approach of raising funds through the Issuance of A-share convertible bonds to non-specific investors complies with the relevant issuance conditions stipulated in the Securities Law and the Registration Administration Measures.

I. THE ISSUANCE COMPLIES WITH THE PROVISIONS OF THE REGISTRATION ADMINISTRATION MEASURES REGARDING THE ISSUANCE OF CONVERTIBLE BONDS

(i) The Company has a sound and well-functioning organizational structure

The Company strictly establishes general meeting, Board of Directors and relevant operational bodies in accordance with the requirements of the Company Law, Securities Law and other relevant laws, regulations and prescriptive documents, possessing a sound corporate governance structure. The issuer has established and improved management systems for various departments, and the general meeting, the Board of Directors and other bodies exercise their respective rights and fulfill their respective obligations in accordance with the provisions of the Company Law, Articles of Association, and the Company's various operational systems.

The Company complies with the requirement of Article 13 of the Registration Administration Measures, i.e. "(I) Has a sound and well-functioning organizational structure".

(ii) The Company's average distributable profits over the past three years are sufficient to cover one year's interest of the corporate bonds

For the years 2022, 2023, and 2024, the Company's net profit attributable to owners of the parent company was RMB2,538,234,900, RMB3,273,962,700 and RMB3,933,836,100, respectively. The average distributable profit over the last three years was RMB3,248,677,900. Based on the proposed proceeds of RMB435,000,000 for the Issuance of A-share convertible bonds to non-specific investors, and after reasonable estimation with reference to recent issuance interest rates in the A-share convertible bond market, the Company's average distributable profits over the past three years are sufficient to cover one year's interest of the A-share convertible bonds.

The Company complies with the requirement of Article 13 of the Registration Administration Measures: "(II) The average distributable profits over the past three years are sufficient to cover one year's interest on the corporate bonds."

(iii) The Company has a reasonable asset-liability structure and normal cash flow

As of 31 December 2022, 31 December 2023, 31 December 2024, and 30 September 2025, the Company's debt-to-asset ratio was 57.93%, 55.50%, 53.17%, and 50.22%, respectively, indicating a reasonable asset-liability structure. For the years 2022, 2023, 2024 and the first nine months of 2025, the Company's net cash flow from operating activities amounted to RMB2,256,466,600, RMB3,056,774,800, RMB3,942,477,700 and RMB877,673,200, respectively. Overall, the Company's cash flow aligns with its actual operating conditions, and the changes in net cash flow from operating activities are normal.

The Company complies with the provisions of Article 13 of the Registration Administration Measures: "(III) with a reasonable asset-liability structure and normal cash flow".

(iv) The Company has been profitable for the last three accounting years, and its weighted average return on net assets for the last three accounting years has averaged no less than 6%.

For the years 2022, 2023, and 2024, the Company's net profit attributable to shareholders of the parent company (calculated based on the lower of net profit before and after deducting non-recurring gains and losses) was RMB2,016,322,800, RMB3,027,073,500 and RMB3,603,606,500, respectively, demonstrating profitability over the last three accounting years. For the years 2022, 2023 and 2024, the Company's weighted average return on net assets (calculated using the lower of the figures before and after deducting non-recurring gains and losses) was 12.50%, 15.96% and 16.93%, respectively. The average over the past three years was 15.13%, exceeding 6%.

The Company complies with the provisions of Article 13 of the Registration Administration Measures: "(IV) For main board listed companies issuing convertible bonds to non-specific investors, the Company shall have been profitable for the most recent three accounting years, and the weighted average return on net assets for the most recent three accounting years shall not be lower than 6% on average; net profit shall be calculated based on the lower of the figures before and after deducting non-recurring gains and losses."

(v) Current directors and senior management of the Company meet the qualification requirements stipulated by laws and administrative regulations.

The Company's current directors and senior management possess the necessary qualifications for their positions and are capable of performing their duties faithfully and diligently. There are no violations of the provisions of Articles 178 and 181 of the Company Law. The Company's current directors and senior management have not received any administrative penalties from CSRC in the past three years, have not been publicly reprimanded by a stock exchange in the past year, and are not currently under investigation by judicial authorities for suspected criminal offenses or under investigation by the CSRC for suspected violations of laws and regulations.

The Company complies with the provisions of Article 9 of the Registration Administration Measures: "(II) The current directors, supervisors and senior management meet the qualification requirements stipulated by laws and administrative regulations."

(vi) The Company possesses a complete business system and the capability for independent market-facing operations, with no circumstances that would have a material adverse effect on its ongoing operations

The Company maintains independent personnel, assets, finances, organizational structure and operations, enabling autonomous management and operation. It possesses a complete business system and the capability for independent market-facing operations, with no circumstances that would have a material adverse effect on its operation as a going concern.

The Company complies with Article 9 of the Registration Administration Measures: "(III) Possesses a complete business system and the capability for independent market-facing operations, with no circumstances that would have a material adverse effect on its operation as a going concern."

(vii) The Company has standardized accounting foundations, sound and effectively implemented internal control systems, its financial statements prepared and disclosed in compliance with accounting standards and relevant disclosure rules, fairly reflecting the listed company's financial condition, operating results, and cash flows in all material respects, with unqualified audit opinions issued for the past three years' financial accounting reports

The Company strictly establishes, improves, and effectively implements internal controls in accordance with the requirements of the Company Law, Securities Law, and other relevant laws, regulations, and prescriptive documents. This provides reasonable assurance for lawful and compliant management operations, asset security, and the truthfulness and completeness of financial reports and related information, while enhancing operational efficiency and effectiveness to promote the realization of development strategies. The Company has established a sound corporate governance structure, formulating a scientific and effective division of responsibilities and checks-and-balances mechanism to ensure standardized and efficient governance operations. The Company maintains a clear organizational structure with well-defined responsibilities for each department and position. It has established specialized financial management systems, imposing strict regulations and controls over the organizational structure, duties, and financial approval processes of the finance department. The Company implements an internal audit system, establishing an Audit Department staffed with dedicated auditors to conduct internal audit oversight of the Company's financial receipts and expenditures as well as economic activities.

The Company maintains effective internal controls over all significant aspects related to financial statement preparation in accordance with the enterprise's internal control standard system. BDO Shu Lun Pan Certified Public Accountants LLP conducted an attestation engagement on the Company's internal control status and issued the "Zhengzhou Coal Mining Machinery Group Co., Ltd. 2024 Internal Control Audit Report" (Xin Kuai Shi Bao Zi [2025] No. ZB10126), stating that as of 31 December 2024, the Company maintained effective internal controls over financial reporting in all material respects in accordance with the Basic Standards for Enterprise Internal Control and relevant regulations.

The Company's financial reports for the years ended 31 December 2022, 2023, and 2024 have been audited by BDO Shu Lun Pan Certified Public Accountants LLP, which issued standard unqualified audit reports Xin Kuai Shi Bao Zi [2023] No. ZB10222, Xin Kuai Shi Bao Zi [2024] No. ZB10109, and Xin Kuai Shi Bao Zi [2025] No. ZB10125.

The Company complies with Article 9 of the Registration Administration Measures: "(IV) The accounting foundation work is standardized, the internal control system is sound and effectively implemented, the preparation and disclosure of financial statements comply with the enterprise accounting standards and relevant information disclosure rules, and they fairly present in all material respects the financial position, operating results, and cash flows of the listed company. The financial accounting reports for the last three years have been issued with unqualified audit opinions."

(viii) Save for financial enterprises, there are no significant financial investments at the end of the most recent period.

As of the date of this analysis report, the Company has no significant financial investments at the end of the most recent period.

The Company complies with the provisions of Article 9 of the Registration Administration Measures: "(V) Except for financial enterprises, there are no significant financial investments at the end of the most recent period."

(ix) The Company does not fall under any circumstances prohibiting the Issuance of convertible bonds to non-specific investors

As of the date of this analysis report, the Company does not fall under any circumstances prohibited from issuing shares to non-specific investors as stipulated in Article 10 of the Registration Administration Measures, specifically:

1. There are no instances of unauthorized alteration of the use of previous proceeds that have not been rectified, or that have not been approved by the general meeting;

2. Neither the Company nor its current directors and senior management have been subject to administrative penalties by CSRC in the past three years, received public reprimands from a stock exchange in the past year, or are currently under investigation by judicial authorities for suspected crimes or by the CSRC for suspected violations of laws and regulations;

3. Neither the Company nor its controlling shareholders or de facto controllers has failed to fulfill public commitments made to investors within the past year;

4. Neither the Company nor its controlling shareholders or de facto controllers have committed criminal offenses involving embezzlement, bribery, misappropriation of property, diversion of assets, or disruption of the socialist market economy order within the past three years, nor have they committed major violations of laws and regulations that seriously harm the interests of the listed company, the legitimate rights and interests of investors, or the public interest.

The Company complies with the relevant requirements of Article 10 of the Registration Administration Measures.

(x) The Company does not fall under circumstances prohibiting the Issuance of convertible bonds

As of the date of this analysis report, the Company does not fall under any of the circumstances specified in Article 14 of the Registration Administration Measures that prohibit the Issuance of convertible bonds, specifically:

1. The Company has defaulted on or delayed payment of principal and interest on publicly issued corporate bonds or other debts, and such default or delay remains ongoing;

2. Violation of the Securities Law by altering the intended use of proceeds of the public issuance of corporate bonds.

The Company complies with the provisions of Article 14 of the Registration Administration Measures.

(xi) The Company's use of proceeds complies with the requirements

The Company intends to raise a total of no more than RMB4.35 billion (inclusive) through the Issuance of A-share Convertible Bonds to non-specific investors. The net proceeds from the Issuance, after deducting issuance expenses, are proposed to be invested in the following projects:

Unit: RMB100 million

No.	Project Name	Total Investment	Proposed Allocation of Proceeds
1	New Energy Vehicle High-End Components Industrial Base Project	21.87	18.65
2	Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	6.11	5.35
3	Intelligent Manufacturing Full Scenario R&D Center Project	3.98	2.80
4	Intelligent Mobile Robot Manufacturing Base Project	6.19	4.70
5	Working Capital Supplement	12.00	12.00
Total		**50.15**	**43.50**

If the actual proceeds from the Issuance (after deducting issuance expenses) are less than the total amount planned for investment in this fundraising, the Company's Board of Directors (or persons authorized by the Board of Directors) will arrange the specific use of the proceeds based on the importance and urgency of the fundraising purposes. The shortfall will be addressed through self-proceeds. Without altering the fundraising investment projects of the Issuance, the Company's Board of Directors (or persons authorized by the Board of Directors) may appropriately adjust the sequence and amount of fundraising investments for the aforementioned projects based on actual project needs.

Prior to the receipt of proceeds from the Issuance of A-share Convertible Bonds, the Company will advance funds from self-raised sources based on the actual progress of the fundraising investment projects. Upon receipt of the proceeds, the Company will replace such advanced funds in accordance with the procedures stipulated by relevant laws and regulations.

The use of the proceeds complies with the following provisions:

1. The national industrial policies and relevant laws and administrative regulations concerning environmental protection, land management, etc.;

2. The proceeds shall not be used for financial investments, nor shall they be directly or indirectly invested in companies primarily engaged in the trading of securities;

3. Upon implementation of the projects to be invested by the proceeds, no new instances of significant adverse competitive overlap, grossly unfair related party transactions, or severe impairment of the Company's operational independence will arise with the controlling shareholder, de facto controller, or other enterprises under their control;

4. The proceeds shall not be used to cover losses or non-productive expenditures.

The Company's use of proceeds complies with the relevant requirements of Articles 12 and 15 of the Registration Administration Measures.

(xii) Compliance with the requirement of "rational financing, reasonable determination of financing scale, and primary investment of proceeds in the principal business"

The proceeds from the Issuance of A-share convertible bonds will be invested in the following projects: New Energy Vehicle High-End Components Industrial Base Project, Intelligent Upgrade Project for High-End Hydraulic Component Production Systems, Intelligent Manufacturing Full Scenario R&D Center Project, Intelligent Mobile Robot Manufacturing Base Project, and to supplement working capital. These projects are centered around the Company's core business, designed based on actual production and operational needs, and the financing scale has been determined through rigorous calculations.

This complies with Article 40 of the Registration Administration Measures, which stipulates that "listed companies shall engage in rational financing, reasonably determine the financing scale, and primarily direct the proceeds toward their principal business".

II. THE ISSUANCE COMPLIES WITH THE SPECIAL PROVISIONS FOR CONVERTIBLE BOND ISSUANCE AND UNDERWRITING UNDER THE REGISTRATION ADMINISTRATION MEASURES

(i) Convertible bonds shall have elements such as term, par value, interest rate, credit rating, holders' rights, conversion price and adjustment principles, redemption and put options, and downward adjustment of conversion price, etc. The interest rate for convertible bonds issued to non-specific investors shall be determined through lawful negotiation between the listed company and the lead underwriter.

1. Bond Term

The term of the A-share convertible bond is 6 years from the date of issuance.

2. Bond Par Value

This A-share convertible bond is issued at par value, with each bond having a par value of RMB100.

3. Bond Interest Rate

The determination method for the coupon rate of the current issuance of A-share convertible bonds and the final interest rate level for each interest-bearing year shall be authorized by the general meeting to the Board of Directors (or persons authorized by the Board of Directors) to determine in consultation with the lead underwriter prior to issuance, based on national policies, market conditions, and the Company's specific circumstances.

4. Bond Rating

A credit rating agency will issue a credit rating report for the current issuance of A-share convertible bonds.

5. Holders' Rights

The Company has established rules for meetings of holders of convertible corporate bonds, agreeing measures to protect holders' rights, as well as the rights, procedures, and conditions for the effectiveness of resolutions of the meeting of holders.

6. Conversion Price

The Issuance plan stipulates: "The initial conversion price for the A-share Convertible Bonds issued shall not be lower than the average trading price of the Company's A-shares over the twenty trading days preceding the date of announcement of the prospectus (if share price adjustments due to ex-rights or ex-dividend events occurred during such twenty trading days, the average trading price for the days prior to such adjustments shall be calculated based on prices adjusted for the corresponding ex-rights or ex-dividend events) and the average trading price of the Company's A-shares on the preceding trading day. The specific initial conversion price shall be determined by the Board of Directors (or its authorized representative) prior to issuance, based on market conditions and the Company's specific circumstances, through consultation with the lead underwriter, subject to authorization by the Company's general meeting.

Average trading price of the Company's A-shares over the previous twenty trading days = Total trading amount of the Company's A-shares over the previous twenty trading days / Total trading volume of the Company's A-shares over the previous twenty trading days;

Average trading price of the Company's A-shares on the previous trading day = Total trading amount of the Company's A-shares on the previous trading day / Total trading volume of the Company's A-shares on that trading day."

7. Principles and Methods for Adjusting the Conversion Price

The principles and methods for adjusting the conversion price are stipulated in the Issuance plan as follows:

(2) Adjustment Method and Calculation Formula for Conversion Price

Following the completion of the Issuance, when the Company distributes stock dividends, capitalizes reserves, issues new shares (excluding capital increases resulting from the conversion of A-share Convertible Bonds under the Issuance), conducts rights offerings, or distributes cash dividends, the Company shall adjust the conversion price in the order of occurrence of the above events (rounded to two decimal places, with the last digit rounded up or down as appropriate). The specific adjustment methods are as follows:

Stock dividends or capitalization of retained earnings: P1= P0/(1+n);

New share issuance or rights issue: P1=(P0+A×k)/(1+k);

Concurrent occurrence of both above: P1=(P0+A×k)/(1+n+k);

Cash dividend distribution: P1=P0-D;

Where the above three items are conducted simultaneously: P1=(P0-D+A×k)/(1+n+k);

Where: P0 is the conversion price before adjustment; n is the ratio of stock dividends distributed or capitalization ratio; k is the ratio of new share issuance or rights issue; A is the price of newly issued shares or rights issue shares; D is the cash dividend per share distributed; P1 is the adjusted conversion price.

When the Company experiences the aforementioned changes in share capital and/or shareholders' equity, it shall sequentially adjust the conversion price. The Company shall publish an announcement regarding the conversion price adjustment on the websites of the Shanghai Stock Exchange and the information disclosure media designated by China Securities Regulatory Commission ("**CSRC**"). The announcement shall specify the conversion price adjustment date, adjustment method, and suspension period for conversion (if needed). The Company shall also make the announcement in the Hong Kong market as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association (if needed). If the conversion price adjustment date falls on or after the conversion application date of the A-share convertible bond holder and before

the conversion registration date, the holder's conversion application shall be implemented at the adjusted conversion price.

Where the Company may carry out share repurchases, mergers, demergers, or any other circumstances that alter the class, number, and/or shareholder equity of its shares, thereby potentially affecting the creditor rights or derivative conversion rights of holders of A-share Convertible Bonds, the Company shall adjust the conversion price based on the specific circumstances, adhering to principles of fairness, impartiality, and equity, and fully protecting the rights and interests of holders of A-share Convertible Bonds. The content and operational procedures for conversion price adjustments shall be formulated in accordance with the relevant laws, regulations, and provisions of the securities regulatory authorities in effect at the time.

*8. **Redemption Terms***

The Issuance plan stipulates:

"(1) Maturity Redemption Clause

Within five trading days after the maturity date of the A-share convertible bonds issued herein, the Company shall redeem all outstanding A-share convertible bonds that have not been converted at a price equal to the par value of the bonds plus a certain percentage (including the final annual interest payment). The specific redemption price shall be determined by the Board of Directors (or its authorized representative) authorized by the general meeting, in consultation with the lead underwriter based on prevailing market conditions at the time of issuance.

(2) Conditional Redemption Clause

During the conversion period of the A-share convertible bonds issued herein, the Company shall have the right to redeem all or part of the unconverted A-share convertible bonds at the bond par value plus accrued interest for the period when either of the following two circumstances occurs:

① During the conversion period of the A-share convertible bonds issued herein, if the closing price of the Company's A-shares is not less than 130% (inclusive) of the current conversion price on at least fifteen trading days within any consecutive thirty trading days;

② When the outstanding balance of the A-share convertible bonds issued in the Issuance falls below RMB30 million.

The redemption period for these A-share convertible bonds coincides with the conversion period, commencing on the first trading day following the six-month anniversary of the Issuance completion date and ending on the maturity date of these A-share convertible bonds.

The formula for calculating accrued interest for the period is: $I_A=B_2*i*t/365$.

I_A: Refers to the accrued interest for the period;

B_2: Total par value of the redeemable A-share convertible bonds held by the holders of the Issuance;

i: Denotes the annual coupon rate of the A-share convertible bonds;

t: Interest calculation days, i.e., the actual calendar days from the previous interest payment date to the redemption date of the current interest calculation year (excluding the end date).

If a conversion price adjustment occurs during the aforementioned consecutive thirty trading days, the calculation shall be based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and on the post-adjusted conversion price and closing price for trading days on and after the adjustment date.

9. Put Option

The Issuance plan stipulates:

"1. Conditional Put Option

During the final two interest accrual years of the A-share Convertible Bonds under the Issuance, if the closing price of the Company's A-shares falls below 70% of the prevailing conversion price for any consecutive thirty trading days, holders of the A-share Convertible Bonds shall have the right to sell all or part of their holdings back to the Company at the bond par value plus accrued interest for the period.

The calculation method for accrued interest during the period is detailed in the relevant content under "(XI) Redemption Clauses".

If, during the aforementioned consecutive thirty trading days, the conversion price has been adjusted due to events such as the Issuance of stock dividends, capitalization of reserves, issuance of new shares (excluding capital increases resulting from the conversion of the A-share Convertible Bonds under the Issuance),rights issues, or cash dividends, the conversion

price shall be calculated based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and based on the adjusted conversion price and closing price for the adjustment date and subsequent trading days. Should the conversion price be downwardly adjusted, the aforementioned consecutive thirty trading days shall be recalculated starting from the first trading day following the downward adjustment of the conversion price.

During the final two interest accrual years of the A-share Convertible Bonds under the Issuance, holders may exercise their put option for one instance upon first meeting the put conditions in that year under the aforementioned terms. If holders fail to submit and implement a put within the subscription period announced by the company upon first meeting the put conditions, they shall not exercise the put option again in that interest accrual year. Holders of A-share Convertible Bonds may not exercise partial repurchase rights multiple times.

2. Additional Put Option Clause

During the term of these A-share Convertible Bonds, if the use of the proceeds from the Issuance deviates significantly from the commitments made in the prospectus, and such deviation is deemed a change in the use of proceeds by CSRC or SSE, or is recognized as such by the CSRC or SSE, holders of A-share Convertible Bonds shall have the right to sell back all or part of their A-share Convertible Bonds held for one instance. Holders of the A-share Convertible Bonds may sell back all or part of their holdings to the Company at the bond par value plus accrued interest for the period. Holders may exercise this right during the additional sale period announced by the Company after the additional sale conditions are met. If holders fail to submit an additional sale application during the designated period, they shall not exercise the additional put option again.

The formula for calculating accrued interest for the current period is: $I_A=B_3*i*t/365$.

I_A: means the accrued interest for the current period;

B_3: means the total par value of the A-share Convertible Bonds held by the holder of the A-share Convertible Bonds to be repurchased in the Issuance;

i: means the annual coupon rate of the A-share Convertible Bonds;

t: means the interest accrual days, i.e., the actual calendar days from the previous interest payment date to the repurchase date of the current interest accrual year (inclusive of the start date but exclusive of the end date)."

10. Downward Adjustment Clause for Agreed Conversion Price

The Issuance plan stipulates:

"1. Adjustment Authority and Scope

During the term of the A-share Convertible Bonds under the Issuance, if the closing price of the Company's A-shares is not higher than 85% of the prevailing conversion price on at least fifteen trading days within any consecutive thirty trading days, the Company's Board of Directors shall have the right to propose a downward adjustment plan for the conversion price and submit it to the Company's general meeting for resolution. If a conversion price adjustment occurred during the aforementioned 30 consecutive trading days, the calculation shall be based on the pre-adjusted conversion price and closing price for trading days prior to the adjustment date, and on the adjusted conversion price and closing price for trading days on and after the adjustment date.

The aforementioned proposal shall be implemented only upon approval by shareholders holding more than two-thirds of the voting rights present at the meeting. When the general meeting votes on this matter, shareholders holding the Company's A-share Convertible Bonds issued on this occasion shall abstain. The adjusted conversion price shall not be lower than the higher of the average trading price of the Company's A-shares over the twenty trading days preceding the date of the general meeting and the average trading price of the Company's A-shares on the preceding trading day.

2. Adjustment Procedures

If the Company decides to revise the conversion price downward, it shall publish the announcement of the general meeting resolution and the announcement of the conversion price revision on the Shanghai Stock Exchange and the information disclosure media designated by CSRC. The announcement shall specify the revision amount, the record date, and the suspension period for conversion applications. The Company shall also make the necessary disclosures in the Hong Kong market in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Company's Articles of Association (if needed). Conversion applications shall resume and the adjusted conversion price shall apply from the first trading day (i.e., the Conversion Price Adjustment Date) following the record date.

If the Conversion Price Adjustment Date falls on or after the conversion application date for holders of A-share Convertible Bonds and before the Conversion Share Registration Date, such conversion applications shall be implemented at the adjusted conversion price."

The Issuance complies with the relevant requirements of Article 61 of the Registration Administration Measures.

(ii) The convertible bonds may be converted into the Company's shares only after six months from the date of completion of the Issuance. The conversion period shall be determined by the Company based on the term of the convertible bonds and the Company's financial condition. Holders shall have the option to convert or not to convert, and shall become shareholders of the listed company on the day following conversion.

The Issuance plan stipulates: "The conversion period for these A-share Convertible Bonds shall commence on the first trading day following the expiration of six months from the date of completion of the Issuance of these A-share Convertible Bonds and shall continue until the maturity date of these A-share Convertible Bonds.

Holders shall have the option to convert or not convert, and shall become shareholders of the Company on the day following conversion."

The Issuance complies with the relevant requirements of Article 62 of the Registration Administration Measures.

(iii) The conversion price for convertible bonds issued to non-specific investors shall not be lower than the average trading price of the listed company's shares over the twenty trading days preceding the announcement date of the prospectus and the average price of the preceding trading day.

The Issuance plan stipulates: "The initial conversion price for the A-share Convertible Bonds issued shall not be lower than the average trading price of the Company's A-shares over the twenty trading days preceding the date of announcement of the prospectus (if share price adjustments due to ex-rights or ex-dividend events occurred during such twenty trading days, the average trading price for the days prior to such adjustments shall be calculated based on prices adjusted for the corresponding ex-rights or ex-dividend events) and the average trading price of the Company's A-shares on the preceding trading day. The specific initial conversion price shall be determined by the Board of Directors (or its authorized representative) prior to issuance, based on market conditions and the Company's specific circumstances, through consultation with the lead underwriter, subject to authorization by the Company's general meeting.

Average trading price of the Company's A-shares over the previous twenty trading days = Total trading amount of the Company's A-shares over the previous twenty trading days / Total trading volume of the Company's A-shares over the previous twenty trading days;

Average trading price of the Company's A-shares on the previous trading day = Total trading amount of the Company's A-shares on the previous trading day / Total trading volume of the Company's A-shares on that trading day."

The Issuance complies with the relevant requirements of Article 64 of the Registration Administration Measures.

III. THE ISSUANCE COMPLIES WITH THE RELEVANT REQUIREMENTS OF THE SECURITIES LAW REGARDING THE PUBLIC ISSUANCE OF CORPORATE BONDS

(i) The Company has a sound and well-functioning organizational structure

The Company strictly establishes general meeting, Board of Directors and relevant operational bodies in accordance with the requirements of the Company Law, Securities Law and other relevant laws, regulations and prescriptive documents, possessing a sound corporate governance structure. The issuer has established and improved management systems for various departments, and the general meeting, the Board of Directors and other bodies exercise their respective rights and fulfill their respective obligations in accordance with the provisions of the Company Law, Articles of Association, and the Company's various operational systems.

The Company complies with the requirement of Article 15 of the Securities Law: "(I) Has a sound and well-functioning organizational structure".

(ii) The Company's average distributable profits over the past three years are sufficient to cover one year's interest of the corporate bonds

For the years 2022, 2023, and 2024, the Company's net profit attributable to owners of the parent company was RMB2,538,234,900, RMB3,273,962,700 and RMB3,933,836,100, respectively. The average distributable profit over the last three years was RMB3,248,677,900. Based on the proposed proceeds of RMB435,000,000 for the Issuance of A-share convertible bonds to non-specific investors, and after reasonable estimation with reference to recent issuance interest rates in the A-share convertible bond market, the Company's average distributable profits over the past three years are sufficient to cover one year's interest of the A-share convertible bonds.

The Company complies with the provisions of Article 15 of the Securities Law: "(II) The average distributable profits over the past three years are sufficient to cover one year's interest on the corporate bonds".

(iii) The Compliance of Use of Proceeds

The Company intends to raise a total of no more than RMB4.35 billion (inclusive) through the Issuance of A-share Convertible Bonds to non-specific investors. The net proceeds from the Issuance, after deducting issuance expenses, are proposed to be invested in the following projects:

Unit: RMB100 million

No.	Project Name	Total Investment Amount	Proposed Allocation of Proceeds
1	New Energy Vehicle High-End Components Industrial Base Project	21.87	18.65
2	Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	6.11	5.35
3	Intelligent Manufacturing Full-Scene R&D Center Project	3.98	2.80
4	Intelligent Mobile Robot Manufacturing Base Project	6.19	4.70
5	Working Capital Supplement	12.00	12.00
Total		**50.15**	**43.50**

The use of proceeds from the Company's current issuance of A-share convertible bonds to non-specific investors complies with national industrial policies and relevant laws and administrative regulations. Proceeds from the Issuance of convertible bonds to non-specific investors will be used in accordance with the purposes listed in the prospectus. Any change in the use of proceeds must be approved by a resolution of the meeting of holders. Proceeds from the Issuance of A-share convertible bonds to non-specific investors shall not be used to cover losses or for non-productive expenditures.

The Issuance complies with Article 15 of the Securities Law, which stipulates: "Proceeds through the public issuance of corporate bonds must be used in accordance with the designated purposes listed in the bond offering prospectus. Any change in the use of funds must be approved by a resolution of the meeting of holders. Proceeds through the public issuance of corporate bonds shall not be used to cover losses or for non-productive expenditures."

(iv) The Company Possesses Sustainable Operating Capabilities

The Company's principal businesses encompass coal mining machinery, automotive components and industrial intelligence, with synergistic development across segments. It holds a prominent industry position and possesses robust sustainable operating capabilities.

The Company has independently established a comprehensive system encompassing R&D, production and sales, continuously achieving breakthroughs in core technologies and expanding its business domains. The Company's major assets, core technologies and trademarks are free from significant ownership disputes. The Company faces no material debt repayment risks and has no contingent liabilities such as material guarantees, litigation or arbitration. The operating environment within the Company's industry remains generally stable, with no material changes, either current or anticipated, that could significantly impact its ongoing operations.

The Company complies with Article 15 of the Securities Law: "Where a listed company issues corporate bonds convertible into shares, it shall, in addition to meeting the conditions specified in paragraph 1, also comply with the provisions of paragraph 2 of Article 12 of this Law."

(v) No circumstances prohibiting the reissuance of publicly offered corporate bonds

The Company has no violations of the prohibitions on reissuing publicly offered corporate bonds stipulated in Article 17 of the Securities Law: "A company shall not reissue publicly offered corporate bonds under any of the following circumstances: (I) it has defaulted on or delayed payment of principal or interest on previously issued publicly offered corporate bonds or other debts, and such default or delay remains ongoing; (II) it has violated the provisions of this Law by altering the intended use of proceeds through the public offering of corporate bonds."

IV. THE COMPANY DOES NOT FALL UNDER THE SCOPE OF ENTITIES SUBJECT TO PUNISHMENT AS DEFINED IN THE "MEMORANDUM OF COOPERATION ON JOINT PUNISHMENT OF DISHONEST PERSONS SUBJECT TO ENFORCEMENT ACTIONS" AND THE "MEMORANDUM OF COOPERATION ON JOINT PUNISHMENT OF DISHONEST ENTERPRISES SUBJECT TO CUSTOMS ENFORCEMENT ACTIONS", AND IS NOT CLASSIFIED AS A GENERAL DISHONEST ENTERPRISE OR A CUSTOMS DISHONEST ENTERPRISE

Upon self-inspection, the Company does not fall within the scope of enterprises subject to punishment as defined in the "Memorandum of Cooperation on Joint Punishment of Dishonest Persons Subject to Enforcement Actions" and the "Memorandum of Cooperation on Joint Punishment of Dishonest Enterprises Subject to Customs Enforcement Actions", and is not classified as a general dishonest enterprise or a customs dishonest enterprise.

SECTION V: FAIRNESS AND REASONABLENESS OF THE ISSUANCE PLAN

The Issuance plan was approved by the Company's board of directors after careful deliberation. The implementation of the Issuance plan will facilitate the expansion of the Company's business scale and enhance its overall competitiveness, thereby enhancing the interests of all shareholders.

The plan for issuing A-share convertible bonds to non-specific investors and relevant documents are disclosed on the website of Shanghai Stock Exchange and designated information disclosure media, and are also published in the Hong Kong market in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association, safeguarding the right to information of all shareholders.

The Company will convene a general meeting to consider the Issuance plan. Shareholders will vote fairly on the Issuance of A-share convertible bonds to non-specific investors based on the principle of equal rights for equal shares. The general meeting will adopt resolutions on matters related to the Issuance to non-specific investors, which must be approved by more than two-thirds of the voting rights held by shareholders present at the meeting. The voting results of small and medium-sized investors shall be counted separately. Concurrently, the Company's A-shareholders may exercise their shareholder rights through on-site or online voting.

In summary, the Board of Directors has prudently reviewed the proposed issuance of A-share convertible bonds to non-specific investors and considers that the plan aligns with the interests of all shareholders. The Issuance plan and relevant documents have undergone the requisite disclosure procedures, safeguarding shareholders' right to information. Furthermore, the proposal will be subject to fair voting by attending shareholders at the general meeting, demonstrating its fairness and reasonableness.

SECTION VI: IMPACT OF THE ISSUANCE ON EXISTING SHAREHOLDERS' RIGHTS OR DILUTION OF IMMEDIATE RETURNS AND SPECIFIC MEASURES FOR COMPENSATION

Following the Issuance of A-share convertible bonds to non-specific investors, the Company faces the risk of dilution of immediate returns. The Company intends to implement multiple measures to mitigate this risk, thereby compensating shareholders' return, ensuring the Company's sustainable development and enhancing the Company's capacity for ongoing returns. The Company intends to implement the following remedial measures: improve corporate governance to provide institutional safeguards for the Company's development; strengthen management of proceeds to ensure their lawful and reasonable use; further refine the profit distribution system and enhance the investment return mechanism; accelerate the implementation of raised fund investment projects to improve capital utilization efficiency.

The Company's Board of Directors has conducted thorough analysis and deliberation on the dilution impact of the Issuance on existing shareholders' equity or immediate returns, as well as the specific compensatory measures. To ensure the effective implementation of these compensatory measures, the Company's controlling shareholder, directors and senior management personnel have also provided relevant commitments. For specific details, please refer to the "Announcement of ZCZL Industrial Technology Group Company Limited Regarding the Dilution of Immediate Returns from the Issuance of A-Share Convertible Bonds to non-specific investors, Compensation Measures, and Commitments from Relevant Subjects" published on the website of Shanghai Stock Exchange on 16 January 2026.

SECTION VII: CONCLUSION

In summary, the proposed A-share convertible bond issuance plan is fair and reasonable, the implementation of this plan to issue A-share convertible bonds to non-specific investors will enhance the Company's sustainable operating capacity and comprehensive strength, align with its development strategy, and is in line with the interests of the Company and all shareholders as a whole.

ZCZL Industrial Technology Group Company Limited
15 January 2026

A-share Stock Abbreviation: 中創智領 **Stock Code: 601717**
H-share Stock Abbreviation: ZCZL **Stock Code: 0564**

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

(No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone)

FEASIBILITY ANALYSIS REPORT ON THE USE OF PROCEEDS OF THE ISSUANCE OF A-SHARE CONVERTIBLE BONDS TO NON-SPECIFIC INVESTORS

January 2026

I. FUND UTILIZATION PLAN OF THE ISSUANCE

ZCZL Industrial Technology Group Company Limited (hereinafter referred to as "ZCZL" or the "Company") intends to issue A-share convertible bonds to non-specific investors, raising a total amount not exceeding RMB4.35 billion (inclusive). The net proceeds from the issuance, after deducting issuance expenses, are proposed to be invested in the following projects:

Unit: RMB 100 million

No.	Project Name	Total Investment	Proposed Allocation of Proceeds
1	New Energy Vehicle High-End Components Industrial Base Project	21.87	18.65
2	Intelligent Upgrade Project for High-End Hydraulic Component Production Systems	6.11	5.35
3	Intelligent Manufacturing Full Scenario R&D Center Project	3.98	2.80
4	Intelligent Mobile Robot Manufacturing Base Project	6.19	4.70
5	Working Capital Supplement	12.00	12.00
Total		**50.15**	**43.50**

If the actual proceeds from the issuance (after deducting issuance expenses) are less than the total amount planned for investment in this fundraising, the Company's Board of Directors (or persons authorized by the Board of Directors) will arrange the specific use of the proceeds based on the importance and urgency of the fundraising purposes. The shortfall will be addressed through self-proceeds. Without altering the fundraising investment projects of the issuance, the Company's Board of Directors (or persons authorized by the Board of Directors) may appropriately adjust the sequence and amount of fundraising investments for the aforementioned projects based on actual project needs.

Prior to the receipt of proceeds from the issuance of A-share convertible bonds, the Company will advance funds from self-raised sources based on the actual progress of the fundraising investment projects. Upon receipt of the proceeds, the Company will replace such advanced funds in accordance with the procedures stipulated by relevant laws and regulations.

II. SPECIFIC DETAILS OF THE PROCEEDS INVESTMENT PROJECTS

(I) New Energy Vehicle High-End Components Industrial Base Project

1. Project Overview

For this project, it is proposed to establish an industrial base in Wujin National High-Tech Industrial Development Zone, Changzhou (hereinafter referred to as "Wujin High-Tech Zone"), encompassing the construction of new production workshops and supporting facilities such as warehouses, as well as the procurement of advanced production lines, primarily for the manufacture of high-end components for new energy vehicles, including high-voltage drive motor stators and rotors, chassis motors and electro-hydraulic pumps for fully active suspensions. The project construction period spans three years with a total planned investment of RMB2.187 billion, of which RMB1.865 billion is proposed to be funded by the proceeds.

Upon successful implementation, the project will not only alleviate the Company's production capacity bottlenecks and better meet the demands of downstream vehicle manufacturers but also accelerate the strategic upgrade of the Company's product technology toward electrification and intelligentization, laying a solid foundation for sustainable high-quality development.

2. Necessity of Project Implementation

(1) Aligning with rapid industry growth to secure core market racetrack

In recent years, the State has continued to cultivate the new energy vehicle industry, driving high-quality development of the industry. Domestic new energy vehicle penetration rates have steadily climbed, while autonomous driving technology undergoes rapid iteration. Following the Ministry of Industry and Information Technology's approval and market entry of the first batch of L3 conditional autonomous driving vehicle models, a new wave of industrial upgrading has emerged domestically. As the core competitive arena, the "three-electric" systems (battery, motor and electronic control) of new energy vehicles exhibit accelerating technological iteration and increasing value contribution. Among these, the new energy drive motor is hailed as the "heart" of the vehicle. Its performance directly determines key indicators such as the vehicle's power, economy and comfort. The stator and rotor are its core components, serving as the fundamental support for motor power output and efficiency enhancement. As motor systems upgrade toward greater efficiency and lighter weight, their market demand and

technological added value continue to grow, making them a core competitive element in the industrial chain. Chassis motor components such as braking, steering and suspension systems are leveraging opportunities presented by steer-by-wire technology, demonstrating clear growth potential.

Industry trends indicate that the implementation of advanced intelligent driving systems imposes higher demands on the performance and reliability of core vehicle components, further driving technological upgrades in the "three-electric" systems and core components of chassis. The continuous increase in the market penetration rate of new energy vehicles provides a solid foundation for demand in key components like drive motor stators and rotors, with significant market capacity and growth certainty. The Company focuses on R&D and production of core components like stators and rotors, strategically positioning itself in the high-growth, high-value core segment of new energy vehicles, while simultaneously expanding into relevant motor components for braking, steering and suspension, which aligns with national industrial policy directives and industry upgrade trends. This approach enables the Company to seize the historic market growth opportunities and consolidate its core competitive position within the industrial chain.

(2) Overcoming existing capacity bottlenecks to meet rapid business expansion and customer order delivery demands

In recent years, the Company's automotive parts segment has capitalized on the new energy vehicle market opportunity. New business lines, including electric drive systems, chassis and thermal management systems, have achieved explosive growth. Relevant products have secured widespread certification and bulk orders from leading domestic and international customers, capacity utilization for certain core products remains consistently saturated, with extended order production cycles making it challenging to simultaneously fulfill delivery demands from multiple clients. If these capacity bottlenecks are not promptly addressed, they may not only jeopardize timely fulfillment of existing contracts, damaging customer trust and satisfaction, but also constrain the Company's ability to secure potential strategic incremental orders, thereby missing the golden window for market expansion.

Therefore, investing in a new, highly automated and flexible industrial base is a critical step for the Company to break through current production constraints and convert market and technological advantages into certain revenue and market share. The new base will strive to build a large-scale, highly efficient and high-quality digital benchmark factory, providing solid production capacity support for the sustained rapid growth of the Company's automotive parts business.

(3) Deepening regional industrial synergy to build an efficient and agile supply chain system

Amid intensifying competition in the new energy vehicle industry, supply chain efficiency, cost and resilience have become core considerations for automakers when selecting key suppliers. The "proximity" and "regional cluster" supply models offer significant advantages in rapid response, reduced logistics and inventory costs and supply chain security, establishing themselves as an industry trend.

As China's core hub for new energy vehicles and a world-class industrial cluster, the Yangtze River Delta region has formed a cross-regional collaborative ecosystem centered on Shanghai, Jiangsu, Zhejiang and Anhui. It has attracted leading automakers including SAIC, Geely, Chery, JAC and Li Auto, evolving into a complete industrial cluster spanning vehicle manufacturing, three-electric systems and critical components. Changzhou is a vital node in the Yangtze River Delta's industrial synergy network, by establishing this project in Changzhou's Wujin High-Tech Zone, the core strategic intent is to deeply embed within the Yangtze River Delta industrial cluster ecosystem and rapidly integrate into the supply chain systems of key OEMs including Li Auto, SAIC, Geely, Chery and JAC. This move will enable the Company to achieve close physical proximity and full-process business synergy with leading regional automakers. It will not only significantly enhance on-time delivery and sequential supply capabilities while effectively reducing cross-regional logistics and inventory costs, but also allow deeper participation in OEMs' synchronous R&D processes, facilitating rapid response to design change requests and joint product iteration innovation, thereby significantly strengthening customer loyalty, establishing long-term cooperative barriers with the Yangtze River Delta OEM cluster and solidifying the Company's competitive position in the core component segment of the regional industrial chain.

3. Project Implementation Feasibility

(1) Aligned with national strategy and regional planning, enjoying clear and sustained policy benefits

As a strategic emerging industry, the new energy vehicle sector receives continuous policy support for core component R&D and manufacturing, providing robust safeguards for project implementation and long-term development.

At the national level, the "New Energy Vehicle Industry Development Plan (2021-2035)" explicitly states: "To establish a technology supply system for key components and strengthen the development of critical components and systems for intelligent connected vehicles". The 2025 Government Work Report emphasizes consolidating and expanding the leading advantage in intelligent connected new energy vehicles, reinforcing the industry's status through top-level design. The "Work Plan for Stabilizing Growth in the Automotive Industry (2025-2026)" jointly issued by eight ministries including the Ministry of Industry and Information Technology provides clear policy guidance and growth targets for the industry, requiring the safeguarding of stable industrial and supply chains and the cultivation of distinctive industrial clusters. The multi-dimensional policy support from the national level, covering technological innovation, industrial upgrading and market application, offers top-level policy backing and broad market prospects for the Company to expand its production capacity of core components for new energy vehicles and further integrate into the supply chains of mainstream vehicle manufacturers.

(2) Solid market foundation and comprehensive technology system with global R&D and mass production capabilities

Through years of international operations, the Company's automotive parts segment has successfully established a sales network covering major global markets, continuously strengthening its market position. In 2024, the Company's automotive parts segment generated revenue of RMB17.482 billion, with core electric motor business contributing over 70% of total revenue. The Company has deeply integrated into the global mainstream vehicle supply chain, serving multiple internationally renowned automakers and leading domestic OEMs, providing robust market demand and production capacity absorption guarantees for the project.

Currently, the automotive parts segment has established a comprehensive and market-proven technology R&D and quality management system, laying a solid internal foundation for successful project implementation. On the one hand, through years of R&D investment, the Company's automotive parts business has developed two major systems: platform R&D (product series development) and application R&D. It operates world-class core R&D centers in Germany and China, with regional R&D centers established globally. This enables deep participation in the R&D processes of major global automakers, joint product iteration and innovation and continuous strengthening of the business foundation. On the other hand, the Company possesses global production organization and supply chain management capabilities. Through long-term service to global automakers, it has developed expertise in production process optimization, cost control and supply chain collaboration. This ensures stable mass production, timely delivery and product quality compliance with the standards of major global automakers upon project commencement.

(3) Robust customer resource pool, sustained market demand providing ongoing momentum for projects

The Company's automotive parts segment possesses a deep global customer base and a mature supporting system, providing a solid market foundation for the project. With manufacturing and sales networks across Europe, Asia and the Americas, the Company serves a broad portfolio of customers including passenger vehicle manufacturers such as Volkswagen, BMW, Mercedes-Benz, General Motors, Volvo, Ford, Great Wall, Seres, Chery and Changan, etc.; as well as commercial vehicle manufacturers including Daimler, Cummins, Weichai, FAW Jiefang, Dongfeng Commercial Vehicle and Sinotruk, etc. This diverse and high-quality customer matrix lays a solid foundation for securing premium orders in new projects and continuously strengthening the Company's position within the international supply chain.

The project is strategically located in Wujin High-Tech Zone, Changzhou, aiming to deeply integrate into China's most critical new energy vehicle industrial cluster. The Yangtze River Delta region hosts leading OEMs including SAIC, Geely, Chery, JAC and Li Auto, etc. This geographical advantage enables localized supply chain integration, significantly reducing logistics costs and enhancing response speed. Currently, the Company has secured cooperation agreements with multiple regional leading clients, ensuring efficient local absorption of production capacity. Leveraging its established technological reputation and global sales network, the project could further expand into mainstream domestic and international new energy clients,

unlocking long-term growth potential. In summary, combining its "global high-end client base" with "localized industrial cluster advantages", the Company has formulated a clear and sustainable dual market safeguard.

4. Project Land Use, Filing Status and Environmental Impact Assessment

As of the date of this report, the project land has not yet been secured and other approval procedures such as investment project filing and environmental impact assessment are currently in progress.

5. Project Economic Benefit Analysis

Feasibility studies confirm the project's strong economic viability. Upon reaching full production capacity, it will generate sustained cash inflows for the Company.

(II) Intelligent Upgrade Project for High-End Hydraulic Component Production Systems

1. Project Overview

The implementing entity for this project is Zhengzhou Coal Mining Machinery Group Co., Ltd., a wholly-owned subsidiary of the Company. The project implementation site is located at No. 167, 9th Street, Zhengzhou Econ-Tech Development Zone, Zhengzhou City, Henan Province. The total investment amounts to RMB611 million, with RMB535 million proposed to be funded from the proceeds. Through process layout re-optimization, intelligent production line planning, smart warehousing and logistics construction and comprehensive digital system integration across all business processes, the project aims to achieve lean, intelligent and green production in hydraulic support cylinder machining and assembly. This will further enhance efficiency and quality, reduce production costs and establish an internationally leading smart factory.

2. Necessity of Project Implementation

(1) Responding to national industrial upgrade strategy and aligning with intelligent transformation in equipment manufacturing

Currently, the global manufacturing sector is undergoing profound transformation centered on intelligent manufacturing. The "Proposal of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development" explicitly states: "To promote technological renovation and upgrading, advance the digital and intelligent transformation of

manufacturing, develop intelligent manufacturing, green manufacturing and service-oriented manufacturing and accelerate the transformation of industrial models and enterprise organizational structures". In August 2025, the Implementation Plan for Digital Transformation in the Machinery Industry, jointly issued by eight ministries, including the Ministry of Industry and Information Technology, further designated smart manufacturing as the primary development direction for the machinery sector, and sets forth a clear target: to establish no fewer than 200 excellence-level smart factories by 2027. In January 2026, eight ministries including the MIIT jointly issued the Implementation Opinions on the "**Artificial Intelligence + Manufacturing**" Special Action (hereinafter referred to as the "**Special Action Opinions**"), requiring the deepening of tiered cultivation for smart factories, the deep integration of large-model technologies into core manufacturing processes and the enhanced application of AI technologies in industrial core process control, process optimization, production scheduling and other areas.

China's manufacturing sector maintains the world's largest scale and industrial intelligence upgrading has become the core direction for high-quality development. As core components of high-end equipment, the intelligent production level of hydraulic components directly impacts the overall competitiveness of the equipment manufacturing industry. With years of deep cultivation in hydraulic components for coal mine comprehensive mining equipment, the Company has achieved steady development in relevant businesses through its mature technical systems, stable product quality and extensive industry service experience, establishing a strong market reputation in this niche field. The current intelligent transformation project represents a strategic upgrade of the Company's existing operations. By establishing a smart factory for coal mining hydraulic cylinders, it will advance the intelligent analysis, decision-making and implementation of production processes, enhance real-time production line monitoring and predictive maintenance, further boost production efficiency, optimize product precision, strengthen core competitiveness and drive leapfrog growth in business operations. The implementation of this project not only represents the Company's proactive response to national strategies, alignment with policy directives and capitalization on the industrial upgrade window, but also demonstrates tangible leadership in guiding the coal mining equipment industry toward "high-end and intelligent", contributing substantial momentum to advancing new industrialization.

(2) Empowering core component upgrades, leading the intelligent transformation of coal mining equipment

China's comprehensive coal mining equipment industry is undergoing a critical transition from scale leadership to quality and efficiency leadership. As the pivotal "joint" component of hydraulic supports, the continuous advancement in hydraulic cylinder manufacturing plays a decisive role in ensuring the high reliability of comprehensive mining equipment and driving the intelligent development of coal mines. With years of deep cultivation in coal mining machinery, the Company has become a global leader in the industry through its exceptional R&D capabilities, large-scale production advantages and global market presence. Currently, coal mining is accelerating toward intelligent, efficient and green operations, urgently requiring industry leaders to spearhead the sector's comprehensive upgrade.

This project establishes an intelligent production system encompassing smart processing, smart assembly, smart logistics and smart operation and maintenance, creating a benchmark smart factory in the hydraulic cylinder sector, which is not only an upgrade to the Company's own manufacturing capabilities, but also a crucial step in providing the industry with highly reliable solutions from the source of core component manufacturing. The intelligent production model and lean management system developed through this project possess replicability and scalability within the industry. They will effectively support the sector's exploration of intelligent and smart transformation pathways, thereby driving new breakthroughs across the entire coal comprehensive mining equipment manufacturing industry.

(3) Advancing toward a new benchmark in smart manufacturing to support high-quality development and core competitiveness enhancement

The Company has established itself as an industry leader in the manufacturing of hydraulic cylinders for coal mining machinery. Its current production system is mature and reliable, enabling stable delivery of high-quality products that fully meet mainstream market demands. Since commencing operations around 2011, the Company's cylinder factory has maintained over a decade of efficient operation, powerfully supporting business growth and industry recognition. Facing heightened standards for product consistency, reliability and full-process traceability in high-end markets, coupled with rapid advancements in smart manufacturing technology, a systematic upgrade of existing capacity has become essential for maintaining leadership and future readiness.

This project will achieve iterative leaps in production capacity through systematic process layout optimization, construction of intelligent production lines and warehousing logistics and digital upgrades across all business processes. Building upon the existing solid foundation, the project will further enhance production efficiency and product yield rates, cultivate data-driven capabilities and achieve intelligent collaboration and precise decision-making across the entire process; it will also strengthen flexible production capabilities to rapidly respond to diverse market demands. This upgrade will assist the Company to continuously consolidate its leading position in the industry, deeply expand into the high-end market and inject strong momentum into the achievement of sustainable, high-quality development.

3. Project Implementation Feasibility

(1) Aligning with high-end and intelligent industrial development trends, the project enjoys clear policy benefits

At the policy level, smart manufacturing and equipment manufacturing upgrades have become core strategic directions for the high-quality development of the State, and the policy support system has been increasingly complete. Policies such as the "Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development", the "Smart Manufacturing Development Plan" and the "Special Action Opinions" explicitly provide multiple policy supports for digital factory construction and smart production line upgrades. At the local level, Henan Province, as a major base for equipment manufacturing, has leveraged its local industrial strengths to introduce targeted supporting incentive policies to assist high-end equipment enterprises in transformation and upgrading. The convergence of multiple policy benefits not only reduces project investment and operational costs, but also lays a solid policy foundation for the smooth implementation of the project.

(2) The Company possesses deep technological accumulation and core foundations for intelligent upgrades

The Company has achieved industry-leading status in coal mining machinery hydraulic cylinder manufacturing, possessing certain technological foundation in automated production that provides strong technical groundwork for full-process intelligent upgrades. Simultaneously, the Company deeply recognizes the core value of technological innovation and smart manufacturing, having established a mature R&D and production management system. The Company has

obtained experience in the successful construction and operation of the first "lighthouse factory" in global coal mining machinery industry, achieving enhanced production efficiency and reduced manufacturing cycles while establishing a digital twin model covering design, production and quality. The current project upgrade could effectively leverage its core technologies and management expertise in areas such as intelligent equipment cluster applications, comprehensive data integration platform and intelligent logistics scheduling systems. Combined with the Company's deep understanding of hydraulic cylinder production processes for coal mining equipment, it could ensure the feasibility and implementation effectiveness of the intelligent upgrade solution.

(3) Abundant industry experience and resource endowment, safeguard efficient project advancement

With years of deep cultivation in coal comprehensive mining equipment and hydraulic component manufacturing, the Company has accumulated extensive production management expertise, customer resources and supply chain capabilities. This enables rapid coordination of project-required resources, including equipment and technical teams. In the intelligent mining sector, the Company possesses not only robust technical reserves but also comprehensive experience in end-to-end intelligent transformation, from intelligent underground mining operations and equipment coordination, to centralized surface monitoring and dispatch. The Company owns over 20 smart manufacturing plants globally. In recent years, multiple facilities have been recognized as digital benchmark factories by China's Ministry of Industry and Information Technology and local industrial and information technology authorities. Our industrial intelligence division has also undertaken smart factory transformation projects across various industries. This extensive experience in smart factory construction provides robust assurance for project implementation.

4. Project Land Use, Filing and Environmental Impact Assessment Status

This project is planned for implementation on the Company's existing premises and does not involve new land acquisition. As of the date of this report's announcement, project filing and environmental impact assessment procedures are currently in progress. The Company will complete all relevant formalities in a timely and compliant manner in accordance with national laws and regulations.

5. Project Economic Benefit Analysis

Feasibility studies indicate the project possesses sound economic viability. Upon reaching full production capacity, it will generate sustained cash inflows for the Company.

(III) Smart Manufacturing Full-Scene R&D Center Project

1. Project Overview

The total investment for the project is RMB398 million, with RMB280 million proposed to be funded by the proceeds. The Company proposes to establish a full-scenario R&D center for intelligent manufacturing, with a core focus on the integrated application of artificial intelligence technology in manufacturing, systematically organize key application scenarios across various industries, comprehensively integrate cutting-edge technologies such as industry-specific large models, AI and digital twins. Research and development efforts will concentrate on: the integrated application of AI technology with industrial internet, full-process intelligent production and operation, platform technology iteration, intelligent software upgrades, core technologies for industrial intelligent agents and smart equipment, so as to establish new productive forces driven by artificial intelligence. By upgrading R&D equipment, expanding R&D facilities, integrating existing technical resources and intensifying efforts to attract and cultivate core R&D talent, the Company aims to establish a manufacturing digital transformation promotion center, accelerate the dissemination and application of benchmark solutions and best practices, striving to realize the Company's grand vision of "becoming a globally leading and sustainably developing provider of intelligent industrial solutions".

2. Necessity of Project Implementation

(1) Response to national smart manufacturing strategy and align with industrial policy direction

Currently, next-generation industrial intelligence technologies centered on artificial intelligence and digital twins are deeply integrating with manufacturing, driving paradigm shifts in the industry. The State's "Proposal of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development" explicitly states: "To promote the digital and intelligent transformation of manufacturing and develop intelligent manufacturing", designating cutting-edge technologies such as digital twins and artificial intelligence as key areas for breakthroughs. In January 2026, eight ministries including the MIIT

jointly issued the Implementation Opinions on the "Artificial Intelligence + Manufacturing" Special Action, calls for the acceleration of "industrial intelligent", strengthening the overall industrial ecosystem and promoting deep integration between AI technological innovation and industrial innovation, as well as "mutual empowerment" between AI technology and manufacturing applications; to promote the in-depth embedding of large model technologies into core manufacturing processes, transform the entire workflow from R&D design (including industrial design), pilot testing, production, marketing services, to operational management, and enhance capabilities in areas such as assisted design, simulation modeling, production scheduling and predictive equipment maintenance.

China is currently at a critical stage in building a manufacturing powerhouse, where intelligent manufacturing serves as the core engine driving the high-end, intelligent and green transformation of the manufacturing sector.

This project focuses on the R&D and iteration of smart factory hardware and software, systematically deploying cutting-edge technologies. It represents a concrete measure to implement the national smart manufacturing development strategy, enabling the enterprise to fully leverage policy dividends and seize development opportunities amid the national wave of industrial upgrade, demonstrating clear policy necessity. At the same time, establishing a dedicated R&D center for full-scenario applications is an inevitable strategic choice to systematically deploy key technologies like digital twins and industrial intelligent agents, ensuring technological R&D keeps pace with industry evolution.

(2) *Aligning with industry technology iteration trends to address the sore point of market demand upgrades*

China's intelligent manufacturing has entered a critical leap from "digitalization and networking" towards "intelligent". Market demand for smart factories is rapidly evolving from individual point automation towards comprehensive, end-to-end intelligent solutions encompassing all elements. Downstream customers no longer seek discrete hardware or software, but require integrated intelligent systems spanning the entire value chain. Currently, the industry demands higher standards for software-driven intelligent decision-making and hardware flexibility in smart factories, and the practical implementation of these technologies and their adaptation to complex scenarios remains the common core challenges. While the Company possesses foundational technical expertise and practical experience spanning planning to

implementation in this domain, it still needs to deepen the development and systematic iteration of key technologies to address the needs of broader and more intricate commercial scenarios, so as to transform validated smart manufacturing experience into replicable, scalable industry-level solutions.

This project will accelerate technological iteration and forward-looking reserves by establishing an all-scenario R&D center. It will precisely address the market's core demand for scenario-based, intelligent solutions. By systematically integrating the Company's validated intelligent experience in sectors like coal machinery and automotive parts, it will establish a standardized technical and management framework, seize the strategic opportunity presented by the expanding market for "intelligent transformation and digital transition" in manufacturing, representing an inevitable choice aligned with industry trends.

(3) Implementing the Company's "intelligent leadership" core strategy to build a third growth engine

The Company has completed its strategic rebranding from "ZMJ" to "ZCZL" and restructured its business operations, explicitly positioning "industrial intelligence" as the third major business segment alongside coal mining machinery and automotive parts. Achieving this strategic transformation urgently requires a powerful, unified innovation engine as its foundation. Currently, the Company's various business segments have accumulated substantial smart factory transformation technologies and practical experience during operations, but these resources remain unsystematized. The construction of a full-scenario R&D center for intelligent manufacturing is conducive to consolidating superior resources, focusing on the core of "digital industrial intelligence", bridging the gap between practice and theory and achieving breakthroughs across the entire chain from foundational technology R&D to top-level solution design.

Implementing this project is a necessary step to translate the Company's practical experience and strategic blueprint into concrete technical and product roadmaps. It also serves as a crucial fulcrum for cultivating the industrial intelligence segment into a new growth engine, propelling the Company toward becoming a hundred-billion-RMB industrial intelligence technology group.

3. Project Implementation Feasibility

(1) Anchored in an innovation-driven strategy, the project implementation has secured multiple policy supports

This project operates within a window period of concentrated policy dividends, benefiting from an advantageous external environment. At the national level, top-level designs such as the "Proposal of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development", "Guiding Opinions on Promoting High-End, Intelligent and Green Development of Manufacturing" and "Action Plan for Digital Transformation of Manufacturing" provide long-term guidance for smart manufacturing. The project's core R&D with the focus on digital twins and industrial internet platforms aligns closely with national policy priorities for breakthroughs in intelligent manufacturing technologies. Additionally, relevant policies explicitly provide complementary support for key R&D projects in intelligent manufacturing, including talent recruitment and cultivation, as well as industry-academia-research collaboration. This facilitates the formation of high-caliber R&D teams and access to cutting-edge technological resources. The comprehensive and highly targeted policy support system provides robust policy safeguards and resource backing for the successful implementation of the project.

(2) The Company possesses deep technological accumulation and the core foundation for R&D upgrade

The Company has established a solid business foundation and systematic R&D capabilities in intelligent manufacturing and smart mining. Our subsidiaries such as Zhengzhou Hengda Intelligent Control Technology Co., Ltd. (hereinafter referred to as "Hengda Intelligent Control") and Zhengzhou Shuyun Industrial Technology Co., Ltd. (hereinafter referred to as "Shuyun Technology") have formed a dedicated smart manufacturing R&D team of approximately 200 professionals. The Company has accumulated 50 authorized and pending patents in the smart manufacturing field, including 25 authorized patents and 25 patents under application, along with over 40 authorized software copyrights, establishing a robust proprietary intellectual property system. These R&D achievements have been validated across multiple real-world scenarios: in smart factories, the Company possesses cross-industry expertise from its self-built coal machinery "Lighthouse Factory" benchmark and automotive parts digital workshops; in smart mining, we have successfully implemented solutions including intelligent comprehensive mining and digital twin

operations and maintenance. The establishment of this R&D center leverages the Company's existing technical capabilities, scenario data and implementation experience to focus on deepening and systematically upgrading cutting-edge areas such as digital twins and AI-driven decision-making, thereby ensuring efficient conversion of R&D outcomes.

(3) Following the feasible path of "internal incubation and external empowerment", propel the efficient advancement of the project

This project adopts a robust and sustainable development model, with R&D outcomes possessing significant potential for commercialization. As regards internal incubation, R&D outcomes are prioritized for continuous intelligent upgrades within the Company such as the smart production line project for hydraulic cylinder components, enabling rapid internal circulation of R&D investments and value validation. As regards external empowerment, the Company has begun expanding intelligent systems validated in coal mining scenarios to other manufacturing sectors including non-coal mines, shipyards, steel mills, port machinery and automotive parts, receiving positive market feedback.

Furthermore, leveraging industry expertise, the Company efficiently connects upstream and downstream resources, reducing R&D and collaboration costs. With an established customer base and market channels, R&D outcomes can be rapidly validated and iterated in accordance with client needs, further enhancing R&D efficiency.

4. Project Land Use, Filing Status and Environmental Impact Assessment

As of the date of this report, the project land has not yet been secured. Investment project filing, environmental impact assessment and other approval procedures are currently in progress.

5. Project Economic Benefit Analysis

This project does not generate economic benefits directly. Upon completion, it will significantly enhance the Company's full-scenario R&D capabilities in intelligent manufacturing.

(IV) Intelligent Mobile Robot Manufacturing Base Project

1. Project Overview

The total project investment is RMB619 million, of which RMB470 million is proposed to be funded from proceeds. The Company plans to establish an intelligent mobile robot manufacturing base to produce aerial transport robots, logistics robots, warehousing robots and other products. This initiative will comprehensively upgrade the foundational capabilities of logistics equipment, establish an intelligent hardware support system integrating a unified technological foundation with scenario-based application suites and create a digital benchmark factory for intelligent mobile robots, effectively drive the Company's transformation from primarily providing solutions to equally emphasizing solutions and intelligent equipment manufacturing, further enabling the construction of efficient and flexible internal logistics systems for customers.

2. Necessity of Project Implementation

(1) Deepening technology integration and deploying intelligent equipment to build long-term competitive barriers

Currently, the intelligent upgrade of manufacturing is expanding from production processes to encompass the entire internal logistics workflow—including warehousing, material handling and sorting. Its core lies in breaking down "information silos" to achieve efficient integration of logistics and information flows. In this process, logistics equipment per se has undergone a paradigm shift: from traditional automated guided vehicles (AGVs) implementing fixed programs to intelligent mobile robots (AMRs) capable of environmental perception, autonomous decision-making and collaborative operations. Particularly, the maturation of technologies like AI vision and digital twins has fueled surging market demand for high-flexibility, high-reliability premium logistics equipment. Therefore, establishing core intelligent equipment manufacturing is a strategic imperative for the Company to align with technological convergence trends, solidify technological leadership into product leadership and thereby build long-term competitive barriers.

(2) Enhancing the "hardware-software integration" business loop to boost solution competitiveness and customer loyalty

As regards the status quo of the industry, mainstream products in the core logistics and warehousing equipment sector of smart factories remain largely confined to basic automation levels. They lack precise autonomous sensing capabilities and multi-device coordination, suffer from disconnects between software and hardware integration and struggle to meet the efficient operational demands of complex production scenarios. Consequently, the market urgently requires equipment with higher intelligence levels and integrated capabilities.

The Company has accumulated substantial technical reserves and practical experience in the smart factory sector, with relevant intelligent equipment R&D and manufacturing capabilities distributed across subsidiaries including Hengda Intelligent Control, Shuyun Technology and Zhengzhou Coal Mining Machinery Comprehensive Equipment Co., Ltd. The establishment of this intelligent mobile robot manufacturing base will consolidate dispersed resources across entities, creating a unified core equipment manufacturing center that significantly expands production scale and enhances capacity concentration.

This project focuses on upgrading core equipment production capacity for aerial transport robots, logistics robots and warehouse robots, marking the Company's deepening of its vertical integration strategy centered on "core equipment manufacturing + integrated solutions". By developing and producing core equipment in-house, the Company achieves end-to-end optimization from underlying hardware components to upper-layer algorithm systems, creating integrated products with more stable performance and controllable costs. This strategic shift not only builds a unique "hardware-software integration" competitive advantage, strengthening customer loyalty and project implementation, but also enables technology integration verification through equipment manufacturing, ensuring sustained leadership in core technologies.

(3) Seizing the window of rapid market growth to transform technological accumulation into scalable growth momentum

As manufacturing undergoes comprehensive digital and intelligent transformation, robust demand for flexible, intelligent production logistics and warehouse automation systems arises not only in advanced sectors like new energy, semiconductors and automotive, but also in traditional industries undergoing urgent smart upgrades. As

the core physical enablers for "dark factories", flexible production lines and smart warehousing, the market space of intelligent mobile robots is experiencing rapid expansion. The industry is currently undergoing a paradigm shift from single-function equipment to system-level solutions featuring embodied intelligence and multi-robot coordination capabilities. Against this backdrop, the Company is establishing a large-scale manufacturing base. This initiative aims to rapidly transform its technological expertise and deep understanding of smart factory scenarios into mass-deliverable intelligent products, thereby capturing the dividends of industrial upgrading in a precise manner and creating a core engine for future growth.

3. Project Implementation Feasibility

(1) Comprehensive policy support system reduces project implementation costs across multiple dimensions

The State's "Proposal of Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development" explicitly states: "Promote the deep integration of intelligent logistics with production processes and achieve breakthroughs in core technologies for intelligent mobile robots and other key equipment". The Special Action Plan further requires: "On one front, focus on technology supply to advance 'intelligent industrialization'; on the other, emphasize enabling applications to accelerate 'industrial intelligence'. Holistically strengthen the industrial ecosystem, fostering deep integration between AI technological innovation and industrial innovation, as well as the 'mutual empowerment' between AI technology and manufacturing applications". Currently, China's manufacturing sector has now entered the critical phase of digital and intelligent transformation. Automation in production logistics and warehouses serves as a pivotal driver for breaking down "information silos" and achieving end-to-end process coordination. A comprehensive policy support system could effectively reduce project investment and operational costs, providing robust safeguards for successful implementation.

(2) Deep technological accumulation and integration capabilities lay the foundation for equipment manufacturing

The Company has been deeply engaged in the smart factory sector for many years, establishing a closed-loop business model spanning from single-machine integration of intelligent equipment and production line assembly to comprehensive solution design. We have accumulated extensive expertise in core technological domains such as logistics automation, AI vision applications and digital twins.

Currently, the Company has developed equipment integration and assembly capabilities, establishing a portfolio of corresponding products and technological reserves and has achieved preliminary market conversion of its technological achievements. However, as these technological achievements remain dispersed across multiple entities, a scalable, standardized and replicable manufacturing system has yet to be established. Consequently, it is challenging to fully respond to the rapidly growing market demand for high-quality, highly consistent intelligent equipment. Through the implementation of this project, the Company will establish a large-scale manufacturing base to systematically integrate existing equipment technologies, integration expertise and production resources, creating a unified production and manufacturing platform. This will not only rapidly transform the Company's practical experience in smart factory scenarios into standardized robotic products for mass delivery, but also enable continuous iterative optimization from core components to overall system performance through a key technology integration and verification platform, thereby enhancing our market competitiveness.

(3) The industrial ecosystem aligns with customer resources, safeguarding smooth implementation of the project

As regards the industrial ecosystem, Zhengzhou and its surrounding areas have developed a mature smart manufacturing industrial cluster, gathering numerous enterprises in the automotive, electronics and equipment manufacturing sectors. This cluster provides high-quality supply chain resources for the project, reducing production and collaboration costs. As regards customer resources, the Company has cultivated a core client base in the smart factory racetrack. Their demand for intelligent internal logistics upgrades directly aligns with the products of the project, i.e. aerial transport robots, logistics robots and warehouse robots, providing robust assurance for post-production capacity utilization. Simultaneously, leveraging our "hardware-software integration" model, the Company could synergistically promote solutions alongside core equipment, enhancing market expansion efficiency.

4. Project Land Use, Filing Status and Environmental Impact Assessment

As of the date of this report, the project land has not yet been secured. Investment project filing, environmental impact assessment and other approval procedures are currently in progress.

5. Project Economic Benefit Analysis

Feasibility studies indicate the project possesses sound economic viability. Upon reaching full production capacity, it will generate sustained cash inflows for the Company.

(V) Working Capital Supplement

1. Project Overview

The Company intends to allocate RMB1.2 billion from the proceeds of the issuance of A-share convertible bonds to non-specific investors to supplement the Company's working capital.

2. Analysis of Necessity for Working Capital Supplement

In recent years, the Company's revenue scale has shown an upward trend as downstream operations continue to expand. In 2022, 2023, 2024 and January to September 2025, the Company achieved total operating revenues of RMB32.043 billion, RMB36.423 billion, RMB37.052 billion and RMB30.767 billion, respectively. While rapidly expanding its business scale, the Company faces persistent working capital pressure. Insufficient working capital will become a significant constraint on the Company's further development. As the Company's fundraising projects progress orderly and business scale expands further, the demand for working capital continues to increase.

The proposed working capital supplement by proceeds from the issuance of A-share convertible bonds to non-specific investors will partially alleviate the financial pressure arising from the Company's business scale, safeguard business development and enhance the Company's overall competitiveness. Additionally, it will further optimize the Company's capital structure, effectively reduce the debt-to-equity ratio, improve the Company's financial health and is conducive to maintaining the momentum of rapid development, safeguarding the long-term sustainable development of the Company and is in line with the interests of all shareholders.

In summary, working capital supplement by proceeds from the issuance of A-share convertible bonds to non-specific investors will better meet the Company's daily capital turnover needs for production and operations, positively impact the Company's financial position and operating results, assist to control financial risks, reduce the impact of financial expenses on net profit, and at the same time promote the continuous expansion of the Company's scale, and promote the sustainable development of the Company.

3. Feasibility Analysis of Working Capital Supplement

The allocation of part of the proceeds to supplement working capital aligns with the Company's current development realities, relevant industrial policies and the status of the industry in which it operates. It is conducive to enhancing the Company's capital strength, meeting the demands of its rapidly expanding business scale, providing financial support for the development of future businesses of the Company and driving the Company's long-term, sustainable and stable growth.

The allocation of part of the proceeds to supplement working capital complies with the relevant provisions on the use of proceeds in the "Measures for the Administration of Securities Issuance Registration of Listed Companies" and "Opinion No. 18 on the Application of Securities and Futures Laws". The plan is practical and feasible. The Company has formulated the Proceeds Management System, which clearly stipulates the storage, approval, use, management and supervision of proceeds to ensure their standardized use through institutional safeguards.

III. IMPACT OF THE CURRENT ISSUANCE ON THE COMPANY'S OPERATIONS AND FINANCIAL CONDITION

(1) Impact of the issuance on the Company's operations and management

The proceeds from this issuance of A-share convertible bonds to non-specific investors will be allocated to the following projects: New Energy Vehicle High-End Components Industrial Base Project, Intelligent Upgrade Project for High-End Hydraulic Component Production Systems, Intelligent Manufacturing Full Scenario R&D Center Project, Intelligent Mobile Robot Manufacturing Base Project and working capital supplement. The proceeds investment projects align with the Company's core business operations, comply with relevant national industrial policies and the Company's overall strategic development direction and possess favorable market prospects and economic benefits, are conductive to facilitate further business expansion, enhance risk resilience, consolidate and develop the Company's competitive edge within the industry and lay a solid foundation for sustainable development of the Company.

(2) Impact of the Issuance on the Company's Financial Position

Upon receipt of proceeds from the issuance of A-share convertible bonds to non-specific investors, the Company's cash balances, total assets and total liabilities will increase, enhancing its financial strength and providing robust support for sustainable development of the Company. Prior to conversion of the convertible bonds, the financial cost of utilizing the proceeds is relatively low, with relevantly low interest repayment risk. As holders gradually convert their holdings into shares in the future, the Company's debt-to-equity ratio will progressively decrease, facilitating optimization of the capital structure and strengthening risk resilience.

Upon receipt of the proceeds from this issuance, certain financial metrics such as return on net assets and earnings per share may experience short-term dilution. However, the investment projects funded by these proceeds possess favorable market prospects and economic benefits. With the implementation of these projects, the Company's stable supply capabilities and overall operational efficiency will be further enhanced, significantly strengthening the profitability and comprehensive competitiveness of the Company. Consequently, operating performance is expected to improve to a certain extent.

IV. CONCLUSIONS OF THE FEASIBILITY ANALYSIS FOR THE PROCEEDS INVESTED PROJECTS

In summary, the allocation of proceeds from the issuance of A-share convertible bonds to non-specific investors aligns with national industrial policies and the Company's strategic development plan. It represents a crucial initiative for the Company to seize industry development opportunities, strengthen the core technological and business advantages. It is conducive to enhancing the Company's competitiveness, consolidating the market position, improving operating performance and serving the development needs of the Company and the interests of all shareholders as a whole. Therefore, raising funds through this issuance of A-share convertible bonds to non-specific investors is both necessary and feasible.

Board of Directors
of
ZCZL Industrial Technology Group Company Limited
15 January 2026

ZCZL Industrial Technology Group Company Limited

Explanation on Measures to Compensate Dilution of Immediate Returns from the Issuance of A-share convertible bonds to Non-specific Investors and Commitments of the Relevant Entities

ZCZL Industrial Technology Group Company Limited (hereinafter referred to as "**ZCZL**" or the "**Company**") intends to issue A-share convertible corporate bonds to non-specific investors (hereinafter referred to as the "**Issuance**. In accordance with the provisions of relevant documents such as the Guiding Opinions of the General Office of the State Council on Further Strengthening the Protection of Legitimate Rights and Interests of Small and Medium Investors in the Capital Market (Guo Ban Fa [2013] No. 110), the Several Opinions of the State Council on Further Promoting the Healthy Development of the Capital Market (Guo Fa [2014] No. 17) and Guiding Opinions on Matters Concerning the Dilution of Immediate Returns from Initial Public Offerings, Further Offerings and Major Asset Restructurings of China Securities Regulatory Commission (hereinafter referred to as "**CSRC**") (CSRC Announcement [2015] No. 31), to safeguard investors' right to information and protect their lawful rights and interests, ZCZL has conducted a thorough analysis of the impact of the dilution of immediate returns from the Issuance of A-share convertible bonds (hereinafter referred to as the "**convertible bonds**") to unspecified investors on the Company's key financial indicators and has proposed specific measures to compensate the returns. Relevant entities have undertaken that the measures to be adopted by the Company to compensate the returns can be effectively implemented. The details are as follows:

I. Impact of the Issuance on the Dilution of Immediate Returns for the Company's Major Financial Indicators

(I) Major Assumptions and Premises for Financial Projections

The Company analyzes the impact of the dilution of immediate returns from the Issuance of A-share convertible bonds to unspecified investors on the Company's key financial indicators based on the following assumptions. Investors are specifically reminded that the following assumptions do not constitute any forecasts or commitments. The Company shall not be liable for any losses incurred by investors making investment decisions based thereon. The plan for the Issuance of A-share convertible bonds and the actual completion time are subject to the approval by the Shanghai Stock Exchange's issuance and listing review and the consent for registration by the CSRC.

The specific assumptions are as follows:

1. It is assumed that there are no significant changes in the macroeconomic environment, industrial policies, product market conditions and the Company's operating environment.

2. It is assumed that the Issuance of A-share convertible bonds would be completed by the end of June 2026 and two scenarios are considered: (i) none of the bonds are converted by 31 December 2026 and (ii) all bonds are converted by 31 December 2026. The aforementioned timing for the completion of implementation of the issuance plan and conversion is only an estimate. The final timing shall be subject to the actual completion date after approval by the Shanghai Stock Exchange's issuance and listing review and registration consent by the CSRC, as well as the actual conversion time by the convertible bond holders.

3. The total proceeds from the Issuance are estimated not to exceed RMB4,350,000,000 (inclusive), excluding the impact of issuance expenses and without considering the impact of the proceeds on the Company's production, operations and financial status (e.g., financial expenses, investment income) after the proceeds are received. The actual net proceeds from the Issuance of A-share convertible bonds to non-specific investors will be finally determined based on regulatory review and registration status, subscription conditions, issuance expenses, etc.

4. When projecting the Company's total share capital, it is based on the total share capital of 1,785,399,930 shares before the Issuance, considering only the impact of the shares resulting from the completion of the Issuance and the full conversion of the bonds.

5. It is assumed that the conversion price for these convertible bonds is RMB24.16 per share, which is the higher of the average trading price over the twenty trading days prior to the date of the 21st meeting of the sixth session of the Board of Directors (15 January 2026) and the average trading price on the preceding trading day (such conversion price is only used to calculate the impact of the Issuance on the dilution of immediate returns for major financial indicators. The final conversion price will be determined by the Company's Board of Directors based on authorization from the general meeting, in consultation with the lead underwriter before issuance according to market conditions and the Company's specific circumstances and may be adjusted for ex-rights/issues, dividends, or downward revisions).

6. For the year 2024, the Company's net profit attributable to owners of the parent company and the net profit attributable to owners of the parent company after deducting non-recurring gains and losses were RMB3,933,836,100 and RMB3,603,606,500, respectively. It is assumed that for the years 2025 and 2026, the annual growth rates corresponding to the net profit attributable to owners of the parent company and the net profit attributable to owners of the parent company after deducting non-recurring gains and losses fall into three scenarios: (1) remain unchanged from the previous year; (2) growth of 10% over the previous year; and (3) growth of 20% over the previous year.

7. It is assumed that apart from the Issuance, the Company will not implement any other actions that would have or potentially have an impact on the total share capital.

8. The above assumptions are made solely for the purpose of measuring the impact of the dilution of immediate returns from the Issuance of the convertible bonds on the Company's key financial indicators. They do not represent the Company's judgment on its operating conditions and trends for 2025 and 2026, nor do they constitute profit forecasts. Investors should not make investment decisions based thereon. The Company shall not be liable for any losses incurred by investors making investment decisions based thereon.

(II) Measurement of Impact on Major Financial Indicators

Based on the above assumptions, the Company has measured the impact of this A-share Convertible Bond issuance on the dilution of immediate returns for its major financial indicators. The specific details are as follows:

			2026/31 December 2026	
Item	2024/31 December 2024	2025/31 December 2025	End of 2026 Unconverted	All by end of 2026 Converted
Total share capital (Shares)	1,785,399,930	1,785,399,930	1,785,399,930	1,965,449,598
Assumption 1: The annual growth rate for net profit attributable to owners of the parent company and net profit attributable to owners of the parent company after deducting non-recurring gains and losses in 2025 and 2026 is 0%.				
Net profit attributable to shareholders of the parent company (RMB)	3,933,836,140.10	3,933,836,140.10	3,933,836,140.10	3,933,836,140.10
Net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses (RMB)	3,603,606,474.21	3,603,606,474.21	3,603,606,474.21	3,603,606,474.21
Basic earnings per share (RMB/share)	2.21	2.24	2.25	2.25
Diluted earnings per share (RMB/share)	2.21	2.24	2.12	2.12
Basic earnings per share excluding non-recurring gains and losses (RMB/share)	2.03	2.05	2.06	2.06
Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)	2.03	2.05	1.94	1.94

Item	2024/31 December 2024	2025/31 December 2025	2026/31 December 2026	
			End of 2026 Unconverted	All by end of 2026 Converted
Assumption 2: The annual growth rate for net profit attributable to owners of the parent company and net profit attributable to owners of the parent company after excluding non-recurring gains and losses in 2025 and 2026 is 10%				
Net profit attributable to shareholders of the parent company (RMB)	3,933,836,140.10	4,327,219,754.11	4,759,941,729.52	4,759,941,729.52
Net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses (RMB)	3,603,606,474.21	3,963,967,121.63	4,360,363,833.79	4,360,363,833.79
Basic earnings per share (RMB/share)	2.21	2.47	2.72	2.72
Diluted earnings per share (RMB/share)	2.21	2.46	2.57	2.57
Basic earnings per share excluding non-recurring gains and losses (RMB/share)	2.03	2.26	2.49	2.49
Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)	2.03	2.25	2.35	2.35

Item	2024/31 December 2024	2025/31 December 2025	2026/31 December 2026	
			End of 2026 Unconverted	All by end of 2026 Converted
Assumption 3: The annual growth rate for net profit attributable to owners of the parent company and net profit attributable to owners of the parent company after excluding non-recurring gains and losses in 2025 and 2026 is 20%.				
Net profit attributable to shareholders of the parent company (RMB)	3,933,836,140.10	4,720,603,368.12	5,664,724,041.74	5,664,724,041.74
Net profit attributable to shareholders of the parent company after deducting non-recurring gains and losses (RMB)	3,603,606,474.21	4,324,327,769.05	5,189,193,322.86	5,189,193,322.86
Basic earnings per share (RMB/share)	2.21	2.69	3.24	3.24
Diluted earnings per share (RMB/share)	2.21	2.68	3.05	3.05
Basic earnings per share excluding non-recurring gains and losses (RMB/share)	2.03	2.46	2.97	2.97
Diluted earnings per share after deducting non-recurring gains and losses (RMB/share)	2.03	2.46	2.80	2.80

Note: The above basic earnings per share and diluted earnings per share are calculated in accordance with the relevant provisions of the Rules for the Compilation and Disclosure of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings Per Share (2010 Revision).

II. Risk Warning Regarding the Dilution of Immediate Returns from the Issuance of convertible bonds to Non-specific investors

The proposed investment projects by proceeds of the Issuance of A-share convertible bonds will gradually generate economic benefits for the company during the term of the convertible bonds and there is a risk that the expected benefits may not be realized immediately. After the Issuance, if investors convert their bonds during the conversion period, it may dilute earnings per share and return on equity to a certain extent. Therefore, the Company may face the risk of dilution of earnings per share and return on equity during the conversion period. Furthermore, the A-share convertible bonds issued to non-specific investors include a clause for downward revision of the conversion price. If this clause is triggered, the Company may apply for a downward revision of the conversion price, leading to an increase in the total new share capital from the conversion of these convertible bonds, thereby amplifying the potential dilution effect on the Company's existing ordinary shareholders from the conversion of the current issuance of convertible corporate bonds to non-specific investors.

The Company's immediate returns after the Issuance of A-share convertible bonds to non-specific investors face the risk of dilution. Investors are advised to pay attention to this and be aware of the investment risks.

III. Explanation of the Necessity and Rationality of the Issuance

The proceeds investment projects for the Issuance of A-share convertible bonds to non-specific investors have all undergone prudent evaluation by the Company. The implementation of the projects is conducive to further enhancing the Company's core competitiveness and strengthening its sustainable development capabilities. For detailed analysis, please refer to the Feasibility Analysis Report on the use of Proceeds of The Issuance of A-Share Convertible Bonds to Non-Specific Investors by ZCZL Industrial Technology Group Company Limited disclosed by the Company on the same date on the website of the Shanghai Stock Exchange (www.sse.com.cn).

IV. Relationship between the Proceeds Investment Projects and the Company's Existing Business and Reserves in Personnel, Technology, Market, etc., for Undertaking the Proceeds Investment Projects

The Issuance is a key initiative for the Company to align with national industrial upgrade trends and implement its own main business strategic upgrade. The proceeds investment project is closely centered around the Company's principal business and development strategy: In traditional advantageous areas, by carrying out the intelligent upgrade project for the high-end hydraulic components production system and intelligently transforming the hydraulic support cylinder factory, we aim to consolidate our leading position in the coal machinery sector, achieve endogenous growth and thereby promote the transformation and upgrade of manufacturing methods in the coal machinery industry; in the emerging expanding areas, to construct a new energy vehicle high-end components industrial base mainly produces high-end new energy vehicle components such as high-voltage drive motor stators and rotors, chassis motors and full-active suspension electro-hydraulic pumps, seize the market window and support the reliable delivery of secured orders; in cutting-edge technology areas, the construction of a intelligent manufacturing full-scenario R&D center and intelligent mobile robot manufacturing base represents a strategic leap for the Company from primarily providing solutions to equally emphasizing solutions and smart equipment manufacturing, aiming to build comprehensive "hardware-software integrated" competitiveness, promote the deep integration of AI technological innovation and industrial innovation and enable bidirectional empowerment between AI technology and manufacturing applications, injecting technological momentum into the Company's long-term development.

(I) The Company Has Sufficient Personnel Reserves

The Company has built a professional team covering the entire chain of R&D, production and marketing. Core members all have years of experience in the coal machinery equipment, automotive components and industrial intelligence fields, possessing a deep understanding of industry technology trends, production processes and market demands. On the R&D front, a technical team led by senior industry experts has been formed, covering multiple professional directions such as materials, structure and automation. Meanwhile, through a combination of internal cultivation and external recruitment, talent reserves in areas like new energy vehicle components and intelligent mobile robots are continuously strengthened. On the production front, there is a group of skilled technical workers familiar with intelligent production processes, enabling rapid adaptation to the operational and maintenance needs of the intelligent production lines in the proceeds investment projects. On the market front, an experienced marketing team is in place, possessing mature customer engagement and market expansion capabilities, laying the talent foundation for the market promotion of products of the proceeds investment projects.

(II) The Company Has Sufficient Technology Reserve

The Company has accumulated solid technical expertise and formed a comprehensive technology system through its business operations. In the coal machinery business area, we have led the domestic substitution of high-end hydraulic supports, broken foreign monopolies in hydraulic electro-control systems and mastered cutting-edge technologies like intelligent mining, intelligent tunneling and industrial internet. In the automotive parts business area, we have deep experience in powertrain and chassis system component manufacturing, achieving key technological breakthroughs in areas such as new energy drive motor components and intelligent chassis. Our SEG brand possesses mature technology accumulation in the field of high-voltage drive motors. In the industrial intelligence business area, based on our own "Lighthouse Factory" practical experience, we have mastered core technologies like intelligent production systems, digital twins, AI video analytics and intelligent logistics equipment R&D, forming a complete closed loop of "technology-product-solution-order".

These technology reserves can be applied to these proceeds investment projects, significantly reducing the difficulty of technical challenges and ensuring the technological leadership of the products of such projects.

(III) The Company Has Sufficient Market Reserve

The Company has accumulated extensive and stable customer resources through long-term operations, providing strong support for the absorption of capacity from the proceeds investment projects. As regards the coal machinery business, as the world's largest comprehensive coal mining equipment manufacturer, the Company has established long-term cooperative relationships with mainstream domestic and international coal enterprises, with stable and continuous demand for intelligent upgrades; as regards the automotive parts business, its ASIMCO and SEG brands have entered the global supply chain systems of multinational corporations, with ample orders for SEG's electrification business, while also cooperating with leading domestic new-energy vehicle manufacturers; as regards the industrial intelligent business, we have secured customer orders across multiple industries including coal mining, non-coal mining, shipbuilding, metallurgy and automotive components, with continuously improving market recognition. Furthermore, the products of these proceeds investment projects precisely align with industry trends such as intelligent upgrades in manufacturing and the development of the new energy vehicle industry, offering broad market demand space, further safeguarding the market prospects of the projects.

In summary, the Company's proceeds investment projects are centered around its existing main business and future development strategy, possessing a solid foundation in personnel, technology and market aspects. With the construction of the proceeds investment projects, the Company will further improve its reserves in personnel, technology, market and other aspects, ensuring the smooth implementation of the proceeds investment projects and comprehensively propelling business development.

V. Measures to be Taken by the Company to Address the Dilution of Immediate Returns from the Issuance

After the issuance of A-share convertible corporate bonds to non-specific investors, to ensure the effective use of the proceeds, effectively guard against the risk of shareholders' immediate returns being diluted and enhance the Company's future sustainable return capability, the Company has formulated multiple measures, undertakes to strive to improve operating levels and increase future earnings to fill the diluted immediate returns. However, it is important to remind investors specifically that the Company's formulated measures to compensate the returns do not constitute a guarantee of the Company's future profits. The specific measures are as follows:

(I) Increase Efforts in Product R&D and Market Expansion, Continuously Enhancing the Company's Competitiveness

The Company will rely on its own technological R&D capabilities, strengthen R&D and innovation, improve product quality, optimize product structure, enhance the Company's market position and profitability and consolidate and improve the Company's competitive market advantages.

(II) Strengthen Internal Control Management, Comprehensively Improve Operational Management Efficiency

The Company has already established and improved a management structure comprising the general meeting, the Board of Directors and its various specialized committees, independent directors, the secretary to the Board of Directors and senior management personnel in accordance with the provisions of laws, regulations and prescriptive documents, solidifying the foundation for the Company's operation, management and internal control. In the future, the Company will further improve its operational management level to enhance the overall profitability of the Company. Additionally, the Company will strive to improve the efficiency of fund utilization, improve and strengthen the investment decision-making process, design more reasonable fund usage plans, rationally utilize various financing instruments and channels, control the Company's cost of capital and save financial expense expenditures. At the same time, the Company will continue to strengthen the internal control of the enterprise, enhance cost management and reinforce budget implementation supervision, comprehensively and effectively controlling the Company's operational and management risks to ensure the Company's sustained, stable and healthy development.

(III) Strengthen the Management of Proceeds, Accelerate the Implementation Progress of Proceeds Investment Projects

To regulate the management and use of proceeds and improve the efficiency and effectiveness of fund usage, the Company has formulated the Management System for Proceeds of ZCZL Industrial Technology Group Company Limited (hereinafter referred to as the "**Management System for Proceeds**") in accordance with relevant laws, regulations and prescriptive documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, in combination with the Company's actual situation, which clearly stipulates the storage, use and supervision of the Company's proceeds.

After receipt of the proceeds, the Company will, in accordance with relevant laws and regulations and the requirements of the Management System for Proceeds, strictly manage the use of the proceeds to ensure the standardized and effective use of the proceeds by the Company. While ensuring construction quality, the Company will accelerate the construction progress of the proceeds investment projects, improve the efficiency of the use of the proceeds, strive for the early achievement of the proceeds investment projects and the realization of their expected benefits, thereby increasing the Company's profitability, enhancing shareholder returns in the coming years and reducing the risk of dilution of immediate returns caused by the Issuance.

(IV) Maintain a Stable Profit Distribution System, Strengthen Investor Return Mechanisms

To further improve and maintain a sustained, scientific and stable shareholder dividend mechanism and supervision mechanism, the Company has already made detailed provisions regarding profit distribution policies and formulated the Shareholder Return Plan of Zhengzhou Coal Mining Machinery Group Co., Ltd. for the Next Three Years (2025-2027) in accordance with relevant CSRC regulations and regulatory requirements, thereby actively rewarding investors, effectively protecting the legitimate rights and interests of all shareholders and strengthening the protection of the rights and interests of small and medium investors.

After the Issuance, the Company will unwaveringly promote the realization of high-quality development, coordinate the dynamic balance between operational development, performance growth and shareholder returns in light of the Company's current operating status and business development plan, balance the short-term and long-term interests of investors, actively implement the profit distribution policy, strive to strengthen shareholder returns, continue to provide investors with sustained and stable dividend returns and promptly reward the broad base of investors.

VI. UNDERTAKINGS BY RELEVANT ENTITIES REGARDING THE MEASURES TO COMPENSATE THE DILUTION OF IMMEDIATE RETURNS FROM THE ISSUANCE

(I) Undertakings by the Company's Controlling Shareholder Regarding Measures to Compensate the Dilution of Immediate Returns from the Issuance

To ensure the effective implementation of the Company's measures to compensate the diluted immediate returns from the Issuance and to safeguard the legitimate rights and interests of the Company's shareholders, the Company's controlling shareholder undertakes as follows:

"1. Not to interfere in the issuer's operation and management activities beyond authority and not to encroach upon the interests of the Company;

2. We/Our Company will strictly abide by the measures to compensate the returns formulated by the Company and, within our/its authority, actively take all necessary and reasonable measures to urge the implementation of the measures to compensate the returns formulated by the Company in accordance with relevant regulations issued by regulatory bodies such as the CSRC and the Shanghai Stock Exchange;

3. From the date of issuance of this undertaking until the completion of the Issuance, if the CSRC or the Shanghai Stock Exchange issues new regulatory provisions regarding measures to compensate the returns and relevant undertakings and if the above undertakings do not satisfy such provisions of the CSRC or the Shanghai Stock Exchange, we/our company undertake to issue supplementary undertakings in accordance with the latest provisions of the CSRC and the Shanghai Stock Exchange at that time;

4. We/Our Company undertake to effectively fulfill the measures to compensate the returns formulated by the Company and any of our/its undertakings related thereto. If we/our company violate or refuse to fulfill such undertakings, we/our company agree that the CSRC, the Shanghai Stock Exchange and other securities regulatory bodies may impose relevant penalties or take relevant regulatory measures against us/our company in accordance with their formulated or issued relevant regulations and rules. If we/our company violate such undertakings and cause losses to the Company or investors, we/our company are willing to bear corresponding compensation liability to the Company or investors in accordance with the law."

(II) Undertakings by the Company's Directors and Senior Management Personnel Regarding Measures to Compensate the Dilution of Immediate Returns from the Issuance

To ensure the effective implementation of the Company's measures to compensate the diluted immediate returns from the Issuance and to safeguard the legitimate rights and interests of the Company and all shareholders, the Company's directors and senior management personnel undertake as follows:

"1. Not to convey benefits to other entities or individuals without compensation or under unfair conditions, nor to use other methods to harm the interests of the Company;

2. Undertake to restrain personal consumption related to their positions;

3. Undertake not to use the issuer's assets for investments or consumption activities unrelated to the performance of their duties;

4. Undertake that the compensation system formulated by the Board of Directors or the remuneration and appraisal committee will be linked to the implementation of the issuer's measures to compensate the returns;

5. If the issuer implements new equity incentive plans in the future, undertake that the exercise conditions of the proposed equity incentive plans to be announced will be linked to the implementation of the issuer's measures to compensate the returns;

6. From the date of issuing this undertaking until the completion of the Issuance, if the CSRC or the Shanghai Stock Exchange issues new regulatory provisions regarding measures to compensate the returns and relevant undertakings and if the above undertakings do not satisfy such provisions of the CSRC or the Shanghai Stock Exchange, they undertake to issue supplementary undertakings in accordance with the latest provisions of the CSRC and the Shanghai Stock Exchange at that time;

7. Personally undertake to effectively fulfill the measures to compensate the returns formulated by the issuer and any of their undertakings related thereto. If they violate or refuse to fulfill such undertakings, they agree that the CSRC, the Shanghai Stock Exchange and other securities regulatory bodies may impose relevant penalties or take relevant regulatory measures against them in accordance with their formulated or issued relevant regulations and rules. If they violate such undertakings and cause losses to the Company or investors, they are willing to bear corresponding compensation liability to the Company or investors in accordance with the law."

ZCZL Industrial Technology Group Company Limited
15 January 2026

ZCZL Industrial Technology Group Company Limited

RULES FOR MEETING OF HOLDERS OF A SHARE CONVERTIBLE CORPORATE BONDS

CHAPTER I GENERAL PROVISIONS

Article 1 To regulate the organisation and behaviour of meetings of holders of A Share Convertible Corporate Bonds ("**Meeting of Holders**") of ZCZL Industrial Technology Group Company Limited (the "**Company**" or "**Issuer**"), determine the rights and obligations of the Meeting of Holders and protect the legitimate rights and interests of the Bondholders, these rules are formulated in accordance with the requirements under the relevant laws, regulations, rules and prescriptive documents including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies (the "**Administrative Measures**"), the Measures for the Administration of Convertible Corporate Bonds, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and other provisions, and in conjunction with the Articles of Association of ZCZL Industrial Technology Group Company Limited (the "**Articles of Association**") and the actual conditions of the Company.

Article 2 The Convertible Corporate Bonds under the Rules shall be the A-share convertible corporate bonds (the "**Convertible Bonds**") as agreed to be issued by the Company pursuant to the Offering Prospectus of the Issuance of A-share Convertible Corporate Bonds to Non-specific Investors by ZCZL Industrial Technology Group Company Limited (the "**Convertible Bonds Offering Prospectus**"). Bondholders are investors who acquire the Convertible Bonds by way of subscription, purchase or other legitimate means. The Company will engage underwriter(s) for this issuance of A-share convertible corporate bonds to non-specific investors or other institution(s) recognized by the China Securities Regulatory Commission (hereinafter referred to as the "**CSRC**") as the trustee (hereinafter referred to as the "**Bond Trustee**") for the Convertible Bonds.

Article 3 The Meeting of Holders shall be composed of all Bondholders under the Rules and shall be convened and held according to the procedures stipulated in the Rules. The Meeting of Holders shall consider and vote on the matters within the extent of authority stipulated in the Rules according to the laws.

Article 4 The resolutions adopted by the Meeting of Holders under the Rules shall be equally binding on all Bondholders (including Bondholders who attend the meetings, those who are not present at the meetings, those oppose the resolutions or give up their rights to vote, those who hold Current Convertible Bonds without voting rights and those who are assigned the Convertible Bonds after the adoption of relevant resolutions, the same shall apply below).

Article 5 Investors who subscribe for, hold or are assigned with the Convertible Bonds shall be deemed to have agreed to all the provisions of the Rules and shall be bound by these Rules.

CHAPTER II RIGHTS AND OBLIGATIONS OF BONDHOLDERS

Article 6 Rights of Convertible Bondholders:

(1) to enjoy the agreed interest in accordance with the amount of the Convertible Bonds held by them;

(2) to convert the Convertible Bonds held into the Company's A Shares in accordance with the conditions stipulated in the Convertible Bonds Offering Prospectus;

(3) to exercise the right of sale back under the conditions agreed upon in the Convertible Bonds Offering Prospectus;

(4) to transfer, grant or pledge the Convertible Bonds held by them in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(5) to obtain relevant information in accordance with the provisions of laws, administrative regulations and the Articles of Association;

(6) to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and by the agreed manner as stipulated in the Convertible Bonds Offering Prospectus;

(7) to attend the Meeting of Holders, either in person or by proxy, and vote in accordance with relevant stipulations under laws and administrative regulations, etc.; and

(8) other rights as creditors of the Company prescribed by laws, regulations and the Articles of Association.

Article 7 Obligations of Convertible Bondholders:

(1) to comply with the relevant provisions of terms of the Convertible Bonds issued by the Company;

(2) to pay the subscription amount in accordance with the amount of Convertible Bonds subscribed by them;

(3) shall not request the Company repay the principal and interest of the Convertible Bonds in advance, except as required by laws, regulations or as agreed in the Convertible Bonds Offering Prospectus;

(4) to abide by the effective resolutions at the Meeting of Holders; and

(5) to bear other obligations that shall be borne by the Convertible Bondholders as required by laws, administrative regulations and the Articles of Association.

CHAPTER III EXTENT OF AUTHORITY OF THE MEETING OF HOLDERS

Article 8 The extent of authority of the Meeting of Holders is as follows:

(1) to resolve whether to approve the Company's proposal when the Company proposed to modify the plan stipulated in the Convertible Bonds Offering Prospectus, but the Meeting of Holders shall not resolve to agree the Company not to pay the principal and interest of the Convertible Bonds, modify the interest rate and term of the Convertible Bonds or cancel the terms of redemption or sale back stipulated in the Convertible Bonds Offering Prospectus;

(2) to resolve whether to approve the solutions to the failure to pay the principal and interest of the Convertible Bonds on time by the Company; to resolve whether to enforce the Company and the guarantors (if any) to repay the principal and interest of the Convertible Bonds through litigation and other procedures; to resolve whether to participate in the legal procedures of the Company including rectification, settlement, reorganisation or bankruptcy;

(3) to resolve whether to accept the Company's proposal in relation to a capital reduction (other than a capital reduction resulting an employee stock ownership scheme, share incentive scheme, or share repurchases necessary to maintain the Company's value and Shareholders' equity), merger, division or dissolution, or files for bankruptcy and to resolve on the plan of exercising the rights of the Bondholders according to laws;

(4) to resolve on the plan of exercising the rights of the Bondholders according to laws in case any matter which may significantly affect the interests of the Bondholders happens;

(5) to resolve on the amendments to the rules as permitted by the laws;

(6) to resolve on changing or dismissing the Bond Trustee or on the principal content of the trust agreement;

(7) to resolve on the plan of exercising the rights of the Bondholders according to laws in case any material adverse change arises from the guarantors (if any) or the collaterals (if any); and

(8) other circumstances which are required to be resolved at a Meeting of Holders in accordance with the laws, administrative regulations and prescriptive documents.

CHAPTER IV CONVENING OF A MEETING OF HOLDERS

Article 9 A Meeting of Holders shall be summoned by the Board of the Company or the Bond Trustee. The Board of the Company or the Bond Trustee shall, within 30 days after the proposal has been raised or received by the Board, convene the Meeting of Holders. The Board of the Company shall issue a notice to all Bondholders and relevant attendees no less than 15 days prior to the date of the meeting.

Article 10 During the term of the Convertible Bonds, a Meeting of Holders shall be convened upon the occurrence of any of the following:

(1) proposal to change the terms agreed upon in the Convertible Bond Prospectus;

(2) proposal to amend these Rules;

(3) proposal to change the Bond Trustee or the principal content of the trust agreement;

(4) the Company is unable to pay the principal and interest of the Convertible Bonds on schedule;

(5) the Company reduces its capital (excluding capital reduction resulting from share repurchases for equity incentives, employee stock ownership plans, fulfillment of performance commitments, or when necessary for the Company to maintain its value and shareholders' rights), merges, etc., which may lead to significant adverse changes in debt repayment ability, requiring decisions or authorization to take corresponding measures;

(6) the Company splits up, is placed under trusteeship, dissolves, applies for bankruptcy, or lawfully enters bankruptcy proceedings;

(7) significant changes occur to the guarantor(s) or collateral (if any);

(8) the Company, or bondholder(s) holding singly or jointly 10% or more of the total face value of the outstanding principal of the Current Convertible Bonds, propose(s) in writing to convene a meeting;

(9) the Company's management is unable to perform its duties normally, leading to serious uncertainty regarding the Company's debt repayment ability;

(10) the Company proposes a debt restructuring plan; and

(11) other matters which may significantly and materially affect the interests of the Bondholders occur;

Article 11 The following organisations or persons may propose a Meeting of Holders:

(1) the Board of the Company;

(2) the Bondholders individually or jointly holding 10% or more of the total par value of the outstanding Convertible Bonds;

(3) the Bond Trustee; and

(4) other entities or persons prescribed by the laws, regulations CSRC and the Shanghai Stock Exchange.

When Bondholders individually or jointly holding 10% or more of the total par value of the Convertible Bonds propose to summon a Meeting of Holders, they may jointly nominate one representative as a liaison to assist the Bond Trustee in completing the relevant work for summoning the meeting.

Article 12 Within 15 days after the events mentioned in Article 10 of the Rules happen, in the event that the Board of the Company or the Bond Trustee fails to perform its duties under the Rules, the Bondholders individually or jointly holding 10% or more of the total par value of the outstanding bonds are entitled to summon a Meeting of Holders on their own initiative, and publish a notice convening the Meeting of Holders in the form of an announcement.

Article 13 After a notice of Meeting of Holders is given, the relevant entities shall make no change to the meeting time or the proposals stated in the notice and the meeting shall not be cancelled due to a reason other than force majeure and the circumstances stipulated in Article 20 of these Rules. In the event that there is a change in the meeting time or the proposals stated in the notice or the meeting is cancelled due to force majeure, the convenor shall notify all Bondholders with reasons provided in the form of an announcement within at least 5 trading days prior to the original date of convening such Meeting of Holders. No change shall be made to the record date of the Bondholders. The supplemental notice of Meeting of Holders shall be published in the same designated media in which the notice of meeting was published.

After a notice of Meeting of Holders is given, in the event the proposals to be resolved at the Meeting of Holders are cancelled, the convenor may cancel the Meeting of Holders with reasons provided in the form of an announcement.

Article 14 The convenor of a Meeting of Holders shall publish the notice of Meeting of Holders in the media designated by the regulatory authorities. A notice of Meeting of Holders shall comprise the following contents:

(1) the time, venue, convenor and way of voting of the meeting;

(2) matters to be considered at the meeting;

(3) explicit text stating that all Bondholders are entitled to attend and vote at the Meeting of Holders, either in person or by proxy;

(4) the record date to determine the Bondholders who are entitled to attend the Meeting of Holders;

(5) necessary documents and formalities required for attending the meeting, including but not limited to the power of attorney authorising the proxy to attend the meeting on behalf of the Bondholders;

(6) the name of the convenor and the names and telephone numbers of the contact persons for the affairs of the meeting;

(7) other matters required to be notified by the convenor.

Article 15 The record date of a Meeting of Holders shall not be earlier than 10 days prior to the date of convening the Meeting of Holders and shall not be later than 3 days prior to the date of convening the Meeting of Holders. The holders of the outstanding bonds whose names appear in the depository register of China Securities Depository and Clearing Corporation Limited or of other institutions approved under applicable laws at the close of the record date will be entitled to attend and vote at the Meeting of Holders.

Article 16 On-site Meeting of Holders shall in principle be held at the domicile of the Company. The venue shall be provided by the Company or the convenor of the Meeting of Holders.

Article 17 An institution or a person who issues a notice of Meeting of Holders under the Rules is the convenor of such meeting.

Article 18 When convening a Meeting of Holders, the convenor shall engage lawyers to issue legal opinions in relation to the following matters:

(1) whether the procedures for convening and holding the meeting are in compliance with laws, regulations and the Rules;

(2) whether the qualifications of the persons present at the meeting and the convenor are lawful and valid;

(3) whether the voting procedures at the meeting and the voting results are lawful and valid;

(4) other legal opinions to be issued in relation to other relevant matters at the request of the convenor.

CHAPTER V PROPOSALS, PARTICIPANTS AND THEIR RIGHTS OF MEETING OF HOLDERS

Article 19 The proposal to be proposed at the Meeting of Holders for consideration shall be drafted by the convenor and its contents shall be in compliance with the laws and regulations as permitted within the extent of authority of the Meeting of Holders with clear subject matters and specific items to be resolved.

Article 20 The matters to be considered at the Meeting of Holders shall be decided by the convenor according to Articles of Association 8 and 10 of the Rules.

Bondholders individually or jointly holding 10% or more of the par value of the outstanding Convertible Bonds may submit a provisional proposal to a Meeting of Holders. The Company and its related parties may attend the Meeting of Holders and submit a provisional proposal. The provisional proposal, provided with complete details, shall be submitted to the convenor no later than 10 days prior to the date of convening the Meeting of Holders. The convenor shall issue a supplemental notice of Meeting of Holders within 5 days after receiving the provisional proposal and publish an announcement containing the name of the Bondholder who proposed such proposal, the percentage of the creditor's rights held by such Bondholder and the particulars of such proposal. The supplemental notice shall be published in the same designated media in which the notice of meeting was published. Unless otherwise provided in the foregoing provisions, the convenor shall not amend the proposals set out in the notice of Meeting of Holders, or add new proposals after the notice of meeting is given. No voting shall take place and no resolutions shall be made at the Meeting of Holders on the proposals which are not set out in the notice of the meeting (including the supplemental notice of adding provisional proposals) or do not meet the requirements under the Rules.

Article 21 Bondholders are entitled to attend or appoint a proxy to attend and vote at the Meeting of Holders. The travelling, catering and accommodation expenses incurred by the Bondholders and their proxies for attending the Meeting of Holders shall be borne by the Bondholders.

Article 22 A Bondholder who attends a Meeting of Holders shall present his/her own identity document and stock account card holding the outstanding bonds or other supporting documents as required by the applicable laws. A legal representative or responsible person who attends a Meeting of Holders on behalf of the Bondholder shall present his/her own identity document, valid proof of his/her qualification as a legal representative or responsible person and stock account card holding the outstanding bonds or other supporting documents as required by the applicable laws.

A proxy who attends a Meeting of Holders shall present his/her own identity document, power of attorney issued by such Bondholder (or his/her legal representative or responsible person) according to laws, identity document of such Bondholder, stock account card holding the outstanding bonds of such Bondholder or other supporting documents as required by the applicable laws.

Article 23 The power of attorney issued by a Bondholder to appoint another person to attend a Meeting of Holders shall contain the following particulars:

(1) the name and identity card number of the proxy;

(2) the extent of authority of the proxy, including but not limited to the right to vote;

(3) the instructions to vote for or against, or to abstain from voting on, each matter set out on the agenda of the Meeting of Holders;

(4) the date and validity of the power of attorney;

(5) the signature or stamp of such Bondholder.

The power of attorney shall contain a statement that, in the absence of specific instructions from the Bondholder, the proxy may or may not vote at his/her discretion. The power of attorney shall be made available to the convenor of the Meeting of Holders at least 24 hours prior to the meeting.

Article 24 The convenor and the lawyer shall jointly verify the qualifications and legitimacy of the Bondholders attending the meeting based on the register of the Bondholders provided by the securities registration and clearing institution at the close of the record date, and record the names of Bondholders and their proxies attending the Meeting of Holders and the number of Convertible Bonds held by them with voting rights.

The aforementioned register of bondholders shall be obtained by the Company from the securities registration and clearing institution, the Company shall actively cooperate with the convenor to obtain the aforementioned register of bondholders and provide it to the convenor free of charge.

CHAPTER VI HOLDING OF THE MEETING OF HOLDERS

Article 25 Meeting of Holders may be held in the form of on-site meetings, network, telecommunication or other means. Bondholders participating in the meeting through the aforementioned means shall be deemed present.

Article 26 The chairman of a Meeting of Holders shall be an authorised representative of the Board or the Bond Trustee, who shall preside over the Meeting of Holders. In the event that the Board cannot fulfill its duty, a Bondholder (or a proxy of the Bondholder) elected by the Bondholders present at the meeting with more than half of the voting rights attached to the Convertible Bonds shall be the meeting chair and preside over the meeting. If the meeting chair cannot be nominated in accordance with the aforementioned provisions within 1 hour after the commencement of the meeting, a Bondholder (or his/her proxy) with the largest total number of voting rights of the outstanding bonds present at the meeting shall be the meeting chair and preside over the meeting.

Article 27 As requested by the convenor or Bondholders individually or jointly holding 10% or more of the total par value of the Convertible Bonds, the Company shall appoint its Directors, Supervisors or senior management to present at the Meeting of Holders. Save for the trade secrets of the Company or those as restricted by the applicable laws and the information disclosure requirements of the listed companies, the Directors, Supervisors or senior management of the Company who present at the meeting shall answer to or explain for the enquiries and suggestions from the Bondholders.

Article 28 The meeting chair shall be responsible for the production of a signature book of persons attending the meeting. The signature book shall contain the name of the Bondholders (or their personal names) attending the meeting, the name of the proxies attending the meeting and their identity card numbers, the aggregate principal amount of outstanding bonds with voting rights held or represented by them, the stock account card number, or other relevant information of supporting documents as required by applicable laws.

Meeting registration shall be terminated before the meeting chair announces the number of Bondholders and proxies present at the meeting as well as the total number of Convertible Bonds held or represented.

Article 29 The following organisations and personnel may attend a Meeting of Holders as non-voting attendees: the bond issuer (i.e., the Company) or its authorized representative, the Company's directors and senior management personnel, the bond custodian and other important relevant parties of the Convertible Bonds approved by the meeting chair. The aforementioned personnel or relevant parties have the right to explain relevant matters at the Meeting of Holders. Except in cases where such personnel or relevant parties shall enjoy voting rights due to holding the Company's Convertible Bonds, they shall have no voting rights when attending the Meeting of Holders.

Article 30 The meeting chair shall have the authority to adjourn the meeting, resume the meeting, as well as change the meeting venue with the approval of the meeting. Where required by a resolution of the meeting, the meeting chair shall amend the meeting time and change the meeting venue accordingly. A meeting resuming after an adjournment shall not make resolutions on matters outside the scope of the proposals of the original meeting.

CHAPTER VII VOTING, RESOLUTION AND MINUTES OF THE MEETING OF HOLDERS

Article 31 Every proposal submitted to the meeting shall be voted by the Bondholders who have the right to attend the Meeting of Holders or their duly appointed proxies at the meeting. Every outstanding bond (with a par value of RMB100) shall have one vote. A bondholder having a related party relationship with matters to be considered at the Meeting of Holders shall abstain from voting.

Article 32 Different proposals or different juxtaposed matters on the same proposal of the Meeting of Holders stated in the announced meeting notice shall be considered and voted one by one. Except for special reasons such as force majeure that result in suspension of a meeting or failure to make any resolution, no proposal set forth in the notice of the meeting may be shelved or may not be voted at the meeting. In the event that there are different proposals on the same matter, they shall be voted and resolved in chronological order of proposing such proposals.

No voting shall take place for the matters not announced at the Meeting of Holders. When considering the matters to be considered at the Meeting of Holders, no change shall be made to the matters to be considered. Any change to the matters to be considered shall be deemed as a new matter to be considered and shall not be voted at such meeting.

Article 33 Voting at the Meeting of Holders shall take place by way of open ballot. When the Bondholders or their proxies vote for the matters to be considered, they shall only vote for or against or abstain. The unfilled, wrongly-filled, or illegible votes shall be considered as spoilt votes and the corresponding voting number for such votes shall not be included in the voting results. Unvoted votes shall be deemed as the voters' surrender of voting rights and shall not be included in the voting results.

The same voting right can only be exercised by one method among on-site, online, or other voting methods. If the same voting right is used repeatedly in voting, the first voting result shall prevail.

Article 34 The following Bondholders may attend the Meeting of Holders, submit proposals at the meetings for discussion and express opinions thereon but have no voting rights, and the number of Convertible Bonds represented by them shall not be included in the number of Convertible Bonds in the attendance of the Meeting of Holders:

(1) Bondholders holding 5% or more of the Shares of the Company;

(2) the related parties of the above Shareholders of the Company, the Company and the guarantors (if any); and

(3) other organisations or individuals having conflicts of interest with the proposed deliberative items.

Article 35 The meeting shall have one vote counter and one scrutineer, respectively, who are responsible for counting votes and scrutinising voting respectively. The scrutineers shall be recommended by the meeting chair and shall be served by Bondholders (or proxies of Bondholders) attending the meeting. Bondholders who have connected relationships with the Company and their proxies shall not serve as scrutineers. When voting for each of the matters for consideration, the votes shall be counted by at least two Bondholders (or proxies of Bondholders) and an authorised representative of the Company, who shall announce the voting results on the spot. The lawyer shall be responsible for witnessing the voting procedures.

Article 36 The meeting chair shall confirm whether the resolutions at the Meeting of Holders are passed based on the voting results and announce the voting results at the meeting. The voting results for the resolutions shall be included in the minutes of the meeting.

Article 37 In the event that the meeting chair has any doubt about the voting results of the resolution, he/she may recount the cast votes. In the event that the meeting chair does not propose to recount the votes, Bondholders (or proxies of Bondholders) attending the meeting and disagreeing on the results announced by the meeting chair shall have the right to demand for recounting the votes immediately upon the announcement of voting results, and the meeting chair shall arrange to recount the votes immediately.

Article 38 Unless otherwise stipulated in the Rules, resolutions made by a Meeting of Holders shall be effective only upon approval by more than half of the attending bondholders (or proxies) with voting rights.

Article 39 The resolutions passed at the Meeting of Holders shall be effective from the date of passing the resolutions. Those needed to be approved by the authorities shall be effective from the date of approval or the date otherwise determined by the relevant approval. Pursuant to the relevant laws, regulations, Convertible Bonds Offering Prospectus and the Rules, the resolutions passed at the Meeting of Holders by voting shall be legally binding on all Bondholders (including those who do not attend the meeting or hold different views towards the results).

In the event that any resolution in relation to the Convertible Bonds causes any change in the rights and obligations between the issuer of the bonds (i.e. the Company) and the Bondholders, in addition to those made by the Bondholders being binding on the Company as clearly stated in laws, regulations, departmental rules and the Convertible Bonds Offering Prospectus:

(1) If such resolution is made based on a proposal from the Bondholders, it shall be legally binding on the Company and all Bondholders after being passed at the Meeting of Holders by voting and obtaining a written consent of the Company;

(2) If such resolution is made based on a proposal from the Company, it shall be legally binding on the Company and all Bondholders after being passed at the Meeting of Holders by voting.

Article 40 The convenor of a Meeting of Holders shall make an announcement of the resolutions within 2 trading days after the resolutions are passed at a Meeting of Holders on media designated by the regulatory authorities. The announcement shall contain the date, time, venue, method, convenor and meeting chair, the number of Bondholders and proxies attending the meeting, the number of Convertible Bonds with voting rights represented by Bondholders and proxies attending the meeting and its percentage to the total number of the Convertible Bonds, the voting results of each of the matters to be considered and the details of the resolutions passed, as well as the content required by relevant regulatory authorities.

Article 41 Minutes shall be prepared for the Meeting of Holders and shall contain the following particulars:

(1) time, venue and agenda of the meeting and the name of convenor;

(2) names of the meeting chair, persons who attend and are present at the meeting and witnessing lawyer, scrutineers and vote counters of the meeting;

(3) number of Bondholders and proxies attending the meeting, the number of Convertible Bonds with voting rights represented by them and their percentage of the total number of Convertible Bonds;

(4) the main points for each of the matters to be considered;

(5) the voting results of each of the matters voted for;

(6) the enquiries and suggestions from the Bondholders and the reply and explanation from the directors or senior management of the Company;

(7) any other particulars considered to be necessary to be included in the minutes of the Meeting of Holders according to the laws, administrative regulations and prescriptive documents.

Article 42 The convenor and meeting chair shall guarantee the truthfulness, accuracy and completeness of the minutes of the Meeting of Holders. The minutes shall be signed by the chairman, convenor (or his/her representative), the witnessing lawyer, the recorder and scrutineers who attend the meeting. The Board of the Company shall keep the minutes, cast votes, signature books, power of attorney, legal opinions issued by lawyers and other documents and information in relation to the Meeting of Holders for ten years.

Article 43 The convenor shall guarantee the proceeding of the Meeting of Holders until a final resolution is formed. In the event that the meeting is interrupted, cannot proceed normally or fails to make a resolution due to special reasons such as force majeure and unexpected events, necessary measures shall be taken to resume or directly terminate the meeting as soon as possible and an announcement shall be made for such circumstances.

Article 44 The Board of the Company shall execute the resolutions passed at the Meeting of Holders in a strict manner, communicate with the relevant parties on behalf of the Bondholders with respect to the relevant resolutions in a timely manner and procure the concrete implementation of the resolutions passed at the Meeting of Holders. Bondholders shall actively cooperate with the Bond Trustee, the Company, or other relevant parties to promote the implementation of matters related to the effective resolutions of the Meeting of Holders.

CHAPTER VIII SUPPLEMENTAL PROVISIONS

Article 45 If there is any specific provision on the Rules for Convertible Meeting of Holders in laws, administrative regulations and prescriptive documents, such provision shall be complied with. Without the consent of the Company and being resolved and passed at a Meeting of Holders, no change shall be made to the Rules.

Article 46 The matters to be announced under the Rules shall be announced on the website of the Shanghai Stock Exchange and the media of information disclosure designated by the Company.

Article 47 In the Rules, the expressions of "above" and "within" shall be inclusive of the stated figure while the expressions of "over", "lower than" and "more than" shall be exclusive of the stated figure.

Article 48 The "outstanding bonds" mentioned in the Rules shall refer to all issued Convertible Bonds other than the following:

(1) the bonds for which principal and interest have been repaid;

(2) the bonds which fall due for principal and interest with such payment being paid by the issuer to the payment agent and becoming available to pay principal and interest to the Bondholders. The payment shall comprise any interest and principal of such bonds payable under the terms of the Convertible Bonds as at the date of payment;

(3) the bonds which have been converted to the A Shares of the Company;

(4) the bonds which have been repurchased and cancelled by the Company as agreed.

Article 49 Any dispute arising from the legitimacy of the convening, holding, voting procedures and resolution of the Meeting of Holders shall be resolved through litigation at the people's court having the right of jurisdiction where the Company's domicile is located.

Article 50 The Rules shall be effective from the date of issuance of the Convertible Bonds upon consideration and approval at a general meeting of the Company. These Rules shall be interpreted by the Board of the Company.

ZCZL Industrial Technology Group Company Limited
15 January 2026

Pursuant to the arrangements for the proposed issuance of A-share convertible bonds to unspecified investors by ZCZL Industrial Technology Group Company Limited (hereinafter referred to as the "Company"), and to ensure the efficient, orderly advancement and smooth implementation of this issuance, in accordance with relevant laws, regulations, and the provisions of the Company's Articles of Association, the Board of Directors hereby requests the Shareholders' Meeting to authorize the Board of Directors and its authorized representatives to handle all matters related to this issuance with full authority, including but not limited to:

1. Within the scope permitted by relevant laws, regulations, and the Articles of Association, and in accordance with regulatory opinions and the Company's actual circumstances, to revise, adjust, and supplement the issuance terms of the convertible bonds; to finalize specific issuance terms and the issuance plan prior to issuance; and to formulate and implement the final issuance plan, including but not limited to: determining the issuance scale and quantity, the issuance method and target recipients, the preferential subscription ratio for existing A-share shareholders, the initial conversion price, conversion price adjustments, redemption, bond interest rates, guarantee matters, rights of bondholders to convene meetings and procedures for convening such meetings, conditions for the effectiveness of resolutions, revision of bondholders' meeting rules, determination of the timing of this issuance, opening of a dedicated fundraising account, signing of a tripartite supervision agreement for the dedicated fundraising account, and all other matters related to the issuance plan;

2. Within the scope of fundraising allocation approved by the shareholders' meeting, adjust or determine specific arrangements for the use of raised funds based on the actual progress and funding requirements of the fundraising investment projects; prior to the receipt of raised funds, the company may self-finance the implementation of fundraising investment projects and subsequently replace such funds upon receipt; make necessary adjustments to fundraising investment projects in accordance with relevant laws and regulations, regulatory requirements, and market conditions;

3. Sign, amend, supplement, submit, report, and execute all agreements and application documents related to this issuance, and handle relevant application and approval procedures;

4. Engage intermediaries to handle matters related to this issuance, including but not limited to preparing and submitting documents as required by regulatory authorities, and determining matters such as remuneration payments to the corresponding intermediaries;

5. Amend relevant provisions of the Articles of Association in a timely manner based on the issuance and conversion of the convertible bonds, and handle industrial and commercial filing, registered capital change registration, and

listing of the convertible bonds; during the term of the convertible bonds issued herein, handle matters related to redemption, repurchase, conversion, and interest payment of the convertible bonds in full authority in accordance with legal and regulatory requirements, approvals from relevant regulatory authorities, and the provisions of the Articles of Association;

6. Adjust specific issuance plans and related matters accordingly if regulatory policies for convertible bond issuance or market conditions change, except for items requiring re-approval by the shareholders' meeting under relevant laws, regulations, or the Articles of Association;

7. In the event of force majeure or other circumstances that make the implementation of this issuance plan difficult, or where implementation may result in adverse consequences for the Company, or in the event of changes in convertible bond issuance policies, the Company may, at its discretion, decide to postpone or terminate this issuance plan;

8. In the event of new regulations or requirements from relevant laws, regulations, or regulatory authorities regarding the replenishment of immediate returns for refinancing, the Board shall, in accordance with such updated requirements, further analyze, study, and evaluate the impact of this issuance of convertible bonds to unspecified parties on the Company's immediate financial indicators and shareholders' immediate returns. It shall formulate and amend relevant replenishment measures and handle all other related matters with full authority;

9. Handle all other necessary, appropriate, or suitable matters related to this issuance, to the extent permitted by applicable laws and regulations;

10. Concurrently with the approval and authorization of the above matters by the shareholders' meeting, the Board of Directors is authorized to delegate to the Company's Chairman or his/her designated representative the authority to handle specific matters related to the issuance and listing of the convertible bonds within the scope of the above authorizations, which shall take effect simultaneously.

Except for authorizations under items 2 and 5 above, which shall remain effective from the date of approval by the shareholders' meeting until the completion of the relevant matters, the term of the remaining authorizations shall be 12 months from the date of approval by the shareholders' meeting.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, that the opinions expressed in this circular have been arrived at after due and careful consideration, and that there are no other matters the omission of which would make any statement in this circular misleading.

2. INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, so far as the Directors were aware, the Directors and chief executives of the Company had interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in the Securities and Futures Ordinance (the "**SFO**") of Hong Kong) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein (including interests and short positions which they are taken or deemed to have under relevant provisions of the SFO); or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules as follows:

Name	Director/ Chief Executive	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of share capital %	Approximate percentage of the total number of shares %	Long position/ Short position/ Lending pool
JIAO Chengyao	Director	Beneficial owner	A Share	3,226,964	0.209	0.181	Long position
JIA Hao	Director, Chief executive	Beneficial owner	A Share	2,442,300	0.158	0.137	Long position
MENG Hechao	Director	Beneficial owner	A Share	231,000	0.015	0.013	Long position
LI Kaishun	Director	Beneficial owner	A Share	201,000	0.013	0.011	Long position

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies under the Listing Rules of the Stock Exchange. No Director or proposed Director of the Company is a director or employee of any company which has an interest or short position in the shares and underlying shares of the Company, which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

3. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as the Directors are aware, the following Shareholders (other than the Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of share %	Approximate percentage of the total number of shares %	Long position/ Short position/ Lending pool
Henan Asset Management Co., Ltd.	Interest of beneficial owner and party acting in concert	A Share	333,194,876	21.61	18.66	Long position
		H Share	8,645,200	3.55	0.48	Long position
Hong Yi Investment Management (Henan) Partnership (Limited Partnership)[(1)]	Beneficial owner	A Share	263,985,719	17.12	14.79	Long position

Name	Capacity/ Nature of interest	Class of shares	Number of shares	Approximate percentage of the relevant class of share %	Approximate percentage of the total number of shares %	Long position/ Short position/ Lending pool
State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government(2)	Interest in a controlled corporation	A Share	243,892,381	15.81	13.66	Long position
Henan State-owned Capital Operation Group Co., Ltd.(2)	Beneficial owner/Interest in a controlled corporation	A Share	243,892,381	15.81	13.66	Long position
Henan State-owned Capital Operation Group Investment Co., Ltd.(2)	Beneficial owner	A Share	34,159,479	2.22	1.91	Long position
Henan Zhongyu Green New Energy Co., Ltd.(2)	Beneficial owner	A Share	31,508,305	2.04	1.76	Long position
BlackRock, Inc.(3)	Interest in a controlled corporation	H shares	19,599,800	8.06	1.10	Long position

Notes:

(1) Henan Asset Management Co., Ltd. directly holds 69,209,157 A Shares and 8,645,200 H Shares of the Company. Pursuant to Article 317(1)(a) of the SFO, Henan Asset Management Co., Ltd. Is deemed a party acting in concert with Hong Yi Investment Management (Henan) Partnership (Limited Partnership). Hence, Henan Asset Management Co., Ltd. is deemed to own the same batch of 263,985,719 A Shares of the Company directly held by Hong Yi Investment Management (Henan) Partnership (Limited Partnership). Henan Asset Management Co., Ltd. directly owns and is deemed to own an aggregate of 333,194,876 A Shares and 8,645,200 H Shares of the Company.

(2) Henan State-owned Capital Operation Group Investment Co., Ltd. directly holds 34,159,479 A Shares of the Company, and Henan Zhongyu Green New Energy Co., Ltd. directly holds 31,508,305 A Shares of the Company. Henan State-owned Capital Operation Group Co., Ltd. directly holds 178,224,597 A Shares of the Company. Henan State-owned Capital Operation Group Investment Co., Ltd. and Henan Zhongyu Green New Energy Co., Ltd. are wholly owned subsidiaries of Henan State-owned Capital Operation Group Co., Ltd. Henan State-owned Capital Operation Group Co., Ltd. is a wholly owned subsidiary of the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government.

Pursuant to the SFO, the State-owned Assets Supervision and Administration Commission of Henan Provincial People's Government is deemed to own the same batch of 243,892,381 A Shares of the Company directly held by Henan State-owned Capital Operation Group Co., Ltd.

(3) BlackRock, Inc. is interested in a total of 19,599,800 (long position) H Shares held in the Company. 3,211,800 (long position) H Shares are held by non-listed derivative instrument through cash settlement. As disclosed in the notice of interest submitted by BlackRock, Inc. (with the relevant event dated 6 January 2026), BlackRock, Inc. is interested in the following H Shares:

Name of controlled Corporation	Name of controlling person	% control	Direct interest (Yes/No)		Number of shares
BlackRock Finance, Inc.	BlackRock, Inc.	100	No	Long position	19,599,800
Trident Merger, LLC	BlackRock Finance, Inc.	100	No	Long position	542,400
BlackRock Investment Management, LLC	Trident Merger, LLC	100	Yes	Long position	542,400
BlackRock Holdco 2, Inc.	BlackRock Finance, Inc.	100	No	Long position	19,057,400
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100	No	Long position	15,709,200
BlackRock Financial Management, Inc.	BlackRock Holdco 2, Inc.	100	Yes	Long position	3,348,200
BlackRock Holdco 4, LLC	BlackRock Financial Management, Inc.	100	No	Long position	11,298,800
BlackRock Holdco 6, LLC	BlackRock Holdco 4, LLC	90	No	Long position	11,298,800
BlackRock Delaware Holdings Inc.	BlackRock Holdco 6, LLC	100	No	Long position	11,298,800
BlackRock Institutional Trust Company, National Association	BlackRock Delaware Holdings Inc.	100	Yes	Long position	10,962,800
BlackRock Fund Advisors	BlackRock Delaware Holdings Inc.	100	Yes	Long position	336,000
BlackRock Capital Holdings, Inc.	BlackRock Financial Management, Inc.	100	No	Long position	47,800

Name of controlled Corporation	Name of controlling person	% control	Direct interest (Yes/No)		Number of shares
BlackRock Advisors, LLC	BlackRock Capital Holdings, Inc.	100	Yes	Long position	47,800
BlackRock International Holdings, Inc.	BlackRock Financial Management, Inc.	100	No	Long position	4,362,600
BR Jersey International Holdings L.P.	BlackRock International Holdings, Inc.	86	No	Long position	4,362,600
BlackRock Holdco 3, LLC	BR Jersey International Holdings L.P.	100	No	Long position	3,913,600
BlackRock Australia Holdco Pty. Ltd.	BR Jersey International Holdings L.P.	100	No	Long position	126,000
BlackRock Investment Management (Australia) Limited	BlackRock Australia Holdco Pty. Ltd.	100	Yes	Long position	126,000
BlackRock (Singapore) Holdco Pte. Ltd.	BR Jersey International Holdings L.P.	100	No	Long position	323,000
BlackRock Cayman 1 LP	BlackRock Holdco 3, LLC	100	No	Long position	3,913,600
BlackRock Cayman West Bay Finco Limited	BlackRock Cayman 1 LP	100	No	Long position	3,913,600
BlackRock Cayman West Bay IV Limited	BlackRock Cayman West Bay Finco Limited	100	No	Long position	3,913,600
BlackRock Group Limited	BlackRock Cayman West Bay IV Limited	90	No	Long position	3,913,600
BlackRock Finance Europe Limited	BlackRock Group Limited	100	No	Long position	1,829,600

Name of controlled Corporation	Name of controlling person	% control	Direct interest (Yes/No)		Number of shares
BlackRock (Netherlands) B.V.	BlackRock Finance Europe Limited	100	Yes	Long position	678,400
BlackRock Advisors (UK) Limited	BlackRock Finance Europe Limited	100	Yes	Long position	64,400
BlackRock Group Limited-Luxembourg Branch	BlackRock Group Limited	100	No	Long position	2,084,000
BlackRock Luxembourg Holdco S. à r.l.	BlackRock Group Limited-Luxembourg Branch	100	No	Long position	2,084,000
BlackRock Investment Management Ireland Holdings Unlimited Company	BlackRock Luxembourg Holdco S. à r.l.	100	No	Long position	1,043,400
BlackRock Asset Management Ireland Limited	BlackRock Investment Management Ireland Holdings Unlimited Company	100	Yes	Long position	1,043,400
BLACKROCK (Luxembourg) S.A.	BlackRock Luxembourg Holdco S. à r.l.	100	Yes	Long position	1,040,600
BlackRock Investment Management (UK) Limited	BlackRock Finance Europe Limited	100	Yes	Long position	1,086,800
BlackRock (Singapore) Limited	BlackRock (Singapore) Holdco Pte. Ltd.	100	Yes	Long position	323,000

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors and chief executives of the Company are aware, no substantial Shareholder of the Company or other person held any interest or short position in the Shares or underlying Shares (as the case may be) which was required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

5. RIGHTS AND INTERESTS OF DIRECTORS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors or their associates has any competing interests in the businesses which compete or are likely to compete, directly or indirectly, with the Group's business or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

6. DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No Director or entity connected with such Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party.

None of the Directors, directly or indirectly, has had any interest in any assets which had since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up) and up to the Latest Practicable Date.

8. QUALIFICATION AND CONSENT OF EXPERT

The following sets out the qualification of the expert (as defined under the Listing Rules) which has given its opinion or advice as contained in this circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry on Type 6 (advising on corporate finance) regulated activities under the SFO

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears herein.

As at the Latest Practicable Date, Gram Capital:

(a) neither had any shareholding in any member of the Group nor had any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group; and

(b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up.

9. LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation or arbitration of material importance, and as far as the Directors are aware, there was no litigation or claim of material importance pending or threatened by or against any members of the Group.

10. GENERAL

(a) The registered office of the Company is located at No. 167, 9th Street, Econ-Tech Development Zone, Zhengzhou City, Henan Province, China.

(b) The Company's principal place of business in Hong Kong is located at 40th Floor, Dah Sing Financial Centre, 248 Queen's Road East, Wan Chai, Hong Kong.

(c) As at the Latest Practicable Date, the Directors were Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao, Mr. LI Kaishun, Mr. CUI Kai, Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu.

(d) The H share registrar of the Company is Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) The joint company secretaries of the Company are Mr. ZHANG Yichen and Ms. CHAN Yin Wah. Mr. Zhang graduated from Huazhong University of Science and Technology in July 2009. Ms. CHAN is a joint director of SWCS Corporate Services Group (Hong Kong) Limited. She possesses over 20 years of professional experience in corporate secretarial, compliance services, and share transfer services for Hong Kong-listed companies. She has worked with several internationally renowned professional institutions and Hong Kong-listed companies. Ms. Chan holds a Bachelor of Economics degree and a Master of Professional Accounting degree. She is a Fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. She is also a Fellow of The Association of Chartered Certified Accountants.

11. DOCUMENT ON DISPLAY

Duplicates of the following documents are available for inspection on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.zczl.cn) for a period of 14 days commencing on the date of this circular (inclusive):

(a) Letter from the Independent Board Committee to the Independent Shareholders, the full text of which is set out on pages 34 to 35 of this circular;

(b) Letter from the Independent Financial Adviser, the full text of which is set out on pages 36 to 54 of this circular; and

(c) The written consent referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix.

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING OF 2026

NOTICE IS HEREBY GIVEN THAT the second extraordinary general meeting of 2026 (the "**EGM**") of ZCZL Industrial Technology Group Company Limited (the "**Company**") will be convened at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC at 2:00 p.m. on Wednesday, March 25, 2026 for the following purposes:

SPECIAL RESOLUTION

1. Proposal on the Company's Eligibility to Issue A-Share Convertible Bonds to Non-specific Investors

2. Proposal on the Company's Project to Issue A-Share Convertible Bonds to Non-specific Investors

   2.1 Type of Securities to be Issued

   2.2 Scale of Issuance

   2.3 Par Value and Issue Price

   2.4 Bond Term

   2.5 Bond Interest Rate

   2.6 Term and Method of Principal and Interest Repayment

   2.7 Conversion Period

   2.8 Determination and Adjustment of Conversion Price

   2.9 Downward Adjustment Clause for Conversion Price

   2.10 Method for Determining Conversion Quantity

   2.11 Redemption Terms

2.12 Put Option Terms

2.13 Dividend Entitlement in the Year of Conversion

2.14 Issuance Method and Target Investors

2.15 Arrangements for Allotment to Original A-shareholders

2.16 Matters in Relation to the Meeting of Holders

2.17 Use of Proceeds

2.18 Guarantee Matters

2.19 Rating Matters

2.20 Deposit and Custody of Proceeds

2.21 Validity Period of the Issuance Plan

3. Proposal on the Plan of the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by the Company

4. Proposal on the Feasibility Analysis Report on the Use of Proceeds of the Issuance of A-Share Convertible Bonds to Non-Specific Investors

5. Proposal on the Discussion and Analysis Report on the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors

6. Proposal on the Measures to Compensate Dilution of Immediate Returns from the Issuance of A-share convertible bonds to Non-specific Investors and Commitments of the Relevant Entities

7. Proposal on the Formulation of Rules for Meeting of Holders of A Share Convertible Corporate Bonds

8. Proposal on the Authorisation to the Board of Directors and Its Authorized Representatives to Handle Specific Matters Related to the Issuance of A-Share Convertible Bonds to Non-specific Investors

9. Proposal on the Potential Participation of Major Shareholders, Directors and Their Associates in the Preferential Subscription of the A-Share Convertible Bonds Issued to Non-specific Investors

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who are eligible to attend and vote at the EGM, the register of members of the Company will be closed from Friday, March 20, 2026 to Wednesday, March 25, 2026 (both days inclusive), during which period no transfer of Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Wednesday, March 25, 2026 are entitled to attend the EGM. H Shareholders of the Company who intend to attend the EGM but have not yet registered are required to deposit the transfer documents together with relevant share certificates at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, March 19, 2026.

By Order of the Board
ZCZL Industrial Technology Group Company Limited
JIAO Chengyao
Chairman

Zhengzhou, PRC, March 3, 2026

As at the date of this notice, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun, the non-executive Director is Mr. CUI Kai and the independent non-executive Directors are Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu.

Notes:

(1) All votes of resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zczl.cn) in accordance with the Listing Rules.

(2) Any Shareholders entitled to attend and vote at the EGM can appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each proxy is so appointed.

(3) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been duly authorised in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its Director, or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorisation document shall be notarised. For H Shareholders, the aforementioned documents must be lodged with the H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument for appointing a proxy shall be deemed to be revoked.

(4) Shareholders shall present their identification documents when attending the EGM.

(5) If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identification document as well as the power of attorney or other documents signed by the appointer or his/her attorney with a specific date of issuance. If a representative of a corporate Shareholder attends the EGM, such representative shall produce his/her identification document and the notarised copy of the resolution passed by the Board or other authority or other notarised copies of any authorization documents issued by such corporate Shareholder.

(6) The EGM is expected to last for half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own travelling, accommodation and other expenses.

(7) Contact information of the Company:

Address:	ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC
Postal Code:	450016
Telephone:	86-371-67891199
Contact Person:	Mr. XI Zhipeng
Facsimile:	86-371-67891000

ZCZL Industrial Technology Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

NOTICE OF THE SECOND H SHARE CLASS MEETING OF 2026

NOTICE IS HEREBY GIVEN THAT the second H share class meeting of 2026 (the "**H Share Class Meeting**") of ZCZL Industrial Technology Group Company Limited (the "**Company**") will be convened at the Convention Centre of ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC at 2:00 p.m. on Wednesday, March 25, 2026 for the following purpose:

SPECIAL RESOLUTION

1. Proposal on the Company's Project to Issue A-Share Convertible Bonds to Non-specific Investors

   1.1 Type of Securities to be Issued

   1.2 Scale of Issuance

   1.3 Par Value and Issue Price

   1.4 Bond Term

   1.5 Bond Interest Rate

   1.6 Term and Method of Principal and Interest Repayment

   1.7 Conversion Period

   1.8 Determination and Adjustment of Conversion Price

   1.9 Downward Adjustment Clause for Conversion Price

   1.10 Method for Determining Conversion Quantity

   1.11 Redemption Terms

   1.12 Put Option Terms

1.13 Dividend Entitlement in the Year of Conversion

1.14 Issuance Method and Target Investors

1.15 Arrangements for Allotment to Original A-shareholders

1.16 Matters in Relation to the Meeting of Holders

1.17 Use of Proceeds

1.18 Guarantee Matters

1.19 Rating Matters

1.20 Deposit and Custody of Proceeds

1.21 Validity Period of the Issuance Plan

2. Proposal on the Plan of the Issuance of A Share Convertible Corporate Bonds to Non-Specific Investors by the Company

3. Proposal on the Authorisation to the Board of Directors and Its Authorized Representatives to Handle Specific Matters Related to the Issuance of A-Share Convertible Bonds to Non-specific Investors

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who are eligible to attend and vote at the H Share Class Meeting, the register of members of the Company will be closed from Friday, March 20, 2026 to Wednesday, March 25, 2026 (both days inclusive), during which period no transfer of Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Wednesday, March 25, 2026 are entitled to attend the H Share Class Meeting. H Shareholders of the Company who intend to attend the H Share Class Meeting but have not yet registered are required to deposit the transfer documents together with relevant share certificates at the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, March 19, 2026.

By Order of the Board
ZCZL Industrial Technology Group Company Limited
JIAO Chengyao
Chairman

Zhengzhou, PRC, March 3, 2026

As at the date of this notice, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun, the non-executive Director is Mr. CUI Kai and the independent non-executive Directors are Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu.

Notes:

(1) All votes of resolutions at the H Share Class Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zczl.cn) in accordance with the Listing Rules.

(2) Any Shareholders entitled to attend and vote at the H Share Class Meeting can appoint one or more proxies to attend and vote at the meeting on his/her behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each proxy is so appointed.

(3) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been duly authorised in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its Director, or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorisation document shall be notarised. For H Shareholders, the aforementioned documents must be lodged with the H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the H Share Class Meeting or any adjournment thereof in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument for appointing a proxy shall be deemed to be revoked.

(4) Shareholders shall present their identification documents when attending the H Share Class Meeting.

(5) If a proxy attends the H Share Class Meeting on behalf of a Shareholder, he/she should produce his/her identification document as well as the power of attorney or other documents signed by the appointer or his/her attorney with a specific date of issuance. If a representative of a corporate Shareholder attends the H Share Class Meeting, such representative shall produce his/her identification document and the notarised copy of the resolution passed by the Board or other authority or other notarised copies of any authorization documents issued by such corporate Shareholder.

(6) The H Share Class Meeting is expected to last for half a day. Shareholders who attend the H Share Class Meeting (in person or by proxy) shall bear their own travelling, accommodation and other expenses.

(7) Contact information of the Company:

Address:	ZCZL Industrial Technology Group Company Limited, No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of China (He'nan) Pilot Free Trade Zone, the PRC
Postal Code:	450016
Telephone:	86-371-67891199
Contact Person:	Mr. XI Zhipeng
Facsimile:	86-371-67891000