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ZOOMLION 中 聯 重 科

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

中聯重科股份有限公司

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

(Stock Code: 1157)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the year ended 31 December 2025 amounted to RMB52,107 million, representing an increase of RMB6,629 million or 14.58% from 2024.
- Profit attributable to equity shareholders of the Company for the year ended 31 December 2025 amounted to RMB4,779 million, representing an increase of RMB1,258 million or 35.73% from 2024.
- Basic earnings per share for the year ended 31 December 2025 amounted to RMB0.55, representing an increase of RMB0.14 compared with basic earnings per share in 2024. Diluted earnings per share for the year ended 31 December 2025 amounted to RMB0.55, representing a decrease of RMB0.14 compared with diluted earnings per share in 2024.
- The Board proposed a final dividend of RMB0.2 per share for the year ended 31 December 2025.

The board of directors (the “**Board**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) hereby announces the audited results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with the comparative figures for 2024:

FINANCIAL RESULTS

Financial information extracted from the audited financial statements for 2025 prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board:

Consolidated statement of comprehensive income

	<i>Note</i>	2025 RMB millions	2024 RMB millions
Revenue	3	52,107	45,478
Cost of sales and services		<u>(37,497)</u>	<u>(32,668)</u>
Gross profit		14,610	12,810
Other income		1,690	1,162
Sales and marketing expenses		(4,537)	(3,721)
General and administrative expenses		(2,539)	(2,585)
Expected credit losses	4(c)	(516)	(570)
Research and development expenses		<u>(2,895)</u>	<u>(2,769)</u>
Profit from operations		5,813	4,327
Net finance costs	4(a)	(133)	(28)
Share of profits less losses of associates		<u>114</u>	<u>84</u>
Profit before taxation	4	5,794	4,383
Income tax	5	<u>(767)</u>	<u>(374)</u>
Profit for the year		<u>5,027</u>	<u>4,009</u>

	<i>Note</i>	2025 RMB millions	2024 RMB <i>millions</i>
Profit attributable to:			
Equity shareholders of the Company		4,779	3,521
Non-controlling interests		<u>248</u>	<u>488</u>
		<u>5,027</u>	<u>4,009</u>
Profit for the year		<u>5,027</u>	<u>4,009</u>
Earnings per share (cents)			
Basic	7	<u>0.55</u>	<u>0.41</u>
Diluted	7	<u>0.55</u>	<u>0.41</u>

	2025 RMB millions	2024 RMB <i>millions</i>
Profit for the year	5,027	4,009
Other comprehensive income for the year (after tax)		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investments at fair value through other comprehensive income – net movement in fair value reserve (non-recycling)	80	(352)
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of subsidiaries outside Chinese mainland	<u>(76)</u>	<u>(78)</u>
Total other comprehensive income for the year	<u>4</u>	<u>(430)</u>
Total comprehensive income for the year	<u>5,031</u>	<u>3,579</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	4,783	3,091
Non-controlling interests	<u>248</u>	<u>488</u>
Total comprehensive income for the year	<u>5,031</u>	<u>3,579</u>

Consolidated statement of financial position

	<i>Note</i>	2025 RMB millions	2024 RMB millions
Non-current assets			
Property, plant and equipment		21,662	20,577
Right-of-use assets		3,455	3,625
Investment properties		71	56
Intangible assets		1,882	2,019
Goodwill		2,709	2,580
Interests in associates	8	4,079	4,484
Other financial assets	9	1,730	2,017
Trade receivables and contract assets	11	6,049	6,828
Receivables under finance lease	12	3,951	3,835
Loans and advances		620	469
Pledged bank deposits		103	107
Deferred tax assets	15(b)	2,766	2,637
Total non-current assets		49,077	49,234
Current assets			
Inventories		20,516	22,564
Other current assets		408	565
Financial assets measured at fair value through profit or loss (“FVPL”)	10	2,071	1,622
Trade and other receivables and contract assets	11	42,395	32,400
Receivables under finance lease	12	4,521	3,328
Loans and advances		337	279
Pledged bank deposits		1,910	1,565
Cash and cash equivalents		11,872	12,155
Total current assets		84,030	74,478
Total assets		133,107	123,712
Current liabilities			
Loans and borrowings		10,962	10,837
Financial liabilities at FVPL		4	22
Trade and other payables	13	36,083	29,763
Contract liabilities		1,437	1,901
Lease liabilities		169	154
Income tax payable	15(a)	311	310
Total current liabilities		48,966	42,987

	<i>Note</i>	2025 RMB millions	2024 RMB millions
Net current assets		<u>35,064</u>	<u>31,491</u>
Total assets less current liabilities		<u>84,141</u>	<u>80,725</u>
Non-current liabilities			
Loans and borrowings		21,980	15,412
Lease liabilities		481	362
Deferred tax liabilities	15(b)	570	696
Other non-current liabilities		<u>1,272</u>	<u>4,453</u>
Total non-current liabilities		<u>24,303</u>	<u>20,923</u>
NET ASSETS		<u>59,838</u>	<u>59,802</u>
CAPITAL AND RESERVES			
Share capital		8,649	8,678
Reserves		<u>48,885</u>	<u>48,423</u>
Total equity attributable to equity shareholders of the Company		57,534	57,101
Non-controlling interests		<u>2,304</u>	<u>2,701</u>
TOTAL EQUITY		<u>59,838</u>	<u>59,802</u>

Consolidated statement of changes in equity

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

Consolidated statement of changes in equity

		Attributable to equity shareholders of the Company									
		Share capital	Capital reserve	Statutory surplus reserve	Exchange reserve	Fair value reserve (non-recycling)	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions	RMB millions
Balance at 31 December 2024 and 1 January 2025		8,678	19,141	4,384	(1,549)	(376)	381	26,442	57,101	2,701	59,802
Changes in equity for 2025											
		-	-	-	-	-	-	4,779	4,779	248	5,027
		-	-	-	(76)	82	-	(2)	4	-	4
Total comprehensive income		-	-	-	(76)	82	-	4,777	4,783	248	5,031
Repurchase of ordinary shares		-	(96)	-	-	-	-	-	(96)	-	(96)
Cancellation of ordinary shares		(29)	29	-	-	-	-	-	-	-	-
Cash dividends		6	-	-	-	-	-	(4,324)	(4,324)	-	(4,324)
Share incentive scheme											
	- Restricted share scheme	14	343	-	-	-	-	-	343	-	343
Acquisition of non-controlling interests in subsidiaries		-	(271)	-	-	-	-	-	(271)	(435)	(706)
Dividends declared by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(210)	(210)
Appropriation for general risk reserve		-	-	-	-	-	7	(7)	-	-	-
Safety production fund		-	-	-	-	-	(80)	80	-	-	-
Others		-	(2)	-	-	-	-	-	(2)	-	(2)
Balance at 31 December 2025		8,649	19,144	4,384	(1,625)	(294)	308	26,968	57,534	2,304	59,838

Notes to the financial information

1 STATEMENT OF COMPLIANCE

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

These financial statements also comply with the disclosure requirements of the Hong Kong Companies Ordinance, and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

2 CHANGES IN ACCOUNTING POLICIES

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

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

3 REVENUE AND SEGMENT REPORTING

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

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

(i) **Disaggregation of revenue**

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

	2025	2024
	RMB	RMB
	millions	millions
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
Construction machinery		
– Concrete machinery	10,043	8,004
– Crane machinery	16,553	14,691
– Aerial machinery	5,969	6,830
– Earth working machinery	9,661	6,666
– Others	5,742	4,012
Agricultural machinery	3,541	4,646
	51,509	44,849
	<u><u>51,509</u></u>	<u><u>44,849</u></u>
Revenue from other sources		
Rental income	151	157
Financial services	447	472
	598	629
	<u><u>598</u></u>	<u><u>629</u></u>
	52,107	45,478
	<u><u>52,107</u></u>	<u><u>45,478</u></u>

(b) **Segment reporting**

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

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

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

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

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

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

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

None of these segments met any of the quantitative thresholds for determining reportable segments for the years ended 31 December 2025 and 2024.

- b. Agricultural machinery segment primarily researches, develops, manufactures and sells a wide range of agricultural machineries, including tractors, grain harvesters and drying machines.
- c. Financial services segment primarily provides finance lease services to customers for purchasing machinery products of the Group and from other vendors.

(i) Segment results, assets and liabilities

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

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

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

Disaggregation of revenue from contracts with customers by timing of revenue recognition regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below:

	2025			2024		
	Point in time RMB millions	Over time RMB millions (Note)	Total RMB millions	Point in time RMB millions	Over time RMB millions (Note)	Total RMB millions
Reportable segment revenue:						
Construction machinery						
– Concrete machinery	10,043	14	10,057	8,004	10	8,014
– Crane machinery	16,553	84	16,637	14,691	95	14,786
– Aerial machinery	5,969	2	5,971	6,830	3	6,833
– Earth working machinery	9,661	11	9,672	6,666	5	6,671
– Others	5,742	39	5,781	4,012	40	4,052
Agricultural machinery	3,541	1	3,542	4,646	4	4,650
Financial services	–	447	447	–	472	472
	51,509	598	52,107	44,849	629	45,478

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

(ii) Information about profit or loss

	2025	2024
	RMB	RMB
	millions	millions
Reportable segment profit:		
Construction machinery		
– Concrete machinery	2,329	1,817
– Crane machinery	5,331	4,792
– Aerial machinery	1,745	2,030
– Earthworking machinery	2,867	2,013
– Others	1,562	1,133
Agricultural machinery	347	570
Financial services	429	455
	14,610	12,810

(iii) Reconciliations of segment profit

	2025	2024
	RMB	RMB
	millions	millions
Reconciliation of segment profit:		
Total reportable segment profit	14,610	12,810
Gross profit	14,610	12,810
Other income	1,690	1,162
Sales and marketing expenses	(4,537)	(3,721)
General and administrative expenses	(2,539)	(2,585)
Expected credit losses	(516)	(570)
Research and development expenses	(2,895)	(2,769)
Net finance costs	(133)	(28)
Share of profits less losses of associates	114	84
Profit before taxation	5,794	4,383

(iv) Geographic information

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

	2025 RMB millions	2024 RMB millions
Revenue from external customers		
– Chinese mainland	21,592	22,164
– Outside PRC	30,515	23,314
Total	52,107	45,478
	2025 RMB millions	2024 RMB millions
Specified non-current assets		
– Chinese mainland	23,213	22,175
– Outside PRC	2,690	2,027
Total	25,903	24,202

4 PROFIT BEFORE TAXATION

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

(a) Net finance costs:

	2025 RMB millions	2024 RMB <i>millions</i>
Interest income	(469)	(653)
Interest on loans and borrowings	711	651
Interest on lease liabilities	9	11
Net exchange loss	6	110
Less: interest expense capitalised into construction in progress (<i>Note</i>)	(124)	(91)
	<u>133</u>	<u>28</u>

Note: The borrowing costs have been capitalised at rates of 2.13% to 2.93% (2024: 2.30% to 2.77%) per annum.

(b) Staff costs:

	2025 RMB millions	2024 RMB <i>millions</i>
Salaries, wages and other benefits	5,862	4,815
Share incentive scheme expenses	343	866
Contributions to retirement schemes	898	822
	<u>7,103</u>	<u>6,503</u>

(c) Other items:

	2025 RMB millions	2024 RMB <i>millions</i>
Cost of inventories sold	37,295	32,483
Depreciation charge:		
– owned property, plant and equipment	1,031	921
– right-of-use assets, land use rights	140	71
– right-of-use assets, plant, machinery and equipment	216	185
Amortisation of intangible assets	141	153
Auditors' remuneration:		
– audit services	10	9
Product warranty costs (<i>Note 13(b)</i>)	228	185
Expected credit losses:		
– trade receivables (<i>Note 11(c)</i>)	491	568
– receivables under finance lease (<i>Note 12(c)</i>)	34	(22)
– other receivables	20	27
– loan and advance	5	(3)
Impairment losses:		
– inventories	63	13
– other current assets	8	–
– intangible assets	23	–
	<u>23</u>	<u>–</u>

5 INCOME TAX

Income tax in the consolidated statement of comprehensive income represents:

(a) Taxation charged/(credited) to profit or loss:

	2025 RMB millions	2024 RMB millions
Current tax – PRC income tax	575	614
Current tax – Income tax in other tax jurisdictions	141	110
Deferred taxation – origination and reversal of temporary differences	<u>51</u>	<u>(350)</u>
Tax expenses	<u><u>767</u></u>	<u><u>374</u></u>

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

	2025 RMB millions	2024 RMB millions
Profit before taxation	<u><u>5,794</u></u>	<u><u>4,383</u></u>
Notional tax on profit before taxation, calculated at the statutory income tax rate (<i>Note (i)</i>)	1,449	1,096
Tax effect of non-deductible expenses	39	16
Current year loss for which no deferred tax assets was recognised	161	64
Tax effect of non-taxable income	(37)	(63)
Tax effect of subsidiaries subject to a difference tax rate (<i>Note (ii)</i>)	(341)	(246)
Additional deduction for qualified research and development expenses (<i>Note (iii)</i>)	<u>(504)</u>	<u>(493)</u>
Actual income tax expenses	<u><u>767</u></u>	<u><u>374</u></u>

Notes:

- (i) The PRC statutory income tax rate is 25% (2024: 25%).
- (ii) According to the income tax law and its relevant regulations, entities that qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%. The Company and certain of its PRC subsidiaries obtained or renewed its status as high-technology enterprises in 2025 and accordingly are subject to income tax at 15% for the years from 2025 to 2027.
- The Company's subsidiaries in the HKSAR are subject to Hong Kong Profits Tax at 16.5% (2024: 16.5%) in respect of assessable profits arising in or derived from Hong Kong.
- The Company's overseas subsidiaries are subject to income tax at rates ranging from 9% to 34% (2024: 9% to 34%).
- (iii) Under the income tax law and its relevant regulations, a 100% additional tax deduction is allowed for qualified research and development expenditure for the year ended 31 December 2025 (2024: 100%).

(c) Pillar Two income taxes

The Company is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development. Certain jurisdictions in which the Group operates have implemented Pillar Two income tax legislation based on this framework, and those Pillar Two income tax laws became effective on 1 January 2024.

The Group continues to prudently monitor and evaluate the potential impact of the Pillar Two model rules. At the reporting date, certain other jurisdictions in which the Group operates have enacted Pillar Two model rules or relevant adjustment. For example, from 1 January 2025, the Group is liable to Pillar Two income taxes under the Hong Kong Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025 for its earnings in Hong Kong SAR.

Based on the analysis performed by the Group, the jurisdictions that have enacted Pillars Two in 2025 which are relevant to the Group’s operation did not have a material impact to the Group’s consolidated financial statements.

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

6 CASH DIVIDENDS

(i) Dividends paid during year

Pursuant to the shareholders’ approval at the Annual General Meeting held on 28 June 2025, a final cash dividend of RMB0.30 per share based on 8,649 million ordinary shares in issue, totaling RMB2,595 million in respect of the year ended 31 December 2024 was declared, which was fully paid by 31 December 2025.

Pursuant to the shareholders’ approval at the Extraordinary General Meeting held on 11 December 2025, an interim cash dividend of RMB0.20 per share based on 8,649 million ordinary shares in issue, totaling RMB1,729 million in respect of the year ended 30 June 2025 was declared. Such dividends were fully paid by 8 January 2026.

Pursuant to a resolution passed at the directors’ meeting on 30 March 2026, a final dividend in respect of the year ended 31 December 2025 of RMB0.2 per share, totalling approximately RMB1,730 million was proposed for shareholders’ approval at the forthcoming Annual General Meeting, and repurchased shares are not included in the profit distribution. The final dividend proposed after the reporting period has not been recognised as a liability at the end of the reporting period.

7 EARNINGS PER SHARE

(a) Basic earnings per share

For the year ended 31 December 2025, the calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders and the weighted-average number of ordinary shares in issue during the period, calculated as follows:

Profit attributable to ordinary equity shareholders (basic)

	2025 <i>millions</i>	2024 <i>millions</i>
Profit attributable to equity shareholders	4,779	3,521
Less: profit attributable to the unvested restricted A shares	<u>(126)</u>	<u>(158)</u>
Profit attributable to ordinary equity shareholders (basic)	<u>4,653</u>	<u>3,363</u>

Weighted average number of ordinary shares

	2025 <i>millions</i>	2024 <i>millions</i>
Issued ordinary shares at 1 January (excluded unvested restricted A shares) at 1 January	8,413	8,254
Effect of repurchase of ordinary H shares	(17)	(1)
Effect of restricted A shares vested	<u>26</u>	<u>35</u>
Weighted average number of ordinary shares at 31 December	<u>8,422</u>	<u>8,288</u>

(b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, restricted A shares were not included in the calculation of diluted earnings per share because their effect would have been anti-dilutive. Accordingly, diluted earnings per share were the same as basic earnings per share.

8 INTERESTS IN ASSOCIATES

	2025 <i>RMB</i> <i>millions</i>	2024 <i>RMB</i> <i>millions</i>
Infore Environment Technology Group Co., Ltd. (“ Infore Environment ”)	<u>3,215</u>	<u>3,209</u>
Aggregate carrying amount of individually material associates in the consolidated financial statements	----- 3,215	----- 3,209
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	----- 864	----- 1,275
Total	<u>4,079</u>	<u>4,484</u>

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

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

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

Note: Infore Environment is listed on the main board of Shenzhen Stock Exchange. As at 31 December 2025, the quoted market price of Infore Environment was RMB7.34 (2024: RMB4.97) per share and the fair value of the investment in Infore Environment was RMB2,930 million (2024: RMB1,985 million), lower than the carrying value. As at 31 December 2025, the management carried out an impairment assessment of the investment and determined its recoverable amount based on the present value of projected future cash flows. The cash flow projections covered a period of five years and adopted a pre-tax discount rate of 11.1% (2024: 11.4%). Cash flows beyond the five-year period are extrapolated using estimated growth rates 2.0% (2024: 2.0%). The discount rate used to estimate the cash flow is based on the cost of capital used to assess investments of a similar nature in Chinese mainland. Forecasting the future cash flow involves the judgment of management. The key assumptions are determined with reference to external information. According to the results of the assessment, no impairment of the investment is required as at 31 December 2025.

	2025 RMB millions	2024 RMB millions
Amounts of the Group's share of Infore Environment		
Profit from operations	81	68
Other comprehensive income	—	—
Total comprehensive income	81	68

During the year ended 31 December 2025, Infore Environment distributed dividends of RMB75 million (2024: RMB50 million) to the Group.

	2025 RMB millions	2024 RMB millions
Aggregate amounts of the Group's share of individually immaterial associates		
Profit from operations	33	16
Other comprehensive income	—	—
Total comprehensive income	33	16

9 OTHER FINANCIAL ASSETS

	<i>Note</i>	2025 RMB millions	2024 RMB millions
Financial assets at FVOCI			
Equity securities	(i)	1,519	1,760
Financial assets at FVPL			
Listed equity securities		36	33
Private equity funds		175	224
Total		1,730	2,017

Notes:

- (i) The equity securities comprise listed equity securities and other unlisted equity securities. The aggregate fair value of listed equity securities and other unlisted equity securities was RMB108 million and RMB1,411 million, respectively, as at 31 December 2025 (31 December 2024: RMB134 million and RMB1,626 million). The Group designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes. Dividends of RMB26 million (2024: RMB42 million) were received from these investments in equity securities during the year ended 31 December 2025. A loss accumulated in the fair value reserve (non-recycling) of RMB2 million in relation to disposal of equity securities was transferred to retained earnings during the year ended 31 December 2025 (2024: loss of RMB0.25 million).

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>Note</i>	2025 RMB millions	2024 RMB millions
Financial assets carried at fair value through profit or loss:			
– Wealth management products and structured deposits	(i)	494	45
– Securities investment funds	(ii)	1,573	1,577
– Derivatives financial assets		4	–
		2,071	1,622

Notes:

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

11 TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	2025	2024
	RMB	RMB
	millions	millions
Trade receivables (<i>Notes (a) and (b)</i>)	45,475	35,569
Less: loss allowance (<i>Note (c)</i>)	5,045	(4,461)
	40,430	31,108
Less: trade receivables due after one year (<i>Note (a)</i>)	(5,853)	(6,739)
	34,577	24,369
Bills receivable (<i>Note (d)</i>)	890	1,479
	35,467	25,848
Contract assets	202	89
Less: Contract assets due after one year	(196)	(89)
	6	-
Amounts due from related parties	97	139
Prepayments for purchase of raw materials	1,117	869
Prepaid expenses	740	594
Prepayments for land use rights	1,703	1,703
VAT recoverable	2,197	2,329
Deposits	75	67
Others	993	851
	42,395	32,400

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

(a) Trading terms and factoring of trade receivables

The Group generally allows certain customers with appropriate credit standing to make payments in instalments generally over a period of 6 to 60 months (“instalment payment method”). Instalment payments with terms more than one year are discounted at a rate which approximates the debtor’s borrowing rate in transactions with an independent lender under comparable terms and conditions. For the year ended 31 December 2025, the discount rates ranged from 1.37% to 15.00% (2024: 2.57% to 12.25%) per annum.

Trade receivables due after one year is as follows:

	2025 RMB millions	2024 RMB <i>millions</i>
Gross investment	6,326	7,379
Unearned finance income	(396)	(538)
	5,930	6,841
Less: loss allowance	(77)	(102)
Trade receivables due after one year	5,853	6,739

(b) Ageing analysis of trade receivables

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

	2025 RMB millions	2024 RMB <i>millions</i>
Within 1 year	27,011	20,571
Over 1 year but less than 2 years	7,086	4,993
Over 2 years but less than 3 years	2,639	2,023
Over 3 years but less than 5 years	1,626	1,850
Over 5 years	2,068	1,671
	40,430	31,108

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

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

(c) **Impairment of trade receivables**

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

	2025 RMB millions	2024 RMB <i>millions</i>
Balance at 1 January	4,461	5,514
Impairment losses recognised	491	568
Reclassification from loss allowance of receivables under finance lease	63	19
Uncollectible amounts written off	(50)	(229)
Written off upon sale of trade receivables (<i>Note</i>)	(56)	(1,429)
Effect of exchange rate difference	136	18
	<hr/> 5,045 <hr/>	<hr/> 4,461 <hr/>
Balance at 31 December		

Note: During the year ended 31 December 2025, RMB56 million of loss allowance for trade receivables were written off due to factoring of certain receivables to banks and financial institutions without recourse (2024: RMB1,429 million).

- (d) As at 31 December 2025, bills receivable of RMB848 million (2024: RMB1,385 million), including bank acceptance bills, digital bills receivable and letters of credit, whose fair values approximate to their carrying values were classified as financial assets at FVOCI under IFRS 9. The fair value changes of these bills receivable measured at FVOCI were insignificant during the year.

Other bills receivable of RMB42 million (2024: RMB94 million) are measured at amortised cost, including bank and commercial acceptance bills.

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

As at 31 December 2025, the Group endorsed certain bank acceptance bills to suppliers for settling trade payables of the same amount on a full recourse basis. The Group has derecognised these bills receivable and payables to suppliers in their entirety. These derecognised bank acceptance bills had a maturity date of less than six months from the end of the reporting period. In the opinion of the directors, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers, and the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations, should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable. As at 31 December 2025, the Group's maximum exposure to loss and undiscounted cash outflow, which is same as the amount payable by the Group to suppliers in respect of the endorsed bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB3,569 million (31 December 2024: RMB3,675 million).

As at 31 December 2025, bills receivable of RMB1,260 million (31 December 2024: RMB449 million) was discounted to banks without recourse, where substantially all the risks and rewards of ownership had been transferred. Since the Group does not have continuing involvement in the transferred assets, these discounted bills receivable were therefore derecognised.

12 RECEIVABLES UNDER FINANCE LEASE

	2025	2024
	RMB	RMB
	Millions	millions
Gross investment	9,296	8,217
Unearned finance income	(393)	(443)
	8,903	7,774
Less: loss allowance (Note(c))	(431)	(611)
	8,472	7,163
Less: receivables under finance lease due after one year	(3,951)	(3,835)
Receivables under finance lease due within one year	4,521	3,328

The Group provides equipment finance lease services to customers purchasing machinery products of the Group or other vendors through its leasing subsidiaries. Under the finance lease arrangement, the collectability of the minimum lease payments is reasonably predictable, there is no significant uncertainty surrounding the amount of un-reimbursable cost yet to be incurred by the Group under the lease arrangement. The finance lease contracts entered into by the Group typically are for periods ranging from 1 to 6 years (2024: 1 to 6 years). Customers are normally required to make an upfront payment ranging from 5% to 50% of the product price (2024: 5% to 50%) and pay a security deposit ranging from 1% to 30% of the product price (2024: 1% to 30%). At the end of the lease term, the lessee has an option to purchase the leased machinery at nominal value and the ownership of the leased machinery is then transferred to the lessee. The leases do not provide any guarantee of residual values.

During the year ended 31 December 2025, receivables under finance lease of RMB1,815 million (2024: RMB3,230 million) was factored to banks and financial institutions without recourse. Since the Group has transferred substantially all the risks and rewards of ownership in respect of the relevant factored receivables under finance lease to the banks and financial institutions, these factored receivables under finance lease were therefore derecognised.

(a) Ageing analysis of receivables under finance lease

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

	2025 RMB millions	2024 RMB <i>millions</i>
<i>Present value of the minimum lease payments</i>		
Within 1 year	5,135	3,630
Over 1 year but less than 2 years	1,947	1,743
Over 2 years but less than 3 years	1,055	1,166
Over 3 years	766	1,235
	8,903	7,774
<i>Unearned finance income</i>		
Within 1 year	244	230
Over 1 year but less than 2 years	90	99
Over 2 years but less than 3 years	36	62
Over 3 years	23	52
	393	443
<i>Gross investment</i>		
Within 1 year	5,379	3,860
Over 1 year but less than 2 years	2,037	1,842
Over 2 years but less than 3 years	1,091	1,228
Over 3 years	789	1,287
	9,296	8,217

(b) Overdue analysis

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

	2025 RMB millions	2024 RMB <i>millions</i>
Not yet due	6,549	6,356
Within 1 year past due	1,828	1,045
Over 1 year but less than 2 years past due	446	270
Over 2 years past due	80	103
Total past due	2,354	1,418
	8,903	7,774
Less: loss allowance	(431)	(611)
	8,472	7,163

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

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

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

	2025 RMB millions	2024 RMB millions
Balance at 1 January	611	799
Impairment losses (reversal)	(34)	(22)
Written off upon sale of receivables under finance lease	(54)	(104)
Reclassification to loss allowance of trade receivables	(63)	(19)
Written off upon repossession of sold machinery	(29)	(73)
	<hr/>	<hr/>
Balance at 31 December	431	611

13 TRADE AND OTHER PAYABLES

	2025 RMB millions	2024 RMB millions
Trade creditors	10,994	8,830
Digital bills payable	4,547	5,192
Bills payable	9,452	7,883
	<hr/>	<hr/>
Trade creditors and bills payable (<i>Note (a)</i>)	24,993	21,905
Accrued staff costs	815	861
Value added tax payable	1,210	981
Sundry taxes payable	103	78
Payable for acquisition of property, plant and equipment	2,422	2,769
Product warranty provision (<i>Note (b)</i>)	170	176
Financial guarantees issued	36	33
Dividends payable	1,540	–
Other accrued expenses and payables	4,794	2,960
	<hr/>	<hr/>
	36,083	29,763

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

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

	2025 RMB millions	2024 RMB millions
Due within 1 month or on demand	6,060	6,046
Due after 1 month but within 3 months	8,702	6,816
Due after 3 months but within 6 months	6,669	6,245
Due after 6 months	3,562	2,798
	<hr/>	<hr/>
	24,993	21,905

(b) Product warranty provision

	<i>RMB millions</i>
Balance at 1 January 2024	127
Provision for the year	185
Utilisation during the year	<u>(136)</u>
Balance at 31 December 2024 and 1 January 2025	176
Provision for the year	228
Utilisation during the year	<u>(234)</u>
Balance at 31 December 2025	<u><u>170</u></u>

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

14 SHARE INCENTIVE SCHEME

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

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

(a) **Restricted shares**

The number of restricted shares are as follows:

	2025 <i>Number of restricted shares</i>	2024 <i>Number of restricted shares</i>
Outstanding at the beginning of the year	254,374,060	423,956,766
Vested during the year	(127,187,030)	(169,582,706)
Outstanding at the end of the year	<u>127,187,030</u>	<u>254,374,060</u>
Contractual life of restricted shares	0.83 years	1.33 years

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

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

For the ESOP II, no matter Participants leave the Group or not at the end of the vesting period, all share incentive scheme expenses are to be recognised in the consolidated statement of comprehensive income. For the year ended 31 December 2025, share incentive scheme expenses of RMB343 million (2024: RMB866 million) were recognised in the consolidated statement of comprehensive income.

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	2025 <i>RMB millions</i>	2024 <i>RMB millions</i>
Provision for PRC income tax	246	265
Provision for income tax in other tax jurisdictions	<u>65</u>	<u>45</u>
	<u>311</u>	<u>310</u>

(b) Deferred tax assets and liabilities recognised:

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

Year ended 31 December 2025

	Balance at 31 December 2024 RMB millions	Addition from acquisition of Beijing Leasing RMB millions	Credited/ (charged) to profit or loss RMB millions	Credited/ (charged) to reserves RMB millions	Balance at 31 December 2025 RMB millions
Deferred tax assets arising from:					
Receivables	647	319	(2)	–	964
Inventories	239	–	(72)	–	167
Accrued expenses	112	–	(36)	–	76
Tax losses	417	–	80	–	497
Deferred income	966	–	15	–	981
Others	391	–	(69)	20	342
Total	<u>2,772</u>	<u>319</u>	<u>(84)</u>	<u>20</u>	<u>3,027</u>
Deferred tax liabilities arising from:					
Property, plant and equipment	(65)	–	10	–	(55)
Intangible assets	(267)	–	(15)	–	(282)
Right-of-use assets	(74)	–	5	–	(69)
Others	(425)	–	33	(33)	(425)
Total	<u>(831)</u>	<u>–</u>	<u>33</u>	<u>(33)</u>	<u>(831)</u>
				Deferred tax assets RMB millions	Deferred tax liabilities RMB millions
Gross amount				3,027	(831)
Offset amount				<u>(261)</u>	<u>261</u>
After offset				<u>2,766</u>	<u>(570)</u>

Year ended 31 December 2024

	Balance at 31 December 2023 RMB millions	Credited/ (charged) to profit or loss RMB millions	Credited/ (charged) to reserves RMB millions	Balance at 31 December 2024 RMB millions
Deferred tax assets arising from:				
Receivables	845	(198)	–	647
Inventories	116	123	–	239
Accrued expenses	90	22	–	112
Tax losses	175	242	–	417
Deferred income	903	63	–	966
Others	200	124	67	391
	<u>2,329</u>	<u>376</u>	<u>67</u>	<u>2,772</u>
Deferred tax liabilities arising from:				
Property, plant and equipment	(41)	(24)	–	(65)
Intangible assets	(265)	(2)	–	(267)
Right-of-use assets	(28)	(46)	–	(74)
Others	(499)	46	28	(425)
	<u>(833)</u>	<u>(26)</u>	<u>28</u>	<u>(831)</u>
			Deferred tax assets RMB millions	Deferred tax liabilities RMB millions
Gross amount			2,772	(831)
Offset amount			<u>(135)</u>	<u>135</u>
After offset			<u>2,637</u>	<u>(696)</u>

As at 31 December 2025, deferred tax assets in respect of tax losses totalling RMB5.24 million (31 December 2024: RMB511 million) were not recognised by certain subsidiaries of the Company, as it is not probable that sufficient future taxable profits will be available to utilise such tax benefits. The unused tax losses at 31 December 2025 will expire on or before 31 December 2034.

16 RECONCILIATION OF FINANCIAL INFORMATION PREPARED UNDER PRC GAAP TO IFRSS

(a) Reconciliation of total equity of the Group

	As at 31 December 2025 <i>RMB</i> <i>millions</i>	As at 31 December 2024 <i>RMB</i> <i>millions</i>
Total equity reported under PRC GAAP	59,875	59,839
– Acquisition-related costs incurred on prior year business combination	<u>(37)</u>	<u>(37)</u>
Total equity reported under IFRS Accounting Standards	<u><u>59,838</u></u>	<u><u>59,802</u></u>

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

	2025 <i>RMB</i> <i>millions</i>	2024 <i>RMB</i> <i>millions</i>
Total comprehensive income for the year reported under PRC GAAP	5,111	3,578
– Safety production fund (<i>Note</i>)	<u>(80)</u>	<u>1</u>
Total comprehensive income for the year reported under IFRS Accounting Standards	<u><u>5,031</u></u>	<u><u>3,579</u></u>

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

(c) There is no material difference between the consolidated cash flow of the Group reported under PRC GAAP and IFRS Accounting Standards.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis was prepared based on our financial information prepared in accordance with IFRS Accounting Standards.

Revenue

Our revenue increased by 14.58% from RMB45,478 million for the year ended 31 December 2024 to RMB52,107 million for the year ended 31 December 2025.

Cost of Sales and Services

Due to the increase in the scale of sales, our cost of sales and services increased by 14.90% from RMB32,668 million for the year ended 31 December 2024 to RMB37,497 million for the year ended 31 December 2025.

Gross profit

Our gross profit increased by 14.05% from RMB12,810 million for the year ended 31 December 2024 to RMB14,610 million for the year ended 31 December 2025. Our gross profit margin decreased from 28.17% for the year ended 31 December 2024 to 28.04% for the year ended 31 December 2025, which is mainly due to the impact of the sales product mix and overseas cost of sales.

Other income

Our other income increased from the net gain of RMB1,162 million for the year ended 31 December 2024 to a net gain of RMB1,690 million for the year ended 31 December 2025, which is mainly due to the increase in government grants.

Sales and marketing expenses

Our sales and marketing expenses increased by 21.93% from RMB3,721 million for the year ended 31 December 2024 to RMB4,537 million for the year ended 31 December 2025 primarily due to the increase in expenses related to sales in overseas market.

General and administrative expenses

Our general and administrative expenses decreased from RMB2,585 million for the year ended 31 December 2024 to RMB2,539 million for the year ended 31 December 2025 primarily due to the decrease in share-based payment expenses related to the employee stock ownership plan.

Net finance costs

Our net finance costs for the year ended 31 December 2024 was RMB28 million and our net finance costs for the year ended 31 December 2025 was RMB133 million. The fluctuation was due to the decrease in interest income.

Profit for the year

As a result of the foregoing, our profit for the year increased by 25.39% from a profit of RMB4,009 million for the year ended 31 December 2024 to a profit of RMB5,027 million for the year ended 31 December 2025.

Operating activities

In 2025, net cash generated from operating activities was RMB4,573 million, derived primarily from the profit before taxation of RMB5,794 million in total, adjusted to reflect interest expenses of RMB596 million, depreciation and amortization of RMB1,528 million, gains on disposal of property, plant and equipment and intangible assets of RMB548 million, share incentive scheme expenses of RMB343 million, interest income of RMB469 million, and added back the effect of (i) increase in account payables and other payables of RMB6,545 million, and (ii) decrease in receivables under finance lease of RMB2,131 million and offset by the following items: (i) increase in trade and other receivables of RMB9,267 million; and (ii) income tax payment of RMB919 million.

Investing activities

In 2025, net cash used in investing activities was RMB5,340 million, consisting primarily of: (i) proceeds from disposal of financial assets at FVPL of RMB5,200 million; (ii) proceeds from disposal of property, plant and equipment and intangible assets of RMB141 million; (iii) proceeds from disposal of financial assets at fair value through other comprehensive income (“FVOCI”) of RMB339 million; and (iv) increase in pledged bank deposits of RMB341 million, and offset by the following items: (i) investment in financial assets at FVPL of RMB5,649 million; (ii) payment for purchase of property, plant and equipment, right-of-use assets and intangible assets of RMB4,655 million; and (iii) payment for acquisition of a subsidiary of RMB1,041 million.

Financing activities

In 2025, net cash generated from financing activities was RMB466 million, consisting primarily of: (i) repayments of bank and other borrowings of RMB13,138 million; (ii) dividends paid to shareholders of RMB2,784 million; (iii) interest payment of RMB688 million; and (iv) payment for purchase of non-controlling shareholders’ interest of RMB706 million, and then added back the proceeds from bank and other borrowings of RMB18,252 million.

BUSINESS REVIEW AND PROSPECT

I. Review of Operation for the Year 2025

Upholding the core philosophy of “doing business with an Internet mindset and developing products of the highest quality”, the Company remained anchored to its goal of high-quality development and kept advancing its strategic direction centered on “related diversification, globalization, and digitalization”. By leveraging technological innovation to drive high-quality development, we deepened the transformation and upgrade toward digitalization, intelligentization, and green development, remained focusing on traditional advantageous sectors, accelerated the cultivation and expansion of emerging business sectors, actively incubated future industries, and promoted the implementation of the industrialization of embodied intelligent robots. We comprehensively expanded our global market scale to unlock new growth opportunities for the Company, enabling businesses to navigate economic cycles and achieve steady, sustainable, high-quality development.

During the Reporting Period, the Company achieved operating revenue of RMB52,107 million, representing a year-on-year increase of 14.58%; net profit attributable to shareholders of the parent company reached RMB4,779 million, marking a year-on-year growth of 35.73%.

During the Reporting Period, the Company mainly carried out the following activities:

1. Accelerating the competitive development of industrial portfolio

During the Reporting Period, the Company accelerated the diversification of its industrial segments, striving to establish a favorable framework where traditional advantageous industries and emerging sectors synergize and develop in tandem. We strengthened strategic execution, and drove profound transformations in the marketing management system, in order to ensure the efficient implementation of strategic plans. For traditional advantageous industries, we steadily enhanced their competitiveness, solidifying the foundation for development; for emerging industries, we accelerated their growth, gradually forming new growth poles. In addition, we accelerated the cultivation of embodied intelligent robots, making proactive preparations for future industries.

(1) Our core products maintained a solid market position

For the three traditional core product lines (concrete machinery, engineering cranes, and construction cranes), we adhered to a steady development strategy, optimized overall resource allocation, comprehensively advanced overseas transformation, deepened the “three-pronged” management model, strictly controlled risks in both domestic and overseas markets, enhanced operational management quality across all dimensions, and accumulated new momentum to promote high-quality development of the Company. The three core product lines maintained a solid position in the domestic market, with concrete and industrial crane segments accelerating upward momentum. Both scale and profitability improved simultaneously, with new energy mixer trucks and domestic crawler cranes achieving double-digit growth. The scale of overseas operations and market position continued to improve, with the overall export sales volume of the three core product lines increasing by over 21% year-on-year.

(2) *Scale of earthmoving machinery segment aim for 10 Billion*

For earthmoving machinery segment, we have successfully established a product portfolio covering all scenarios by fully optimizing the micro excavator lineup, comprehensively enhancing the performance of medium and large excavators, and continuously leading ultra-heavy-duty green mining technology, thereby achieving industry-leading competitiveness. In the domestic market, product portfolio optimization continued. The large-tonnage products demonstrating a distinct competitive edge with mining excavators in the 100-ton class and above surging to the top three positions in the industry. In overseas markets, we deepened our global footprint, continuously optimized our global service and parts network, and achieved breakthroughs in key regions. Emerging markets such as Latin America saw growth exceeding 77%, and premium markets such as Europe surged by over 600%. Our excavator exports now rank among the top three domestically. During the Reporting Period, domestic sales of earthmoving machinery grew by over 13% year-on-year, while export sales surged by more than 57% year-on-year, leading the industry in growth rate.

(3) *We led the development of the global high-end market in aerial work platforms*

Thanks to continuous technological innovation, the Company has established a solid core competitive advantage and gained global pricing power in the ultra-high-reach segment. Our ultra-high-reach straight boom products hold a leading global position, with the world's tallest 82-meter ultra-high-reach straight boom model achieving EU CE certification and entering mass production; the ZA32J high-reach articulating boom product leads globally; and mast products now cover all mainstream specifications in North America and Europe. Currently, our high-reach products have achieved large-scale exports to Europe, the Americas, and the Asia-Pacific region, demonstrating significant technological leadership and product competitiveness. In terms of industrial layout, global market expansion and localized operations are advancing in tandem. The Hungarian factory has commenced production and entered the ramp-up phase, continuously enhancing local manufacturing competitiveness. This multi-dimensional strategy builds momentum for future growth, laying a solid foundation to consolidate our leading position in the global aerial work platform industry.

(4) *We continued to deepen our efforts and pursued lean development in agricultural machinery*

Centered on the implementation of the core development strategy of “high-end, international, and new energy”, we comprehensively advanced the systematic upgrades across the entire chain encompassing products, R&D, markets, production, and human resources. Focusing on four major global agricultural operation scenarios, we built a complete suite of product solutions. Meanwhile, we persistently deepened our presence in key markets, rapidly expanded overseas distribution channels, and strengthened penetration into end-user markets; we systematically integrated manufacturing resources to build a global lean manufacturing network, and enhanced input-output efficiency through resource consolidation and organizational restructuring to achieve comprehensive lean development. During the Reporting Period, the coverage and penetration of domestic and international channels significantly increased, with overseas sales of agricultural machinery growing by over 21% year-on-year.

(5) *Mining machinery achieved dual leap in competitiveness and market share*

For mining machinery, we focused on the direction of “green, large-scale and intelligent”, and committed to creating high-end mining equipment for the entire process. Our products, such as wide-body vehicles, down-the-hole drills, mineral processing equipment, and electric-wheel mining trucks, which achieved full synergy, delivered industry-leading comprehensive product competitiveness. Domestic business achieved counter-trend growth, successfully penetrated the energy client market of central and state-owned enterprises, and accelerated its advancement into the high-end market. Overseas, we accelerated the “green” transformation of global mines, with 99 new mines now operational. This helped accelerate the growth in the global high-end mining market, overseas sales revenue surged by over 300%.

(6) *Emerging business segments experienced vigorous growth*

Thanks to our platform and brand strengths, the product portfolio for emerging businesses such as emergency equipment, infrastructure construction, and industrial vehicles has rapidly expanded, leading to improved market coverage and rising industry position.

Emergency equipment, including aerial, rescue, and tanker fire trucks, underwent comprehensive iteration and expansion, with flagship products rapidly rolling off the production line. We successfully expanded into emerging sectors such as airport firefighting, creating new growth drivers. During the Reporting Period, we achieved counter-trend growth in the domestic market and continued to make breakthroughs in overseas markets, with sales volume increasing by over 22% year-on-year.

In the field of foundation construction, we adhered to the guiding principle of “ensuring stability, pursuing growth, improving weaknesses, and building strengths” which has enabled us to successfully penetrate high-end markets in Europe and America, establish a leading position in advantageous regional markets such as Turkey and the Middle East, and achieve dual improvements in overseas sales volume and operational quality. Export sales volume has increased by over 100% year-on-year.

(7) *We accelerated to land the industrialization of embodied intelligent robots*

During the Reporting Period, the Company developed six new robot products across three major categories, including two bipedal humanoid robots, one wheeled humanoid robot, one quadrupedal robot, and two mowing robots. Dozens of them have been deployed in factory operations, undergoing pilot testing in machining, logistics, assembly, and quality inspection processes to accelerate the progress of industrialized implementation. The Company achieved multiple key technological breakthroughs, establishing a 120-station embodied intelligence training ground and setting up an embodied intelligence operation center. We integrated a closed-loop mechanism spanning the entire process from “data collection to model training to application iteration”, initially forming a data flywheel to drive the evolution of Zoomlion’s embodied intelligence large model for humanoid robot.

2. Driving breakthroughs in global market penetration through globalization strategy

The Company steadfastly implements its global development strategies with Zoomlion characteristics, continuously deepening and refining its overseas direct sales system characterized by “end-to-end, localized, and digital” operations. By deepening the “three-pronged” management mechanism, strengthening risk control and compliance defenses, expanding sales and service network coverage, and refining digital business empowerment, we will build long-term competitive advantages in overseas markets. This will drive high-quality development of our international operations, injecting robust momentum into the Company’s sustainable growth.

- (1) Diversified market deployment and product portfolio advanced in tandem. During the Reporting Period, our overseas operations maintained a high growth trajectory, achieving a year-on-year increase of 30.78%. With the deepening of the globalization process and the collaborative efforts of regional markets, the sales structure has been further optimized, and the business development has entered a new stage of “structure optimization + local deepening”, achieving high-quality growth. We enjoyed rapid growth in emerging regions such as Africa, Latin America, Southeast Asia, and the Middle East. Among these, the Africa region saw year-on-year growth exceeding 159%. Exports of our industrial portfolio are developing vigorously, with product matrix advancing in tandem. The competitiveness of our traditional advantageous industries has steadily improved, laying a solid foundation for development. Earthmoving machinery, aerial work platforms, mining equipment, and agricultural machinery are leading the industry in growth rates, creating a second growth curve.
- (2) End-to-end system transformation has been Deepened to build a new ecosystem of direct sales and efficient collaboration. First, we continued to refine the integrated management system. We have deeply integrated the “three-pronged management” approach with the “front, middle, and back-end inspection and operation mechanism”, establishing a highly efficient, 24/7 seamless coordination system. The Company continued to strengthen the command, coordination, and enabling functions of its middle and back offices. By integrating the operations of our “ground forces” stationed in regional markets with the rapid-response support of the “airborne forces” at headquarters, we comprehensively advanced the implementation of “sales-service integration” and “ground-air integration” to collaboratively deepen the engagement in local markets. Second, focusing on a “high-value client” strategy, we have established a management mechanism for top global clients, and taken the lead in piloting its implementation in the Middle East. As the Company continues to penetrate global high-end client circles, its overseas customer development has progressively shifted from “scale expansion” to a balanced focus on “quality and value”, laying a solid customer foundation for long-term, high-quality growth.
- (3) Security defenses have been reinforced further to safeguard the stable operation of overseas business. Adhering to a country-specific approach, we have built a differentiated risk control model. By enriching collateral security measures, expanding the coverage of property and personal guarantees, introducing local financial resources, fortifying business fundamentals, and strengthening compliance oversight, we have established three lines of defense encompassing marketing, risk control, and legal affairs to safeguard the steady development of our overseas operations.

- (4) The expansion of service networks and the penetration of market have been vertically promoted to support the transformation and upgrading of airport operational management systems, and build a broader, more efficient global sales and service network. On one hand, we accelerated our expansion into new markets, completing our deployment in countries such as the UK, South Korea, and Morocco. Simultaneously, we accelerated the deployment of service outlets into smaller cities and towns, adding over 40 new outlets throughout the year. On the other hand, we consolidated resources across key market locations, optimized the rationality of our global network layout and warehouse space utilization, and progressively refined our star-shaped network structure centered around “hub warehouses + display warehouses”, tangibly enhancing the comprehensive capabilities and service efficiency of our outlets. Currently, leveraging over 30 primary business aviation hubs and more than 430 service points worldwide, the Company has established an efficient global sales and service network. The total number of localized employees overseas is approximately 6,000, with over 220 service parts warehouses. Products are widely distributed across more than 170 countries and regions, significantly enhancing sales and service capabilities.
- (5) Overseas R&D and manufacturing bases has constantly expanded and upgraded. The Company has completed the strategic deployment of its global R&D and manufacturing network, with production bases in various countries including Italy, Germany, Mexico, Brazil, Turkey, the United States, and Hungary. Among these initiatives, the Hungary high-altitude work equipment plant commenced operations, driving deeper business development through localized production. The Wilbert plant project in Germany was upgraded and expanded, transforming it into a comprehensive production base. Leveraging the technological expertise, resources, and geographical advantages of its overseas R&D and manufacturing bases, the Company achieved comprehensive and effective coordination and integration of global resources, thereby establishing an industrial ecosystem that underpins its globalization strategy.

3. Accelerating digitalized transformation

The Company will accelerate digital transformation across all fronts, revolutionizing market operations with an Internet mindset, reshaping management and business models through digital means, and building a new development paradigm driven by digital technology in every aspect.

We will establish a fully visualized performance accounting platform for all employees and processes to fully energize the workforce; we build a “business opportunity-driven production” model and establish a production-sales monitoring platform to achieve real-time alignment between production plans and market demand; we create a 360-degree panoramic data view of customers to support the precise implementation of differentiated policies; we enhance the “three-pronged” management platform system to comprehensively improve business operational efficiency.

Overseas operations will focus on core business scenarios including localization, service capabilities, and financial controls. We will accelerate the final mile service of overseas localization, comprehensively advance electronic contracts abroad, launch electronic seals, and build localized capabilities for rapid contract signing and archiving. We will complete the full-process review and optimization of services, expanding coverage of proactive service scenarios. We will achieve global coverage of the overseas fund platform and overseas expense control platform, enabling transparent and controllable overseas expense reimbursement and global fund management.

4. *Driving high-quality industry development through smart manufacturing industry clusters*

Steadfastly pursuing a development path centered on “digitalization, intelligent manufacturing, and green transformation”, the Company will accelerate the upgrade of high-end equipment through intelligent manufacturing, establishing smart industrial parks, smart factories, and smart production lines gradually. We will translate research on advanced intelligent manufacturing technologies into practical applications rapidly, comprehensively deepen “end-to-end” digital transformation, and accelerate the formation of an industry-leading intelligent manufacturing industrial cluster, in order to the Company as a benchmark in the intelligent manufacturing sector, consolidate our leading position in intelligent manufacturing within advantageous industries, and continuously drive the high-quality industry development.

- (1) Clusters of smart manufacturing industry has formed fast to establish an advanced manufacturing landscape. Centered around the Zoomlion Smart Industrial City, the Company is comprehensively building a matrix of high-end equipment smart factories. Through comprehensive intelligent upgrades across the entire supply chain from host machines to components, we have now achieved full-scale production at four major host machine factories including the Intelligent Factory for Engineering Cranes and key component centers. This has established a global network of 18 intelligent factories and over 420 smart production lines, fully supporting our efforts to build a nationally significant advanced manufacturing hub. The intelligent factories for excavators, aerial work platforms, concrete pumps, and industrial cranes in Zoomlion Smart Industrial City have steadily ramped up production capacity to full output, continuously delivering higher-quality machine products through smart manufacturing for customers. Zoomlion’s “Excavator Shared Manufacturing Smart Factory” has been included in the Ministry of Industry and Information Technology’s inaugural list of flagship smart factories under cultivation. This achievement signifies the Company’s leap from domestic leadership to global prominence in smart manufacturing capabilities.

- (2) The achievements of research on advanced technologies of intelligent manufacture have been rapidly transformed into practical applications. The Company integrates artificial intelligence, intelligent manufacturing technology and intelligent equipment to create an intelligent production line system that is intelligent, flexible and environmentally friendly, and innovatively develops intelligent control algorithms and digital systems to construct flexible, efficient, and collaborative smart factories. We have continuously advanced the application research of over 270 industry-leading, fully integrated intelligent manufacturing technologies developed in-house. More than 250 key technologies have been successfully deployed on smart production lines, demonstrating our robust technological capabilities and cutting-edge leadership in intelligent manufacturing. This will accelerate the intelligent upgrade of production processes and consistently promote the Company's role in leading the industry's intelligent manufacturing development.
- (3) The end-to-end transformation has been deepened comprehensively in manufacturing and supply chains. Centered on the development of a factory-level industrial Internet platform, we are committed to achieving comprehensive industrial connectivity across all factory elements. By integrating end-to-end data flows across planning, logistics, production, and supply chain operations, we have established an autonomous intelligent collaboration system spanning cloud, edge and terminal devices, enabling highly efficient human-machine collaboration and flexible production control capabilities. Integrating cutting-edge technologies such as artificial intelligence, cloud computing, and digital twins, we establish AI-driven autonomous decision-making mechanisms to achieve intelligent control across manufacturing, warehousing, inspection, and supply chain operations. This propels manufacturing paradigms toward predictive maintenance and dynamic optimization, enabling digital twin technology to virtually map production processes. Through end-to-end digital transformation, we will reshape the manufacturing paradigm.

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

Zoomlion adheres to its technology development strategy of “building momentum, innovating independently, focusing on breakthroughs, and achieving full surpassing”. Upholding the concepts of “technology and products are the foundation” and “developing products of the highest quality”, the Company leverages scientific and technological innovation to implement its transformation of “ecofriendliness, intelligentization, digitalization, and globalization”. It has developed a series of high-end industry products, accelerated the development of new energy products and the cultivation of new quality productive forces, and driven globalization with scientific and technological innovation to empower the Company's high-quality development.

During the Reporting Period, the Company initiated over 1,800 R&D projects, conquered 463 key technologies, and developed 361 new products, including 3 world-leading products and 3 industry-first products. Additionally, we developed 234 overseas products and 58 new energy products. Emerging future industries representing new quality productive forces, such as robots and hydrogen energy products, have taken initial shape. The “Excavator Shared Manufacturing Intelligent Factory” was selected as one of the first batch of national-level leading-edge intelligent factories, and the “Development of Warehouse Logistics Robots with Human-Machine-Environment Integration” was approved as one of Hunan Province’s top ten technological breakthrough projects. The Company obtained 601 new international certifications covering 818 product models. As of December 2025, it had possessed 1,376 valid international certification credentials, covering 2,547 product models, with internationally certified products reaching over 100 countries and regions.

(1) Maintaining a leading position in products and technologies within the construction machinery sectors

We have successfully developed world-leading products such as the world’s largest 3,600-ton-meter wind power luffing jib tower crane and the world’s longest five-axle compliant steel boom pump truck with a vertical reach of 76 meters. The world’s largest 3,600-ton-meter wind power luffing jib tower crane has a maximum lifting capacity of 240 tons and a maximum lifting height of 243 meters, making it the only product in the world capable of hoisting 10MW wind turbines at a height of 210 meters. The world’s longest five-axle compliant steel boom pump truck with a vertical reach of 76 meters is currently the longest mass-produced model in terms of boom length among five-axle chassis concrete pump trucks worldwide, with a maximum placing height of 75.1 meters. It achieves a groundbreaking technological breakthrough among similar products by adopting third-generation lightweight design and ultra-high-strength steel, together with an exclusive hollow boom structure. While ensuring rigidity, the design reduces weight by more than 15% and improves driving passability. Focusing on high-end overseas markets, we have carried out in-depth scenario adaptation and upgraded 29 industry-leading L2 technologies, including crane load anti-swing, one-key operation for concrete pump trucks, and tower crane anti-collision. These technologies have become standard configurations for high-end products, facilitating sales to overseas markets such as Europe. We have achieved breakthroughs in 38 unmanned technologies and established a complete technical foundation for intelligent equipment + collaborative platforms. Our smart mining and smart logistics have reached industry-leading levels.

(2) *Achieving breakthroughs in a number of core technologies and products in the agricultural machinery equipment sector*

During the Reporting Period, driven by the high-end, international and new energy strategy, we independently developed and established three core technology systems in the agricultural machinery equipment, including electric continuously variable transmission, adaptive electric coordination, and full-speed-domain autonomous driving, breaking the long-term technological monopoly of foreign high-end agricultural machinery in the Chinese market. Breakthroughs were made in the low-temperature power-preservation technology for hybrid tractors to enable our products to start up and work normally in an extreme environment with low temperatures below -30°C, supporting the promotion and deployment of the Company's full range of hybrid tractors in extremely cold regions. Leading the rapid advancement of the agricultural machinery industry into the new energy era, the Company developed the world's largest 700-horsepower hybrid tractor and the world's first hybrid high-capacity harvester. A number of high-end and new energy agricultural machinery products have been sold in the Russian-speaking region and South America. The world's largest 700-horsepower hybrid tractor delivers a peak power of 1,200 horsepower and is specially designed for high-intensity operations on ultra-large-scale farms. Equipped with the Company's self-developed EPiOT autonomous driving system based on high-precision Beidou positioning and AOS intelligent operation system, it enables autonomous driving and automatic operation of agricultural implements, achieving centimeter-level high-precision operations even at high speeds.

(3) *Accelerating research breakthroughs in new energy technologies and product R&D*

During the Reporting Period, the Company achieved key breakthroughs among 25 new energy technologies for complete machines, including coordinated control of energy and vehicle speed under sudden load changes in hybrid tractors. A total of 58 new energy products were developed, and the new energy penetration rates of mixer trucks and mining trucks increased to 77% and 19% respectively. New energy machinery products have been developed, such as the world's largest 700-horsepower hybrid wheeled tractor, the industry's first 5-axle 82-ton-meter pure electric knuckle-boom truck-mounted crane, and 55-ton pure electric port tire crane. As of December 2025, 240 new energy products were available for sale, covering major product lines including concrete mixer trucks, concrete pump trucks, engineering cranes, aerial work platforms, forklifts, excavators, off-highway wide-body dump trucks, airport fire trucks, and agricultural equipment.

(4) *Achieving self-control and new energy transition in key components*

During the Reporting Period, focusing on the overseas market demand of main equipment and the shortcomings in key components for new energy machinery, the Company fully benchmarked against industry leaders, carried out R&D on 194 key components, and realized mass installation of 106 key components. In terms of key components for new energy machinery, targeting technical bottlenecks and competitiveness improvement needs of main equipment such as tractors and mixer trucks, the Company achieved breakthroughs in 9 electric drive technologies and 16 “three-electric” technologies. It developed 8 electric drive components and 17 new energy components. These efforts contributed to the launch of the world’s largest 700-horsepower hybrid tractor and the world’s first hybrid high-capacity intelligent harvester, effectively supporting the self-control of core components and the new energy transition of main equipment.

(5) *Achieving significant progress in the R&D of embodied AI robots and hydrogen energy products*

The Company accelerated the development of future industries such as embodied AI robots and hydrogen energy products. In the R&D of embodied AI robots, it enriched application scenarios through integrating big data, artificial intelligence and product design technologies and established a software and hardware capability system of “key components – robot body – algorithms – platform”. As of the end of 2025, the Company had developed a total of 8 sample products of embodied AI robots in 4 major categories, reaching international advanced levels. Preliminary verification has been completed in logistics sorting scenarios, laying a solid foundation for the promotion and sales of the product ecosystem. For hydrogen energy products, the Company achieved breakthroughs in 14 key technologies, with 7 new products launched, and sales of hydrogen compressors have commenced.

(6) *Empowering globalization strategy through intellectual property and standards*

During the Reporting Period, the Company filed 1,772 patents, including 960 invention patents. The total number of valid invention patents reached 3,786, ranking first in the industry and among the Top 100 Chinese Enterprises in Patent Innovation. We filed 44 PCT international patents, bringing the cumulative total to 618. The number of countries and regions with overseas patent layout increased to 34, with coverage growing 48%, ranking among the top in the industry. The Company optimized the panoramic intellectual property analysis of overseas competitive products and enterprises and formulated the Guidelines for Patent Analysis Work to improve the accuracy of patent layout. Meanwhile, it completed intellectual property environment research in 21 countries, providing forward-looking decision support for global market expansion.

The international standardization process advanced steadily. In 2025, the Company led the development of 8 international standards, of which 1 entered the draft stage and 2 were successfully approved. We issued 18 national standards, 5 industrial standards and 11 group standards, including a groundbreaking issue of one mandatory national standard. The cumulative number of issued national, industrial and group standards exceeded 610, ranking first in the industry.

6. *Continuous improvement of operation quality and efficiency*

During the Reporting Period, the Company strengthened risk control, kept on improving its supply chain and inventory management, optimized the incentive mechanism, and enhanced talent reserve, escorting the high-quality development of the Company.

- (1) **Comprehensively strengthening risk control.** The Company has always prioritized risk operation control as its primary guarantee, continuously improved a risk control system integrating prevention and control, and implemented the strategy of “controlling risks at the source, strengthening collection processes, promoting synergy through mechanisms, and leveraging big data monitoring” to enhance risk control. A three-in-one model of “access control + mortgage enhancement + special clearance” was established to expand collection methods across multiple dimensions and improve the cash collection process. For mature domestic business segments, the Company focused on refined operation of existing customers; for emerging business segments, it consolidated the bottom line of risk prevention and control while pursuing development.
- (2) **Deepening the development of ultimate service capability.** A Global Service Center was established to open a direct channel connecting customers worldwide, with an overseas service operation system featuring “quantifiable satisfaction, closable issues, and online services” built. The Company continuously strengthened the three core capabilities of service management, team development, and support systems, comprehensively promoting end-to-end service and refined management implementation. Simultaneously, the layout of global service resources was optimized to accelerate localized service operations. The service localization rate increased to 60%, further solidifying the foundation for efficient global service response and continuous improvement.
- (3) **Strengthening construction of a supply chain system.** We continued to promote the consolidated and centralized procurement of bulk and general materials, consistently introduced high-quality supply resources in the industry, deepened strategic cooperation on key materials, and optimized the supply chain ecosystem; accelerated the digital transformation of the supply chain, collaboratively advanced the digital development of the overseas supply chain, built an end-to-end digital supply chain platform, and established a streamlined end-to-end supply chain system; unified the outsourcing pricing model to realize full life-cycle cost management; and effectively promoted special assistance to drive the synergistic optimization of multiple segments.
- (4) **Vigorously speeding up inventory turnover.** The Company established a unified management system of “production guided by business opportunities” and built a digital inventory management platform, realizing real-time linkage between production plans and market demand, which supported cost reduction, inventory control and quality improvement.

- (5) Continuing to improve the incentive mechanism. Centering on the four core principles of “benefits first, more rewards for more work, openness and fairness, and timely incentives”, we have established a diversified assessment system and dynamic remuneration distribution mechanism, forming a virtuous circle of “performance orientation, value creation, and precise incentives” to fully stimulate the vitality and motivation of the core and backbone employees.
- (6) Fully implementing the human resources reform of the Company. In line with the requirements for the transformation of the Company’s operation and management, we optimized the allocation of human resources and reshaped the Company’s organizational structure; actively broadened the channels for talent recruitment, increased efforts to attract overseas talents, and accelerated the development of a workforce with globalization capabilities; fully deepened the digital transformation of human resources, improved management effectiveness and service quality, in order to empower business and activate the organization.

II. Business Outlook of the Group

(1) Industry development trend and market outlook

1. Construction machinery market

According to the guiding principles of the Central Economic Work Conference, in 2026, we will adhere to the general tone of seeking progress while maintaining stability, fully, accurately, and comprehensively implement the new development philosophy, accelerate the establishment of a new development pattern, and strive to promote high-quality development. More proactive and impactful macro policies will be implemented, with enhanced policy foresight, targeting, and coordination. We will deepen the construction of a unified national market and achieve a good start for the “15th Five-Year Plan,” which is expected to have a positive impact on the industry.

In 2026, the domestic construction machinery market is poised to accelerate its upward trajectory. Under the clear guidance of the Work Plan for Stable Growth in the Machinery Industry (2025-2026), policies such as large-scale equipment upgrades and technological transformation will continue to deepen, providing a safety net and injecting certainty into the industry. The progress of major national-level projects represented by the Yaxi Hydropower Station will directly drive demand for large-scale, high-end and green equipment. Meanwhile, the industry’s endogenous trend toward electrification and intelligent upgrading remains unchanged and is expected to lead a new round of structural growth.

In 2026, exports of construction machinery are expected to enjoy strong momentum. Rising prices of resource commodities including non-ferrous metals will boost mining capital expenditure in resource-rich countries. Countries along the “Belt and Road” and emerging markets will continue to promote the construction of large-scale infrastructure projects such as railways and energy. In mature European and American markets, the Fed’s interest rate cut cycle has begun, and commercial investment and the real estate cycle in developed markets such as North America are expected to bottom out and rebound, which will drive export demand for construction machinery.

2. *Agricultural machinery market*

At present, the country attaches great importance to the development of agriculture, and the agricultural industry will usher in major development opportunities. The No. 1 central document for 2026 is the 23rd No. 1 document issued by the CPC Central Committee to guide the work of “agriculture, rural areas and farmers” since the beginning of the new century. Anchoring the two goals of “modernization of agriculture and rural areas” and “rural revitalization across the board”, the document emphasizes advancing the building of a strong agricultural country from the overall perspective of Chinese-style modernization. In accordance with the industry guideline document, the Implementation Opinions on Subsidies for Agricultural Machinery Purchases and Applications (2024-2026), the agricultural machinery purchase subsidy policy will continue to play a guiding role in “prioritizing and increasing subsidies for superior machinery,” focusing resources to support advanced, applicable, and efficient agricultural machinery. The country will increase support for equipment upgrades in key areas and expand support for the scrapping and renewal of agricultural machinery. All provinces have responded actively, and through dynamic adjustment mechanisms, provided key support for agricultural machinery that contributes to increasing grain and oil crop yields per unit area, as well as intelligent agricultural machinery and equipment suitable for hilly and mountainous regions. The overseas market has emerged as a crucial growth engine, with Chinese agricultural machinery exports demonstrating robust growth momentum. There is a clear demand for localization substitution and upgrades in countries participating in the “Belt and Road” Initiative, as well as in African and Southeast Asian markets, presenting market opportunities for Chinese agricultural machinery enterprises.

3. *Mining machinery market*

Currently, the mining machinery industry is shifting from being driven by traditional cycles to being driven by the transformation of mines toward the direction of “ecofriendliness, intelligentization, and integration”, which is more favorable to enterprises with leading technologies and integrated solution capabilities. The industry guideline document, the Work Plan for Stable Growth in the Machinery Industry (2025-2026), provides clear growth direction for the industry. Ultra-long special treasury bonds have explicitly identified “metal and non-metal mines” as a key support area, encouraging the elimination of outdated equipment and the implementation of ecofriendliness and intelligentization transformation. Driven by both policy and market forces, intelligentization transformation (such as unmanned driving and intelligent mining) and green transition (such as electric equipment) represent the core upgrading directions. Overseas markets present growth opportunities. Driven by the strong global mining boom and the overseas expansion of Chinese mining enterprises, there is particularly prominent demand for high-value and large-scale equipment such as large mining excavators and wide-body trucks.

(2) *Business Strategy for 2026*

The Company is committed to pursuing high-quality development by strictly adhering to the principles of being “meticulous, astute, precise, and lean”. We will continue to excel in the four key areas of “technology, quality, cost, and service”, striving to achieve the goals of “enhancing profitability, expanding scale, improving quality, and ensuring sustainability”. By accelerating the transformation toward “digitalization, intelligence, and green development”, we will further advance our global strategy. Through meticulous, detailed, and thorough execution in all endeavors, we aim to counter the uncertainties of the external market with the certainty of our own efforts. This approach will drive the significant expansion of our industrial echelons, accelerate our globalization process, and support the Company in achieving a major leap in transformation and upgrading.

(3) *Business Measures for 2026*

1. *Accelerating the Competitive Development of Industrial Echelons*

We will further foster a pattern where traditional competitive industries and emerging industries synergize and develop in a competitive manner. By reinforcing the intensity of strategy execution, we will amplify the overall effectiveness of our strategic initiatives. Traditional competitive industries will continuously strengthen their sustainable competitiveness through steady improvement, while emerging industries will grow and expand, consistently contributing as new growth drivers.

First, we will persistently aim for global leadership in concrete machinery, engineering crane machinery, and construction hoisting machinery by implementing a “three-pronged” management approach to achieve steady growth in scale. In the domestic market, the focus will be on controlling risks, stabilizing scale, and improving profitability to ensure qualitative and quantitative growth, thereby consolidating and enhancing our domestic market position. In overseas markets, the emphasis will be on scaling up, increasing profits, and managing risks to accelerate globalization, ensuring our products and services gain widespread recognition worldwide.

Second, we will firmly maintain the growth foundation of medium and large excavators in earthmoving machinery to ensure stable growth momentum. We will cultivate emerging businesses such as scraper machinery and compact equipment to create future growth engines. The overseas business footprint will be continuously expanded, with breakthroughs achieved in incremental markets. A domestic distribution network will be established to steadily increase product sales and market position, accelerating the effort to join the industry’s first echelon.

Third, we will continue to build a leading position in the electrification and ultra-high meter segments of aerial work machinery, and create a range of flagship products for overseas markets. With the goal of “entering, growing, and retaining”, we aim to secure partnerships with top-tier international customers, fostering their sustained growth and long-term collaboration with them.

Fourth, we will persist in lean development of agricultural machinery, focusing on refining high-end products to build a globally leading product portfolio. We will persist in driving domestic market growth with breakthroughs in overseas markets, and enhance both brand image and market sales by introducing high-tech, high-quality products.

Fifth, we will adhere to the development direction of “high-end orientation, global reach, and full lifecycle value” in mining machinery. In the domestic market, the focus will be on scaling up while managing risks, targeting core markets, and creating benchmark projects. In overseas markets, efforts will be concentrated on key markets, employing strategies such as “one mine, one machine” and “one mine, one policy”, so as to establish strongholds and achieve rapid scale expansion.

Sixth, we will prioritize technology and product development in emerging businesses, including emergency equipment, foundation construction, industrial vehicles, and Zoomlion new materials, as their foundation. By leveraging Zoomlion’s platform and brand advantages, we aim to grow rapidly and become stronger.

Seventh, we will see accelerated incubation in embodied intelligent robots, with efforts to expand the product portfolio of complete robotic systems, accelerate the development of key proprietary components, and overcome core embodied intelligence technologies. Simultaneously, we will commence the construction of manufacturing facilities for embodied intelligent robots, gradually moving toward small-batch production.

2. *Accelerating the Development of a New Globalized Landscape*

Guided by the overseas strategy of “end-to-end, localization, digitalization, and compliance”, and leveraging advantages in high-end manufacturing, high-end products, and high-end services, we will accelerate the expansion of overseas markets to create a new paradigm of globalization.

First, we will continuously deepen the end-to-end business management system. We will comprehensively enhance the direct sales model of “air harbour + ground forces + flying forces”, optimize the “three-pronged “management mechanism, and strengthen the integration of “front, middle, and back offices” along with risk control. This will enable efficient decision-making and rapid responses, driving substantial growth in overseas operations.

Second, we will accelerate the localization layout. We will intensify the construction of airport bases, expand the layout of and promote the penetration of sales and service outlets, and deeply explore the potential of the local market. This will open new opportunities and usher in a new phase of overseas market development.

Third, we will accelerate the digital transformation of business. Guided by the overarching goal of “compliance, security, efficiency, stability, visibility, and controllability”, we will build and refine multi-dimensional digital platforms. In addition, we will deeply integrate digital technologies into all business processes, enabling digital management across procurement, production, sales, and after-sales service. Through process reengineering, we will enhance operational efficiency and decision-making accuracy, and achieve digital management of the entire business chain. AI technologies will be utilized to empower the entire chain of overseas business, propelling it into a new digital era.

Fourth, we will strengthen compliance and risk control systems. A comprehensive compliance and risk control framework will be established, covering areas such as intellectual property, data protection, and anti-corruption. Through localized compliance solutions tailored to “one country, one policy”, we will implement dynamic lifecycle management spanning “pre-event, in-event, and post-event” stages. This will create a closed-loop system from risk identification to rectification tracking, providing a robust protective shield for the Company’s sustainable development.

Fifth, we will promote the global layout of overseas R&D and manufacturing bases. Centered on the “1+N” manufacturing system, we will build a globally integrated, efficient, and clearly delineated production network. This will enhance the capacity of overseas R&D and manufacturing bases to support international operations. We will continue to conduct comprehensive evaluations and planning around key regions, proactively promote the layout of overseas R&D and manufacturing bases, steadily broaden global production capacity coverage, and reserve space for the Company’s medium and long-term development.

3. Strengthening Scientific and Technological Innovation to Accelerate the Development of New Quality Productive Forces

Adhering to the technology development strategy of “accumulating energy, independent innovation, key breakthroughs, and comprehensive catch-up”, we will advance foundational and common technology R&D while exploring forward-looking and future technologies. Addressing key domestic projects and overseas market demands, we will develop a range of industry-leading, groundbreaking major equipment and flagship products. Breakthroughs will be achieved in key technologies such as intelligence and new energy, as well as critical components. By advancing R&D in intelligent and new energy pathways, we will continuously optimize system solutions for smart construction sites, intelligent mines, smart agriculture, and green products. Efforts will be accelerated in the research and industrialization of future industries, including robotics, hydrogen energy, and new emergency rescue equipment. This will deepen the Company’s technological reserves, cultivate new business growth drivers, and ensure that technological innovation remains the core driver for the Company’s sustainable development.

4. *Accelerating the Construction of a Global Matrix of Smart Factories to Build World-Class Advanced Manufacturing Hubs*

We will expedite the planning and construction of three major domestic smart industrial parks, including the Zoomlion Digital Intelligence Network-Connected High-End Agricultural Machinery and Equipment Industrial Park, the Jiuhua Mining Machinery and Crawler Crane Industrial Park, and the Weinan Earthmoving Industrial Park. Besides, overseas industrial parks, such as those in Germany and Turkey, will also be advanced. More than 70 production lines across five smart factories, including Changde Agricultural Machinery and Quantang Mining Machinery, will be completed and put into operation. This will accelerate the development of a global matrix of smart factories.

5. *Continuously Enhancing Operational Control Capabilities*

First, enhancing budget management. We will continue to optimize the target management system by reinforcing responsibility, compensation, and performance incentive mechanisms. In addition, we will strengthen control over target processes, ensuring monthly targets on a daily basis, quarterly targets on a monthly basis, and annual targets on a quarterly basis, so as to guarantee the full achievement of annual operational indicators.

Second, strengthening cost management. We will persistently pursue “extreme cost reduction” by deepening centralized procurement and bidding integration, accelerating digital innovation in the supply chain, and enhancing supply chain system capabilities. This will drive cost reduction and quality improvement, transforming extreme cost control into a stable and sustainable competitive advantage in the market.

Third, deepening service management. Guided by the Company’s “extreme service” strategy and centered on customer satisfaction, we will increase resource investment and accelerate network expansion. By positioning personnel, vehicles, and service outlets in close proximity to customers, service resources will penetrate even the most granular market segments, creating a “hour-level” service circle. Simultaneously, we will accelerate the digitalization of services, and strengthen end-to-end service management across the entire process, so as to comprehensively enhance customer satisfaction and provide global customers with higher-quality, more efficient professional services.

Fourth, optimizing marketing management. We will refine the incentive system, optimize the income distribution management, and promote the integration of marketing, service, and risk control to build a lean and efficient sales team. In addition, we will enhance the market monitoring and analysis systems to continuously improve operational efficiency.

Fifth, reinforcing inventory management. We will establish a closed-loop management mechanism of “dynamic monitoring – real-time alerts – rectification feedback”. This will continuously optimize inventory structure, accelerate inventory turnover, and establish a global planning and operational control system to effectively shorten delivery cycles.

FINAL DIVIDEND AND ANNUAL GENERAL MEETING

Pursuant to a resolution passed at the Board meeting on 30 March 2026, a final dividend for the year ended 31 December 2025 of RMB0.2 per share was proposed, totaling RMB1,730 million. The final dividend is calculated based on the total share capital of the Company as of 31 December 2025, and adjusted accordingly based on the total share capital at the date of record when profit distribution is made. The specific amount is subject to actual distribution. Such proposal is subject to shareholders' approval at the forthcoming annual general meeting of the Company. The proposed final dividend is expected to be paid to the shareholders of the Company on or about 30 July 2026. Information regarding the record date and book close date to determine the entitlement to the final dividend and attendance of the annual general meeting will be announced in due course.

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

The Board has adopted all code provisions in Part 2 of the Corporate Governance Code (the “**Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as the code of the Company. During the year ended 31 December 2025, the Company complied with all the applicable code provisions set out in Part 2 of the Code, save and except the only deviation from code provision C.2.1 of the Code, namely, the roles of the chairman and chief executive officer have not been separated. Dr. Zhan Chunxin is currently the chairman of the Board and chief executive officer of the Company. The Board is of the view that vesting of these two roles in Dr. Zhan Chunxin can facilitate efficient formulation and implementation of business strategies of the Company, and that through the supervision of the Board and the independent non-executive directors as well as the internal check-and-balance system, the balance of power and authority between the Board and management of the Company will not be affected. The Board believes that this arrangement is in the interests of the Company and its business.

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

The Company has adopted the rules governing the securities transactions by directors set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. The Company has made specific enquiry to all directors and then supervisors, and all its directors and then supervisors have confirmed that they complied with the Model Code throughout the year ended 31 December 2025. The Company has not identified any non-compliance with the Model Code by any of its directors and then supervisors.

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

During the Reporting Period, the Company repurchased a total of 18,746,800 H shares on The Stock Exchange of Hong Kong Limited (“**HKEX**”) as follows:

Month	Number of A shares repurchased	Highest price paid per A share (HKD)	Lowest price paid per A share (HKD)	Aggregate Consideration (HKD)
January	18,646,800	5.83	5.49	103,027,328
February	100,000	5.61	5.61	561,000
Total	<u>18,746,800</u>	<u>–</u>	<u>–</u>	<u>103,588,328</u>

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

REVIEW BY THE AUDIT COMMITTEE

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

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

The Audit Committee held four meetings during the year considering the annual results of the Company for the year ended 31 December 2024 and its interim results for the six months ended 30 June 2025. The Audit Committee has reviewed the audited annual financial statements of the Company for the year ended 31 December 2025 and the accounting principles and practices adopted by the Company and discussed matters relating to internal control and financial reporting.

IMPORTANT EVENT(S) SUBSEQUENT TO THE REPORTING PERIOD

On 5 February 2026, the Company issued the 0.70% U.S. dollar settled convertible bonds due 2031 in the aggregate principal amount of RMB6,000 million. The convertible bonds are listed on HKEX under debt stock code 40078, and are convertible into fully paid H shares at an initial conversion price of HK\$10.02 per H share (subject to adjustments). For details, please refer to the Company's announcements dated 29 January 2026, 3 February 2026 and 5 February 2026.

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

Changsha, the PRC, 30 March 2026

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

* *For identification purpose only*