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ZCZL Industrial Technology Group Company Limited

中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

The revenue of the Group for 2025 was RMB41,345.55 million, representing an increase of RMB4,293.51 million (i.e. 11.59%) as compared with 2024.

Profit for the year attributable to owners of the Company for 2025 was RMB4,306.18 million, representing an increase of RMB362.69 million (i.e. 9.20%) as compared with 2024.

Earnings per share for 2025 was RMB245.46 cents.

The Board proposed a final dividend of RMB12.50 (tax inclusive) per 10 shares for 2025.

The board of directors (the “**Board**”) of ZCZL Industrial Technology Group Company Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2025 together with the comparative figures of the corresponding period in 2024 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	3	41,345,553	37,052,042
Cost of sales		<u>(32,263,578)</u>	<u>(28,198,869)</u>
Gross profit		9,081,975	8,853,173
Other income	5	522,757	724,885
Other gains and losses	6	200,507	113,978
Selling and distribution expenses		(901,542)	(1,069,410)
Administrative expenses		(1,533,466)	(1,493,708)
Research and development expenses		(1,657,772)	(1,516,437)
Impairment losses on financial and other items		(405,975)	(157,718)
Share of profit of associates		35,779	48,320
Share of profit of joint ventures		5,038	6,336
Finance costs	7	<u>(225,425)</u>	<u>(297,947)</u>
Profit before income tax		5,121,876	5,211,472
Income tax expense	8	<u>(751,306)</u>	<u>(980,574)</u>
Profit for the year		<u>4,370,570</u>	<u>4,230,898</u>
Profit for the year attributable to:			
Owners of the Company		4,306,175	3,943,489
Non-controlling interests		<u>64,395</u>	<u>287,409</u>
		<u>4,370,570</u>	<u>4,230,898</u>

	<i>Note</i>	2025 RMB'000	2024 RMB'000
Other comprehensive income (expense):			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of post-employment benefit obligations		11,682	4,861
Changes in the fair value of equity instruments at fair value through other comprehensive income ("FVTOCI")		359,652	8,381
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		98,066	(119,771)
Fair value gains (loss) on hedging instruments designated in cash flow hedges		4,608	(3,635)
Other comprehensive income (expense) for the year, net of income tax		474,008	(110,164)
Total comprehensive income for the year		4,844,578	4,120,734
Total comprehensive income for the year attributable to:			
Owners of the Company		4,780,194	3,833,186
Non-controlling interests		64,384	287,548
		4,844,578	4,120,734
EARNINGS PER SHARE			
	<i>10</i>		
– Basic (RMB cents)		245.46	221.62
– Diluted (RMB cents)		244.58	221.06

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		8,456,381	7,389,243
Right-of-use assets		2,077,895	2,101,338
Investment properties		251,916	260,671
Goodwill		–	88,283
Intangible assets		890,389	804,801
Investments in associates		648,442	658,067
Investments in joint ventures		70,368	65,330
Financial assets at fair value through profit or loss		72,450	7,050
Equity instruments at FVTOCI		1,198,869	419,334
Deferred income tax assets		474,214	372,486
Finance lease receivables		110,775	62,404
Long-term receivables		366,618	319,202
Bank deposits		73,628	980,022
		<hr/>	<hr/>
Total non-current assets		14,691,945	13,528,231
CURRENT ASSETS			
Finance lease receivables, current portion		59,498	20,662
Long-term receivables, current portion		446,482	248,237
Inventories		6,875,501	9,453,770
Trade and other receivables, contract assets	<i>11</i>	16,616,244	11,920,546
Transferred trade receivables		655,991	431,851
Financial assets at fair value through profit or loss		4,051,370	5,821,562
Financial assets at FVTOCI		2,873,335	2,502,853
Derivative financial instruments		9,649	36,386
Tax recoverable		37,916	38,663
Bank deposits		2,137,915	1,934,565
Cash and cash equivalents		3,425,729	2,987,585
		<hr/>	<hr/>
		37,189,630	35,396,680
		<hr/>	<hr/>
Assets classified as held for sale		91,072	91,072
		<hr/>	<hr/>
Total current assets		37,280,702	35,487,752
		<hr/>	<hr/>
Total assets		51,972,647	49,015,983

	<i>Note</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
NON-CURRENT LIABILITIES			
Borrowings		2,535,081	2,631,415
Lease liabilities		1,034,341	1,050,013
Deferred income tax liabilities		200,938	111,843
Contract liabilities		65,723	48,118
Provisions		2,239	12,686
Employee benefit obligations		385,839	297,377
Other non-current liabilities		436,978	366,641
		<hr/>	<hr/>
Total non-current liabilities		4,661,139	4,518,093
CURRENT LIABILITIES			
Trade and other payables	<i>12</i>	15,905,441	13,932,210
Contract liabilities		1,430,826	3,070,926
Income tax liabilities		309,064	396,718
Borrowings		3,652,645	3,404,232
Lease liabilities		164,070	144,702
Provisions		265,916	273,033
Liabilities associated with transferred trade receivables		669,942	445,802
Derivative financial instruments		3,028	84,558
		<hr/>	<hr/>
Total current liabilities		22,400,932	21,752,181
		<hr/>	<hr/>
Total liabilities		27,062,071	26,270,274
CAPITAL AND RESERVES			
Share capital	<i>13</i>	1,785,400	1,785,400
Share premium		4,548,778	4,548,778
Reserves		17,852,553	15,616,621
		<hr/>	<hr/>
Equity attributable to owners of the Company		24,186,731	21,950,799
Non-controlling interests		723,845	794,910
		<hr/>	<hr/>
Total equity		24,910,576	22,745,709
		<hr/>	<hr/>
Total equity and liabilities		51,972,647	49,015,983
		<hr/>	<hr/>

NOTES TO THE FINANCIAL INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2025

1 GENERAL INFORMATION

The Company was established in the PRC on 28 December 2008 as a joint stock company with limited liability under the Company Law of the PRC. On 3 August 2010, the Company completed its initial public offering and listing of 140,000,000 A shares on the Shanghai Stock Exchange under the stock code 601717.SS. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 5 December 2012. The consolidated financial statements are presented in Renminbi (“**RMB**”).

2 APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

(a) Amendments to IFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements upon effective of IFRS 18*) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

4 REVENUE

	Year ended 31 December 2025			Total RMB'000
	Manufacture of coal mining machinery RMB'000	Manufacture of auto parts RMB'000	Industrial intelligence products RMB'000	
Sales of auto parts	–	19,859,882	–	19,859,882
Sales of hydraulic roof supports	13,565,982	–	–	13,565,982
Revenue from steel and other materials trading	3,145,682	49,301	–	3,194,983
Sales of spare parts for coal mining machinery	1,013,167	–	2,108,526	3,121,693
Sales of other coal mining equipment	1,275,496	–	–	1,275,496
Other revenue	175,740	70,374	81,403	327,517
	<u>19,176,067</u>	<u>19,979,557</u>	<u>2,189,929</u>	<u>41,345,553</u>

	Year ended 31 December 2024 (restated)			Total RMB'000
	Manufacture of coal mining machinery RMB'000	Manufacture of auto parts RMB'000	Industrial intelligence products RMB'000	
Sales of auto parts	–	17,467,175	–	17,467,175
Sales of hydraulic roof supports	12,547,762	–	–	12,547,762
Revenue from steel and other materials trading	3,034,576	50,336	–	3,084,912
Sales of spare parts for coal mining machinery	1,003,827	–	1,903,348	2,907,175
Sales of other coal mining equipment	823,727	–	–	823,727
Other revenue	117,056	64,872	39,363	221,291
	<u>17,526,948</u>	<u>17,582,383</u>	<u>1,942,711</u>	<u>37,052,042</u>

5 SEGMENT INFORMATION

Information reported to the chief executive of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

CODM primarily uses a measure of segment net profit to assess the performance of operating segments.

In the current year, the Group reorganised its manufacturing of coal mining machinery business. Correspondingly, the Group has revised internal reporting structure to provide more focused and relevant information to reflect the Group’s growth drivers, which resulted in changes to the composition of its reportable segments. A new segment of industrial intelligence products has been added as a result. Prior year segment disclosures have been represented to conform with the current year’s presentation.

Specifically, the Group’s reportable segments under IFRS 8 are (i) manufacture of coal mining machinery; (ii) manufacture of auto parts and (iii) industrial intelligence products. No operating segments have been aggregated in arriving at the reportable segments of the Group.

CODM primarily uses a measure of segment net profit to assess the performance of operating segments.

The following is an analysis of the Group's revenue and results by reportable and operating segments.

	Manufacture of coal mining machinery <i>RMB'000</i>	Manufacture of auto parts <i>RMB'000</i>	Industrial intelligence products <i>RMB'000</i>	Eliminations <i>RMB'000</i>	Total <i>RMB'000</i>
Year ended 31 December 2025					
Segment revenue	<u>19,201,418</u>	<u>19,985,024</u>	<u>3,333,844</u>	<u>(1,174,733)</u>	<u>41,345,553</u>
Segment net profit excluding unallocated expense	<u>3,112,628</u>	<u>386,827</u>	<u>939,076</u>	<u>8,992</u>	<u>4,447,523</u>
Year ended 31 December 2024 (restated)					
Segment revenue	<u>17,533,705</u>	<u>17,582,383</u>	<u>2,723,943</u>	<u>(787,989)</u>	<u>37,052,042</u>
Segment net profit excluding unallocated expense	<u>3,285,934</u>	<u>264,976</u>	<u>882,940</u>	<u>(849)</u>	<u>4,433,001</u>
			For the year ended 31 December		
			2025	2024	
			<i>RMB'000</i>	<i>RMB'000</i>	
Segment revenue and consolidated revenue			<u>41,345,553</u>	<u>37,052,042</u>	
Segment net profit excluding unallocated expense			<u>4,447,523</u>	4,433,001	
Unallocated expense			<u>(76,953)</u>	<u>(202,103)</u>	
Consolidated profit for the year			<u>4,370,570</u>	<u>4,230,898</u>	
			As at 31 December		
			2025	2024	
			<i>RMB'000</i>	<i>RMB'000</i>	
				(restated)	
SEGMENT ASSETS					
Manufacture of coal mining machinery			<u>26,809,780</u>	27,594,753	
Manufacture of auto parts			<u>21,353,151</u>	18,652,285	
Industrial intelligence products			<u>3,809,716</u>	<u>2,768,945</u>	
Total segment assets			<u>51,972,647</u>	<u>49,015,983</u>	
SEGMENT LIABILITIES					
Manufacture of coal mining machinery			<u>17,437,920</u>	14,122,970	
Manufacture of auto parts			<u>7,954,189</u>	10,517,755	
Industrial intelligence products			<u>1,669,962</u>	<u>1,629,549</u>	
Consolidated liabilities			<u>27,062,071</u>	<u>26,270,274</u>	

Geographical information

The analysis of revenue by geographical location of customers is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The PRC	27,019,105	24,939,246
Germany	5,961,158	5,330,446
Other countries	8,365,290	6,782,350
	<u>41,345,553</u>	<u>37,052,042</u>

The analysis of Group's non-current assets by geographical location is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
The PRC	9,285,845	8,288,099
Germany	1,201,223	1,061,601
Other countries	1,908,323	1,929,750
	<u>12,395,391</u>	<u>11,279,450</u>

Note: Non-current assets excluded goodwill, financial instruments, deferred income tax assets.

Information about major customers

No customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2025 and 2024.

6 OTHER INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants (<i>Note</i>)	318,663	236,208
Gain from additional input value-added tax credit	91,404	246,141
Interest income on bank deposits, long-term receivables and finance lease receivables	112,690	242,536
	<u>522,757</u>	<u>724,885</u>

Note: Government grants mainly represent government grants received from the local government for compensation of research and development expenses incurred, and in respect of construction of the Group's new plant, which are transferred from deferred income to profit or loss when related expenses incurred or over the useful lives of the relevant assets.

7 OTHER GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net fair value gains (loss) on derivative financial instruments	91,362	(96,980)
Impairment loss recognised in respect of the interest in an associate	(86,040)	(93,315)
Net fair value gains on financial assets at fair value through profit or loss	313,363	235,889
Impairment of goodwill	(88,283)	–
Net foreign exchange gain or loss	(78,516)	32,524
Net gains on disposal of property, plant and equipment, and intangible assets	860	1,476
Gain on disposal of an associate	5,177	–
Impairment of property, plant and equipment and intangible assets	(10,077)	(1,457)
Others	52,661	35,841
	<u>200,507</u>	<u>113,978</u>

8 FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interests on bank borrowings	192,694	259,835
Interests on lease liabilities	32,731	38,112
	<u>225,425</u>	<u>297,947</u>

9 INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax	862,617	960,643
PRC Enterprise Income Tax	649,372	767,625
Income Tax under Pillar Two Rules	4,368	4,698
Other jurisdictions	208,877	188,320
Under provision in prior years:	9,324	48,635
PRC Enterprise	8,246	43,141
Other jurisdictions	1,078	5,494
Deferred income tax – current year	(120,635)	(28,704)
	<u>751,306</u>	<u>980,574</u>

(a) PRC corporate income tax

The enterprise income tax is calculated based on the statutory profit of subsidiaries incorporated in the PRC and the applicable tax rate in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items, which are not assessable or deductible for income tax purposes.

In accordance with the PRC tax laws, standard corporate income tax rate is 25%. The Company and certain subsidiaries are qualified for High technology enterprises status and enjoyed preferential income tax rate of 15% during 2025 and 2024.

(b) Germany profits tax

Applicable profit tax rate of Germany is 29% (2024: 29%). During the year of 2024, no profit tax has been provided due to no assessable profit.

(c) Others

Applicable profit tax rates of the Group's other subsidiaries are between 5% and 34% for the year of 2025 (2024: between 9% to 34.01%).

(d) Pillar Two Rules

The Group is subject to the global minimum top-up tax Global Anti-base Erosion Rules (“**Pillar Two Rules**” or “**GloBE Rules**”). Pillar Two Rules has become effective in many jurisdictions including Hong Kong in which the Company's subsidiary, namely Hong Kong SMG International Co., Limited (“**SMG**”), is incorporated. In 2025, the Group has performed the assessment of the applicability of the safe harbor and calculation of potential top-up taxes in respect of the jurisdictions not meeting the safe harbor tests provided in the Pillar Two Rules. Based on the assessment, the Group has recognised a current tax expense of RMB4,368,000 related to the top-up tax for the year ended 31 December 2025 due to the application of Income Inclusion Rule (IIR) of SMG upon the mainland China subsidiary SEG Automotive Products (China) Co., Ltd.

For the year of 2024, the Group recognized a current tax expense of RMB4,698,000 related to the top-up tax due to the application of IIR of New Neckar Autoparts Holdings and Operations GmbH & Co. KG incorporated in Germany upon SEG Automotive Products (China) Co., Ltd.

The Group has applied the temporary mandatory exception for recognising and disclosing deferred tax assets and liabilities for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

10 DIVIDENDS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends recognised as distribution during the year		
– 2024 Final (RMB1.12 per share)	1,999,648	–
– 2023 Final (RMB0.84 per share)	–	1,499,153
	<u>1,999,648</u>	<u>1,499,153</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2025 of RMB1.25 per share (2024: final dividend in respect of the year ended 31 December 2024 of RMB1.12 per share) in an aggregated amount of RMB2,231,750,000 has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

11 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the following data:

	2025	2024
Earning for the purpose of basic earnings per share (profit for the year attributable to owners of the Company) (RMB'000)	<u>4,306,175</u>	<u>3,943,489</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,754,294,795</u>	<u>1,779,357,575</u>
Earnings per share (RMB cents)	<u>245.46</u>	<u>221.62</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and restricted share incentive. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	2025	2024
Earnings:		
Profit attributable to owners of the Company used in the diluted earnings per share calculation (RMB'000)	<u>4,306,175</u>	<u>3,943,489</u>
Number of shares:		
Weighted average number of ordinary shares in issue during the year per share calculation	1,754,294,795	1,779,357,575
Add: share options	–	238,475
restricted share incentive	<u>6,327,624</u>	<u>4,281,237</u>
Weighted average number of ordinary shares in issue and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>1,760,622,419</u>	<u>1,783,877,287</u>
Diluted earnings per share (RMB cents)	<u>244.58</u>	<u>221.06</u>

12 TRADE AND OTHER RECEIVABLES, CONTRACT ASSETS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Financial assets		
Trade receivables	14,442,823	9,656,275
Less: loss allowance	<u>(1,036,537)</u>	<u>(664,267)</u>
	<u>13,406,286</u>	8,992,008
Financial asset receivables (<i>Note a</i>)	–	102,163
Deposits	120,410	145,899
Receivable from disposal of investment	392	65,519
Staff advances	20,906	57,743
Tax expense to be collected from customers	352,254	522,959
Others	647,304	130,756
Less: loss allowance	<u>(100,260)</u>	<u>(102,794)</u>
	<u>1,041,006</u>	922,245
	<u>14,447,292</u>	9,914,253
Non-financial assets		
Contract assets	1,121,792	886,436
Less: loss allowance of contract assets	<u>(32,484)</u>	<u>(25,315)</u>
	<u>1,089,308</u>	861,121
Prepayments to suppliers	699,337	661,460
Other tax recoverable	<u>380,307</u>	<u>483,712</u>
	<u>2,168,952</u>	2,006,293
Total trade and other receivables, contract assets	<u>16,616,244</u>	<u>11,920,546</u>

The following is an ageing analysis of trade receivables net of loss allowance presented based on the invoice date at the end of each reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 180 days	10,753,102	7,121,402
Over 180 days but within 1 year	1,501,046	1,126,972
Over 1 year but within 2 years	1,031,842	594,099
Over 2 years within 3 years	120,296	149,535
	<u>13,406,286</u>	<u>8,992,008</u>

- (a) As at 31 December 2024, the Group held financial asset receivables amounting to RMB102 million purchased from a third party securities company. The estimated annual yield rate was 2.85% and the financial asset receivables was due in March 2025. No such asset exists as of 31 December 2025.

Movement of loss allowance on trade receivables and other receivables, contract assets:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Opening balance	792,376	617,849
Provided during the year	394,764	171,180
Write off	(19,454)	(1,767)
Disposal of a subsidiary	–	7,537
Currency exchange difference	1,595	(2,423)
	<u>1,169,281</u>	<u>792,376</u>

13 TRADE AND OTHER PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Notes payable	3,403,211	3,029,775
Trade payable (<i>Note a</i>)	9,616,687	8,274,732
	<u>13,019,898</u>	<u>11,304,507</u>
Salary and bonus payables	588,973	627,274
Deposits (<i>Note b</i>)	142,951	132,918
Interest payable	7,165	28,546
Other taxes payable	765,472	706,758
Restrictive shares payable	235,894	–
Factoring payable (<i>Note c</i>)	29,450	47,803
Accruals	524,847	503,075
Other payables (<i>Note d</i>)	590,791	581,329
	<u>15,905,441</u>	<u>13,932,210</u>

Notes:

- (a) The following is an ageing analysis of notes payable and trade payables presented based on issuance date/invoice date as at 31 December 2025 and 2024:

	2025	2024
	RMB'000	RMB'000
Within 1 year	9,295,175	7,946,772
Over 1 year	321,512	327,960
	<u>9,616,687</u>	<u>8,274,732</u>

- (b) Deposits represent the deposits received from suppliers for transportation and other services.
- (c) The Group has continued to recognise trade receivables that have been forward to financial institution and corresponding liability due to the resource provision in the factoring contracts.
- (d) Other payables mainly consist of payables for the acquisition of property, plant and equipment, rental payables, variable consideration and payables for other services.
- (e) The average credit period on purchases of goods is 30-90 days (2024: 30-90 days).

14 SHARE CAPITAL

	Listed A Shares		Listed H Shares		Total	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Authorised, issued and fully paid						
At 1 January 2025 and 31 December 2025						
– Ordinary shares of RMB1 each	<u>1,542,166</u>	<u>1,542,166</u>	<u>243,234</u>	<u>243,234</u>	<u>1,785,400</u>	<u>1,785,400</u>
	Listed A Shares		Listed H Shares		Total	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
Authorised, issued and fully paid						
At 1 January 2024						
– Ordinary shares of RMB1 each	1,538,175	1,538,175	243,234	243,234	1,781,409	1,781,409
Forfeited restricted shares	(342)	(342)	–	–	(342)	(342)
Exercise of share options	4,333	4,333	–	–	4,333	4,333
At 31 December 2024						
– Ordinary shares of RMB1 each	<u>1,542,166</u>	<u>1,542,166</u>	<u>243,234</u>	<u>243,234</u>	<u>1,785,400</u>	<u>1,785,400</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our Group's revenue increased by 11.59% from RMB37,052.04 million for the year ended 31 December 2024 to RMB41,345.55 million for the year ended 31 December 2025, mainly because the revenue from manufacture of coal mining machinery segment increased by RMB1,649.12 million; revenue from manufacture of auto parts segment increased by RMB2,397.17 million; and revenue from industrial intelligence products segment increased by RMB247.22 million.

Cost of Sales

As the Group recorded an increase in our revenue, our cost of sales increased by 14.41% from RMB28,198.87 million for the year ended 31 December 2024 to RMB32,263.58 million for the year ended 31 December 2025.

Gross Profit

Driven by the above factors, our Group's gross profit increased by 2.6% from RMB8,853.17 million for the year ended 31 December 2024 to RMB9,081.98 million for the year ended 31 December 2025.

The overall gross profit margin of the Group decreased from 23.80% for the year ended 31 December 2024 to 21.97% for the year ended 31 December 2025. The gross profit margin during the year of 2025 was kept relatively stable compared to the year of 2024.

Other Income

Our Group's other income decreased by 27.88% from RMB724.89 million for the year ended 31 December 2024 to RMB522.76 million for the year ended 31 December 2025, mainly due to the decrease of the gain from additional input value-added tax credit and interest income on bank deposits, long-term receivables and finance lease receivables.

Other Gains and Losses

Our Group's other gains and losses increased RMB86.53 million from a gain of RMB113.98 million for the year ended 31 December 2024 to a gain of RMB200.51 million for the year ended 31 December 2025, primarily as a result of net fair value gains on financial assets at fair value through profit or loss and net fair value gains on derivative financial instruments.

Selling and Distribution Expenses

Our Group's selling and distribution expenses decreased by 15.70% from RMB1,069.41 million for the year ended 31 December 2024 to RMB901.54 million for the year ended 31 December 2025, mainly due to the restructuring and upgrading of sales teams in certain subsidiaries, which was aimed to improve operational efficiency and reduce related costs.

Administrative Expenses

Our administrative expenses increased by 2.66% from RMB1,493.71 million for the year ended 31 December 2024 to RMB1,533.47 million for the year ended 31 December 2025, mainly due to the Company's ongoing efforts to enhance operational efficiency and strengthen internal control, including the digital transformation of the business segment modules and the relevant service costs incurred on SAP system construction.

Research and Development Expenses

Our research and development expenses increased by 9.32% from RMB1,516.44 million for the year ended 31 December 2024 to RMB1,657.77 million for the year ended 31 December 2025, mainly due to increase in research and development activities.

Share of Profit of Associates

Share of profit of associates decreased by 25.95% from a gain of RMB48.32 million for the year ended 31 December 2024 to a gain of RMB35.78 million for the year ended 31 December 2025, mainly due to decrease of the profit sharing from the associates.

Finance Costs

Our finance costs decreased by 24.34% from a loss of RMB297.95 million for the year ended 31 December 2024 to a loss of RMB225.43 million for the year ended 31 December 2025, mainly due to the decrease in interests on bank borrowings this year.

Profit Before Tax

Being affected by the factors referred to above in aggregate, our Group's profit before tax decreased by 1.72% from RMB5,211.47 million for the year ended 31 December 2024 to RMB5,121.88 million for the year ended 31 December 2025.

Income Tax Expense

Our Group's income tax expense decreased by 23.38% from RMB980.57 million for the year ended 31 December 2024 to RMB751.31 million for the year ended 31 December 2025, primarily as a result of the increase of production and sales. Our Group's effective tax rate decreased from 18.82% for the year ended 31 December 2024 to 14.67% for the year ended 31 December 2025.

Profit Attributable to Owners of the Company

Based on the factors referred to above, profit attributable to owners of the Company increased by 9.20% from RMB3,943.49 million for the year ended 31 December 2024 to RMB4,306.18 million for the year ended 31 December 2025.

Trade and Other Receivables

As at 31 December 2025, trade and other receivables amounted to approximately RMB16,616.24 million, representing an increase of approximately RMB4,695.69 million as compared to RMB11,920.55 million as at the end of 2024, the increase of trade and other receivables was mainly due to the increase of revenue.

Liquidity

The Group's net current assets were approximately RMB14,879.77 million (31 December 2024: RMB13,735.57 million) and the current ratio was 1.66 as at 31 December 2025 (31 December 2024: 1.63). The increase in current ratio was mainly attributable to the increase of trade and other receivables, whereas current liabilities remained relatively stable.

2025 BUSINESS REVIEW

2025 marked the final year of the 14th Five-Year Plan and a pivotal juncture for the Company as it embarks on a new journey into the 15th Five-Year Plan. Faced with a complex external environment characterized by a sluggish global economic recovery, intensifying geopolitical conflicts, and deepening domestic economic structural adjustments, the Company has comprehensively embarked on a new journey of transformation and remained firmly committed to its strategic vision of becoming a “globally leading and sustainable provider of intelligent industrial solutions”. Adhering to the development direction of “electrification, intelligence, digitalization, and globalization”, driven by innovation and leveraging digital transformation as a key enabler, the Company’s three major business segments collaborated effectively, achieving steady operational growth and high-quality development.

(I) The Group’s performance has reached a new historical high

In 2025, ZCZL Group achieved total operating revenue of RMB41,345.55 million, representing a year-on-year increase of 11.59%. Net profit attributable to shareholders of the listed company reached RMB4,306.18 million, a year-on-year increase of 9.20%. The Group’s performance reached a record high.

(II) Official renaming to “ZCZL” and restructuring of group governance framework

In 2025, the Company reached a significant milestone in its development history, officially changing its name from “Zhengzhou Coal Mining Machinery Group Company Limited” to “ZCZL Industrial Technology Group Company Limited”, with its stock short name changed to “ZCZL”. The new name reflects the Company’s core business and industrial positioning and clarifies its future strategic development direction. Concurrently, the Company implemented a restructuring of its coal mining machinery business, transferring the related assets, liabilities, operations, and personnel in their entirety to its wholly-owned subsidiary, Zhengzhou Coal Mining Machinery Group Co., Ltd. Following the restructuring, the parent company, ZCZL, focuses on strategic control and investment coordination. The coal mining machinery segment continues to lead global industry development under the “ZMJ” brand, the auto parts segment deepens its presence in the intelligent and electric vehicle market under brands such as ASIMCO and SEG, while the industrial intelligence segment explores new digital blue oceans under brands like Hengda Intelligent Control and Shuyun. This has established a brand matrix with clearly defined rights and responsibilities, characterized by synergistic efficiency.

(III) Continuous advancement of digital transformation to cultivate and develop new quality productive forces

The Company fully initiated the strategic planning for digital transformation and the establishment of a global IT governance system. It completed the top-level digital design for the Group and its major segments, established an adaptive governance model, and promoted a combination of collaborative creation and segment-level autonomy in digital construction between the Group and its various business segments. Centered on the strategic core of “focusing on the business value chain and building a data-driven decision-making and operations system”, the Company advanced the standardization of its global IT architecture and system integration, laying a solid digital foundation for the Group’s global operations.

Concurrently, a joint AI working group was established, and a technical blueprint was completed, enabling the exploration of new data-driven models through AI empowerment via initiatives such as AI vision and intelligent Q&A. The Company also continuously strengthened information security management, enhancing overall security levels across aspects such as governance framework, architecture, and data compliance.

(IV) Coal mining machinery segment leads the industry with complete set intelligence, expands market space through product innovation

In 2025, facing severe challenges from shifting demand structures in the coal industry and intensified market competition, the coal mining machinery segment actively pursued innovation and change. Adhering to the strategy of “intelligence, complete sets, internationalization, and service-orientation”, avoiding industry-wide “involution” by leveraging differentiated leading-edge technology, quality, brand and craftsmanship, the segment recorded steady improvement across its key operating indicators. The advantages of complete set and intelligence became increasingly pronounced. For the full year, it achieved operating revenue of RMB19,201.42 million and net profit of RMB3,112.63 million, continuing to play a pivotal role for the Group.

1. *Achievements in domestic and international markets are fruitful*

As a leading enterprise of the global coal mining machinery industry, the Company adhered to a prudent operating strategy. Leveraging complete sets, intelligence and differentiation as key drivers, it steadily advanced market development both domestically and internationally. In the domestic market, in line with the trend of advancing deeper into intelligent coal mine construction, order value for complete set projects remained stable, and the market share of intelligent mining systems increased steadily, continuously consolidating its leading position in the industry. The segment actively responded to changes in customer demand, strengthened risk management and collection management, and ensured operational quality. In the international market, it continued to deepen its presence in traditional markets while actively expanding into emerging regions, achieving new breakthroughs in international business development. During the reporting period, the segment signed a contract for a ten-million-tonne complete set equipment supply with the Nishbash coal mine in Uzbekistan, marking the first entry of the Company's intelligent complete set equipment into the Central Asian market. It maintained good cooperative relationships in traditional markets such as Indonesia and Turkey, with complete set projects steadily advancing. At the same time, it strengthened strategic collaboration with enterprises across the industrial chain, deepened cooperation in the field of coal mine tunnelling equipment, and continuously improved its product portfolio.

2. *Technological innovation leads the future*

During the reporting period, the Company unveiled several disruptive innovations. Among these, the globally launched electric cylinder-powered support using pure water aims to achieve “zero emission, zero pollution, and zero additional input”. By employing electric cylinder technology and pure water medium, it fundamentally revolutionizes the emulsion hydraulic transmission method of traditional hydraulic supports, initiating a green revolution of “zero pollution” in hydraulic systems. Concurrently, the Company also achieved significant breakthroughs in the field of electric-powered supports, providing more diverse drive options for future intelligent working faces.

3. *Launch of “Ten Categories of Coal Mine Auxiliary Operation Robots”*

To address the challenges of “dangerous, strenuous, arduous, and dirty” auxiliary operations underground, the Company launched a fleet of ten categories of coal mining robots covering processes such as extraction, transportation, and support. These include final mining robots, intelligent unit support transport robots, multifunctional integrated robots for air return roadways, and tracked support robots, among others. The large-scale application of these robot series signifies that the Company's initiative to “replace humans with machines” has progressed from isolated attempts to a systematic and scaled approach, providing comprehensive equipment support for achieving the goals of “safety through reduced manpower and safety through unmanned operations”.

(V) Auto parts segment strengthens core advantages, achieves substantial breakthroughs in new energy vehicle business

In 2025, the Company's auto parts segment seized market trends, continuously consolidated its advantages in core components, and made new progress in its new energy business. Overall operational efficiency and profitability improved significantly. For the full year, it achieved operating revenue of RMB19,985.02 million and net profit of RMB386.83 million, providing strong support for the Company's sustainable development. To capitalize on opportunities in the new energy vehicle industry, the Company made a strategic layout to invest in the construction of a high-end industrial base and R&D center in the Yangtze River Delta region, focusing on the R&D and manufacturing of products such as drive motor components, smart chassis system components, thermal management integrated modules, smart suspension systems, etc. Concurrently, a new thermal management company was established, dedicated to the R&D and intelligent manufacturing of integrated thermal management systems and related core components. These forward-looking initiatives will comprehensively enhance the Group's competitiveness in key new energy vehicle component sectors and accumulate new momentum for future growth.

The commercial vehicle core components business maintains a solid competitive edge, consistently retaining its core market competitiveness and providing robust support for the segment's performance. The starter and alternator businesses in Europe, India, and North America continue to secure new projects, stabilizing sales and market share, while developing multi-parallel starters for large engine markets such as data centers and marine engines. Technological innovations in piston rings for zero-carbon fuel internal combustion engines have received provincial-level recognition, further solidifying the Company's technological barriers in the commercial vehicle core components sector. Our international business maintained strong growth momentum, the full range of commercial vehicle products has successfully secured orders from renowned European customer platforms, achieving deep penetration of the European market. The cylinder block and cylinder head business has made significant breakthroughs with Cummins in North America, expanding our international market footprint and enhancing our global market influence. At the same time, the market position of our traditional core businesses remains solid. Leveraging continuously upgraded manufacturing capabilities, we ensure product quality and delivery efficiency to meet the demands of the commercial vehicle market.

As regards the passenger vehicle business, its business structure has achieved optimization and upgrade, with significant achievements in new business expansion. The 48V BRM business is showing positive growth in Europe; in the chassis components sector, efforts have continued to intensify, with products expanding from tie rods to core chassis components such as control arms and subframes, enriching the product portfolio while continuously optimizing the customer structure. Our battery cooling plate business secured some 30 project awards throughout the year, and the liquid-cooled plates successfully entered the supply chains of mainstream passenger vehicle customers. Significant progress was made in the high-voltage drive motor sector, securing our first European high-end high-voltage drive motor project award. Domestically, our drive motor stator and rotor projects accelerated mass production while continuing to

secure new awards; the Company successfully won the EMB brake motor project and invested in the construction of a flexible production line for fully active suspension electro-hydraulic pumps (MPUs); the air supply unit business for air suspension systems maintained stable mass production, while the intelligent central air supply unit secured a qualification from a top customer, marking a new strategic layout for the chassis-domain motor business, actively positioning the Company to capture market share in the chassis segment for intelligent driving.

(VI) Integrating the industrial intelligence segment to forge a growth engine with a target scale of RMB10 billion

Leveraging the construction experience of the coal mining machinery industry's first "Lighthouse Factory" and its deep accumulation in the field of mine intelligence, the Group strategically integrated and established the industrial intelligence segment, with Hengda Intelligent Control as the main entity, and integrating the equity of Shuyun Intelligent Technology and the industrial intelligence businesses and resources of other relevant subsidiaries within the Group, aiming to strengthen its core competitiveness in the field of "AI + Manufacturing". This segment focuses on providing digital solutions for full scenarios such as mines and factories, and has already secured benchmark projects for digital transformation across various industries, including shipbuilding, steel structure, and general machinery. The Group is actively cultivating this segment, with the goal of establishing it as the Group's third growth curve, aiming towards a target scale of RMB10 billion.

(VII) New progress in industrial investment and strategic layout, empowering industrial upgrading through capital

To implement the dual-wheel drive strategy of industry and investment, the Company invested RMB300 million to establish a new industrial investment platform. Aligned with the Company's development strategy for the next 5 to 10 years, this platform carries out systematic investment to systematically pursue investment opportunities for the future, seeking to identify and cultivate a "second growth curve". During the reporting period, the Group made strategic equity investments in companies such as Vastai Technologies and XFusion, focusing on the industrial intelligence sector, continue to refine the upstream and downstream industrial chains, and establish a collaborative industrial ecosystem for computing hardware in digital factories.

FUTURE PROSPECTS

2026 marks the inaugural year of the 15th Five-Year Plan and represents a pivotal year for the Company as it charts its long-term development from a new starting point and strives towards higher objectives. The complex and volatile macroeconomic environment, intensifying market competition, and rapid technological advancements present both opportunities for transformation and development, as well as more formidable challenges. The Company will concentrate on its strategic goals, adhere to the guidance of technological innovation, continuously strengthen innovation-driven development, and achieve breakthroughs in areas such as cognitive capabilities, group governance capabilities, institutional and mechanism innovation, and digital transformation. With a high level of work enthusiasm, we will drive overall improvements across all operations and achieve sustained high-quality development.

(I) Deepening institutional and mechanism reform to solidify the foundation for high-quality development

1. *Promoting strategic transformation and governance evolution of our brand to enhance group management efficiency*

Through the strategic transformation of our brand, we have further clarified the Company's core businesses and industrial, and defined our future strategic development direction. Following the restructuring, the parent company focuses on strategic control and investment coordination, while brands within the coal mining machinery segment, auto parts segment, and industrial intelligence segment collaborate effectively, forming a brand matrix with clearly defined responsibilities and synergistic efficiency. Leveraging strategy, finance, IT, human resources, and investment as key levers, we will drive the transformation of the Group headquarters' role from a "small headquarters" to a "functional" headquarters focused on strategic control. We will continuously improve the business partner mechanism, foster a diverse and inclusive team culture, and invigorate the organization through institutional and mechanism reform.

2. *Accelerating the pace of digital and intelligent transformation to activate new drivers for high-quality development*

Guided by intelligence, globalization, and digitalization, we will persistently drive transformation and innovation, enhancing the overall level of digitalization and intelligent manufacturing. In line with the national "AI+" initiative and the policy direction for gradient cultivation of smart factories, we will accelerate the construction and upgrading of digital factories, promote the integration of IT and AI to empower traditional industries, and continuously enhance business efficiency, improve customer experience, and foster business model innovation. We will leverage digitalization and intelligentization to empower the Company's high-quality development. We will focus on building a group-level industrial internet platform to achieve unified data operations across various business segments, including coal mines and smart factories, continuously refine the discrete manufacturing industry's large model, and empower the entire business process with AI.

3. *Proactively developing emerging industries to foster collaborative development through investment*

Seizing the strategic opportunity presented by the rapid emergence of the intelligent economy, we will strengthen the development of industry-research and investment talent teams, and enhance organizational capabilities. We will establish specialized organizational structures, and systematically review transformation businesses, incubation businesses, and potential merger and acquisition targets. We will make targeted investments in areas related to our existing businesses that demonstrate market potential and growth prospects, while also making forward-looking in new industries for the future. Concurrently, we will strengthen coordination and collaboration with each business segment, empowering industrial development through investment, jointly advancing strategic business positioning, and achieving coordinated progress in both organic and inorganic growth.

(II) Focusing on transformation and innovation to forge a new landscape of collaborative development

1. *Driving coal mining machinery upgrading with intelligence to cement industry leadership*

The coal mining machinery segment continues to deepen its “four strategies” supported by digitalization and intelligence, solidly advancing the development of intelligent-led complete sets of equipment and driving digital-led transformation across the entire business process. First, to enhance market competitiveness, we will deepen our global footprint, accelerate the transition from exporting single products to exporting complete sets of equipment, and promote the localization of sales and after-sales service, and coal operations and full-capacity production services. We will focus on overcoming certification barriers in high-end markets such as the United States and Australia, while simultaneously innovating business models, taking the integrated sales of complete sets of equipment as a handhold to explore new specialized service and marketing models covering the full lifecycle to build competitive moats. Second, we will adhere to innovation-driven development, focusing on benchmark projects for high-end complete sets. Concentrating on improving mining efficiency, we will accelerate efforts to address shortcomings in complete set equipment such as shearers and scrapers. We will strive to enhance delivery capabilities, quality management, and cost control levels. Aiming for the goals of “reduced manpower, enhanced safety, and increased efficiency”, we will strengthen independent R&D in surface mining equipment, comprehensive coal mining equipment, specialized robots, and key electric drive technologies. This will enable us to form complete set solutions with core competitiveness. We will strengthen intelligent leadership by leveraging artificial intelligence to empower coal mine equipment and more application scenarios, leading the industry’s intelligent development trend, and at the same time, we should proactively seize the opportunity for consolidation in the coal mining machinery industry and optimize our industrial layout through investment and mergers and acquisitions. Third, we will comprehensively advance digital and intelligent construction. Taking the resolution of customer site and operational management issues as a key focus, we will integrate digital and intelligent construction into scenarios such as marketing, R&D, manufacturing, service, and operations. Leveraging the construction and transformation of the final assembly and cylinder smart factories, we will optimize production line layouts, create a distinctive lean intelligent manufacturing production and operation system, and continuously enhance brand influence.

2. To accelerate new energy transition to strengthen production capacity foundation

As regards the commercial vehicle business, to focus on heavy-duty trucks and heavy-duty engine components, closely following customers' trends in multi-fuel, full-range engine development, and to provide reliable, stable and diversified products such as starters, piston rings, cylinder blocks, cylinder heads and camshafts to domestic and international customers, continuously consolidating our leading position in the industry. To actively expand into overseas markets, strengthen the integration of overseas sales, manufacturing and supply chain capabilities, leveraging our global footprint to achieve localized operations in global markets.

As regards the passenger vehicle business, to continuously optimize costs and supply chain efficiency in our traditional businesses, maintaining our market share. To vigorously develop the new energy vehicle market with a focus on the chassis, and accelerate product upgrades in areas such as vibration and noise reduction, air suspension, and thermal management. In the field of intelligent chassis, we will accelerate breakthroughs in key technologies such as three-in-one products and electro-hydraulic pumps for fully active suspensions, and secure production awards. In the high-voltage drive motor business, we will transition from contract manufacturing to independent R&D and expand from single-drive solutions to system-level control. Rooted in China and reaching out globally, we aim to become a leading provider of automotive electrification system solutions. As regards the after-sales business, we will diversify our product matrix and enhance our full-life cycle service capabilities. We will build production capacity reserves and accelerate the construction of new production facilities in Chongqing, Anhui, Changzhou, Yizheng, and other locations.

As regards new business initiatives, we will capitalize on market trends by transferring the Company's core capabilities in motor and electronic control, sealing and thermal management to emerging fields such as embodied intelligence, humanoid robots and thermal management for computing centers. We will expand our two- and three-wheeled vehicle motor product lines in regions like Europe and India, while proactively positioning ourselves in high-end equipment such as robotic joint modules and specialty motors, so as to unlock new growth opportunities.

As regards capability support, we will comprehensively advance the construction of digitalization, integrating AI technology throughout the entire process from sales, design and engineering to production and the supply chain, so as to establish dual advantages in both cost and technology amid involution. We will accelerate the implementation of factory digitalization plans, drive automation upgrades for processes with sore points, strengthen the introduction and incentives for key talents, and enhance profitability through operational excellence, thereby providing robust support for sustained business growth.

3. *Strengthening the industrial intelligence segment to forge a new growth engine*

Against the backdrop of the national policy vigorously promoting new industrialization, the industrial intelligence segment serves as the core engine of the Group's strategic transformation, aiming to become a turnkey service provider for smart factories in discrete manufacturing. The industrial intelligence segment deeply cultivates mine digitalization and expands into the discrete manufacturing field. Leveraging the technological expertise accumulated from the "Lighthouse Factory", it accelerates the deep integration of "AI + Manufacturing", while simultaneously promoting the internationalization positioning of the coal mining machinery intelligent control system. Through the construction of an R&D and exhibition center, it will achieve unified data operations and intelligent decision-making, accelerate the construction of the mobile robot manufacturing base project and promote the large-scale production of intelligent equipment. It will actively explore new business models as a data operator and seek breakthroughs, while making forward-looking positioning in general-purpose industrial large models for discrete manufacturing, and actively explore scenario-based applications of humanoid robots, empowering regional industrial upgrading through demonstration applications. Focusing on market development, it will rapidly build the capability for large-scale application, laying a solid foundation for forging a growth engine with a targeted scale of RMB10 billion.

(III) Continuously enhancing governance standards to deliver corporate value

First, we will actively implement relevant capital market policies, further optimize the incentive and constraint mechanisms, improve the business partner mechanism, continuously stimulate corporate vitality, and enhance the Company's market value.

Second, we will maintain the continuity and stability of our dividend policy. Based on factors such as industry development trends, corporate development plans, and actual capital requirements for operations and development, we will continuously enhance returns to investors and strengthen the sense of fulfillment among our shareholders.

Third, we will place great emphasis on information disclosure, continuously improving the quality, readability, and effectiveness of disclosed information. We will diversify investor communication channels, gain timely and in-depth understanding of investor needs, provide targeted responses, and strengthen investor relations management.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

Situation regarding the repurchase of A-shares through centralized competitive bidding:

The Company held its 12th meeting of the Sixth Session of the Board on 12 March 2025, and approved a plan to repurchase the Company's A Shares through centralized competitive bidding ("**Share Repurchase Plan**"). Pursuant to the Share Repurchase Plan, the Company intends to use its own funds and internally raised funds to repurchase a portion of its issued ordinary shares (A-shares) through centralized competitive bidding, and to use the repurchased shares for equity incentive plans or employee stock Ownership Schemes at an appropriate time in the future. The total amount of funds for the repurchase of shares shall not be less than RMB500 million (inclusive) and shall not exceed RMB600 million (inclusive). The repurchase price shall not exceed RMB17.00 per share, and the repurchase period shall be within six months from the date of approval of the Share Repurchase Plan by the Board.

As of 31 March 2025, the share repurchase plan was completed. In March 2025, the Company repurchased 39,120,130 A shares in aggregate through centralized competitive bidding on Shanghai Stock Exchange, representing 2.19% of the Company's total shares as of the same date. The highest transaction price for this share repurchase was RMB15.86 per share, and the lowest transaction price was RMB15.05 per share. The average transaction price for the repurchases was RMB15.335 per share, with a total repurchase amount of RMB599,917,693.20 (excluding transaction fees). These treasury shares have been used for implementing A-Share Employee Stock Ownership Scheme.

A-Share Employee Stock Ownership Scheme

On 17 April 2025, the Board of the Company proposed the adoption of the 2025 A-Share Employee Stock Ownership Scheme (the "**Employee Stock Ownership Scheme**"), and matters related to the current Employee Stock Ownership Scheme were approved by the shareholders at the Company's Annual General Meeting held on 5 June 2025.

The purpose of the current Employee Stock Ownership Scheme is to further improve the Company's corporate governance structure, establish and improve the mechanism for sharing interests and risks between employees and owners, effectively combine the interests of shareholders, listed companies and core management teams, fully mobilize the enthusiasm and creativity of the Company's employees, enhance the cohesion of employees, further strengthen the governance and competitiveness of the Company, facilitate the long-term, sustainable and healthy development of the Company and ensure the realization of the strategy for future development and business goals of the Company.

The current Employee Stock Ownership Scheme has a total of 307 Participants, with a total of 39,120,130 A Shares, and a total amount of funds of RMB279,708,930. The subscription unit is “portion”, with each portion having a value of RMB1.00. Nine individuals, including directors (including Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao, and Mr. LI Kaishun) and senior management personnel, collectively hold portions with the value of RMB71,086,230, accounting for 25.41% of the total portions under the Employee Stock Ownership Scheme. A total of 298 core management personnel and core backbones (including core backbones in R&D, sales and management) of the Company and its subsidiaries hold portions with the value of RMB208,622,700, accounting for 74.59% of the total portions under the Employee Stock Ownership Scheme.

The underlying shares of the current Employee Stock Ownership Scheme are A Shares repurchased by the Company, with a validity period of 72 months, commencing from the date on which the scheme is approved by the Company’s General Meeting and the last batch of shares are transferred to the name of the Employee Stock Ownership Scheme. The scheme establishes a 12-month lock-up period, commencing from the date the Company announces the completion of the transfer of the repurchased A Shares from the dedicated securities account. After the conclusion of the lock-up period, the shares will be unlocked in two installments, with the unlocking dates being 12 months and 24 months from the date the Company announces the transfer of the last batch of underlying shares to the name of this Employee Stock Ownership Scheme. Each installment will unlock 50% and 50% of the target shares, respectively, with the specific unlocking ratios and quantities for each period to be determined based on the Company’s performance indicators and the individual performance appraisal results of the holders.

On 4 July 2025, the 39,120,130 A Shares held in the Special Securities Account for Share Repurchase of the Company have been transferred to the Special Securities Account for the 2025 Employee Stock Ownership Scheme of the Company, with a transfer price of RMB7.15 per share.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares) during the reporting period. As of 31 December 2025, the Company did not hold any treasury shares.

Corporate Governance

The Board of the Company is committed to maintaining a high standard of corporate governance. The Board believes that effective and reasonable corporate governance practices are essential to the development of the Group. The Company has adopted the code provisions (the “**Code Provisions**”) of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange Listing Rules**”). During the reporting period, the Company complied with the applicable Code Provisions of the CG Code.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) set out in Appendix C3 to the Listing Rules of the Stock Exchange as its code of conduct regarding securities transactions by the directors of the Company. The Company has made specific enquiry with all the directors of the Company, and they have confirmed that they had complied with the Model Code during the Review Period.

CHANGE IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Changes of Directors

As stated in the Company’s announcement dated 9 January 2025, the Board of the Company received resignation letters from Mr. FU Zugang, a former executive director of the Company, and Mr. YUE Taiyu, a former non-executive director of the Company, on 9 January 2025. Mr. FU Zugang has applied to resign from his position as an executive director of the sixth session of the Board of the Company and as a member of the Strategic and Sustainable Development Committee of the Board due to work adjustments. Following his resignation, he will continue to hold his other positions within the Company. Mr. YUE Taiyu has applied to resign from his position as a non-executive director of the sixth session of the Board of the Company and as a member of the Strategic and Sustainable Development Committee due to his intention to focus on other work-related matters. Following his resignation, he will no longer hold any position within the Company. The resignation of Mr. FU Zugang and Mr. YUE Taiyu took effect on 9 January 2025.

As stated in the Company’s announcement dated 20 October 2025, the Board of the Company received a resignation letter from Mr. CHENG Jinglei, an independent non-executive director of the Company on 20 October 2025. Mr. CHENG Jinglei has served as an independent non-executive director of the Company since 21 October 2019, and his consecutive term of service has reached six years. Pursuant to the “Measures for the Administration of Independent Directors of Listed Companies” issued by the China Securities Regulatory Commission and other relevant regulations, an independent non-executive director shall not serve continuously for more than six years at the same listed company. Mr. CHENG Jinglei has applied to resign from his positions as an independent non-executive director of the Company and as a member of the committees of the Board. Upon resignation, he will no longer hold any position with the Company. The resignation of Mr. CHENG Jinglei took effect on 20 October 2025.

Abolition of the Board of Supervisors and Retirement of Supervisors

As stated in the Company's announcement dated 28 April 2025, in accordance with the provisions of the Company Law of the People's Republic of China (the "**Company Law**"), the Transitional Arrangement Relating to the Implementation of the Supporting System and Rules of the New Company Law issued by the China Securities Regulatory Commission ("**CSRC**") ("**Transitional Arrangement**") and the Guidelines on the Articles of Association of Listed Companies ("**Guidelines on the Articles of Association**") and other relevant laws, regulations and regulatory documents, in order to further improve the corporate governance structure and enhance the standardized operation and scientific decision-making level of the Company, the Company has decided to abolish the Board of Supervisors and transfer the powers of the Board of Supervisors to the Audit and Risk Management Committee of the Board. The matters in relation to the abolition of the Board of Supervisors and the amendment to the Articles of Association were formally approved at the 2025 Second Extraordinary General Meeting held on 17 June 2025. Since 17 June 2025, the Company will no longer establish a Board of Supervisors, and the former supervisors, Mr. LIU Qiang, Mr. CHENG Xiangdong and Ms. ZHU Yuan, have officially retired.

Except as disclosed above, during the reporting period, there have been no changes in the information regarding the Company's directors, supervisors, or senior management personnel.

Change of Company Name

The Board of the Company proposed on 28 April 2025, to change the Company's name. This matter was approved by the Company's shareholders at the 2025 Second Extraordinary General Meeting held on 17 June 2025 by way of poll.

On 7 July 2025, the Company completed the business registration procedures for the change of company name and obtained the new business license issued by the Administration of Market Regulation of Zhengzhou City. Effective from 7 July 2025, the Company's Chinese name has been changed from "鄭州煤礦機械集團股份有限公司" to "中創智領(鄭州)工業技術集團股份有限公司".

On 30 July 2025, the Registrar of Companies in Hong Kong issued the "Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company" ("**the Certificate**"), The Certificate confirms that the English name of the Company registered in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) has been changed from "Zhengzhou Coal Mining Machinery Group Company Limited" to "ZMJ Group Company Limited", and the Chinese name has been changed from "鄭州煤礦機械集團股份有限公司" to "中創智領(鄭州)工業技術集團股份有限公司".

After the completion of the above changes, to further rationalise the Company's governance structure and align the brand image of the Group and its subsidiaries, The Board of the Company proposed on 28 August 2025 to change the Company's English name again. This matter was approved by the Company's shareholders at the 2025 Third Extraordinary General Meeting held on 26 September 2025 by way of poll.

On 31 October 2025, the Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company (the “**Certificate**”), which confirmed that the English name of the Company registered in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) has been changed from “ZMJ Group Company Limited” to “ZCZL Industrial Technology Group Company Limited” and its Chinese name remains unchanged as “中創智領(鄭州)工業技術集團股份有限公司”.

Proposed Public Offering of A Share Convertible Corporate Bonds to Unspecified Investors

The Board proposed on 15 January 2026 to make a public offering of A share convertible corporate bonds to unspecified investors. Accordingly, the Company intends to apply to the Shanghai Stock Exchange for the offering of A share convertible corporate bonds with an aggregate principal amount of not more than RMB4,350 million (including RMB4,350 million) within the PRC to unspecified investors. This matter was approved by way of poll by the Company’s shareholders at the second extraordinary general meeting of 2026, the second A share class meeting of 2026 and the second H-share class meeting of 2026 held on 25 March 2026, and is subject to the review of the issuance and listing by the Shanghai Stock Exchange and registration by the CSRC before it can be implemented.

Final Dividend

A relevant resolution was passed at a meeting of the Board held on 30 March 2026, and the Board proposed the payment of a final dividend (the “**Dividend**”) of RMB12.50 (tax inclusive) per 10 shares for the year ended 31 December 2025. Based on the Company’s total share capital of 1,785,399,930 shares as at 30 March 2026, the total proposed dividend is RMB2,231,749,912.50.

The Dividend is expected to be paid on or before 15 July 2026. The proposal in relation to profit distribution is subject to approval at the 2025 annual general meeting. The convening time of the 2025 annual general meeting and the relevant arrangements will be announced by the Company in due course.

Pursuant to the *Rules for Share Repurchase of Listed Companies* and other relevant regulations, shares held in the designated repurchase account of a listed company do not have the right to profit distribution. If during the period from the date this profit distribution plan is considered and approved by the Board to the record date for the implementation of profit distribution, there is any change in the Company’s total share capital due to share repurchase/repurchase and cancellation of shares granted under equity incentive, etc., or that part of the shares do not participate in this profit distribution for some reasons, such as share repurchase, the total distribution amount will be adjusted based on the total share capital of the Company as at the record date for the implementation of profit distribution in the future, less the shares held in the designated repurchase account, and on the principle that the amount of distribution per share remains unchanged. Details of the adjustment will be announced separately by the Company.

The Board is not aware of any shareholders who have waived or agreed to waive any Dividend.

According to the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) and its implementation regulations (the “**EIT Law**”), the tax rate of the enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. For this purpose, any H shares registered under the name of a non-individual enterprise, including the H shares registered under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations or entities, shall be deemed as shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the Dividend to those non-resident enterprise shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which has been legally incorporated in the PRC or which was established pursuant to the laws of foreign countries (regions) but has established effective administrative entities in the PRC, and whose name appears on the Company’s H share register should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a qualified PRC lawyer (with the official chop of the law firm issuing the opinion affixed thereon) and relevant documents to Computershare Hong Kong Investor Services Limited in due course, if they do not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of the Circular Guoshuifa (1993) No. 045 (關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知) (the “**Notice**”) issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by a PRC non-foreign invested enterprise which has issued shares in Hong Kong to the overseas resident individual shareholders, is subject to the individual income tax at a tax rate of 10% in general. However, the tax rates for respective individual shareholder who was an overseas resident may vary depending on the relevant tax agreements between the countries of their residence and Mainland China. Thus, 10% personal income tax will be withheld from the Dividend payable to any individual shareholders of H shares whose names appear on the H share register of members of the Company on the record date, unless otherwise stated in the relevant taxation regulations, taxation agreements or the Notice.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Profit Distribution to Investors of Northbound Trading

For investors of the Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominee holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the competent tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile has entered into a tax treaty with the PRC stipulating an income tax rate on dividend of lower than 10%, those enterprises or individuals may, or may entrust a withholding agent to, apply to the competent tax authorities in charge of the Company for the preferential treatment under such tax treaty. Upon approval by the competent tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A shares of the Company.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H shares of the Company listed on the Stock Exchange (the “**Southbound Trading**”), the Company has entered into the “Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (港股通H股股票現金紅利派發協議) with the China Securities Depository and Clearing Corporation Limited, pursuant to which, the China Securities Depository and Clearing Corporation Limited or its branches, as the nominee of the holders of H shares for Southbound Trading, will receive all cash dividends distributed by the Company and will distribute the cash dividends to the relevant investors of H shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Concerning the Pilot Program of the Shanghai-Hong Kong Stock Connect” (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81) and the “Notice on the Tax Policies Concerning the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (關於深港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2016] No. 127), for dividends received by domestic individual investors from investing in H shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the company of such H shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the holders of H shares of the Company.

Review by the Audit Committee

The Audit and Risk Management Committee has reviewed the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2025.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 30 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Forward-looking Statements

This announcement contains certain forward-looking statements with respect to the financial conditions, operating results and business of the Group. These forward-looking statements are based upon current plans, estimates and projections and represent the Company's expectations or beliefs concerning future events, therefore, no undue reliance should be placed upon them.

Forward-looking statements contain inherent risks and uncertainties. The Company warns that should any of these risks or uncertainties ever materialize, or should any number of important factors or events occur or not occur, then the actual results of the Company may differ materially from those either expressed or implied in these forward-looking statements.

Publication of Information on the Stock Exchange's and the Company's Websites

This results announcement is posted on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.zczl.cn), respectively.

The 2025 Annual Report which is prepared in accordance with the International Financial Reporting Standards and the PRC Accounting Standards will be published on the websites of the Stock Exchange, the Shanghai Stock Exchange and the Company in due course. The annual report of the Company for the year ended 31 December 2025 will be dispatched to the shareholders of the Company (if appropriate) and posted on the websites of the Stock Exchange and the Company in due course.

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

Zhengzhou, PRC, 30 March 2026

As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun, the non-executive Director is Mr. CUI Kai and the independent non-executive Directors are Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu.