
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your H shares in Zoomlion Heavy Industry Science and Technology Co., Ltd.*, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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ZOOMLION 中联重科

Zoomlion Heavy Industry Science and Technology Co., Ltd.* 中联重科股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1157)

- (1) PROPOSED DIVIDEND
- (2) PROVISIONS FOR ASSET IMPAIRMENT FOR THE YEAR 2020
- (3) RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2021
- (4) APPLICATION TO FINANCIAL INSTITUTIONS FOR GENERAL CREDIT FACILITIES AND AUTHORISATION TO THE CHAIRMAN OF THE BOARD TO EXECUTE RELEVANT FINANCE DOCUMENTS
- (5) APPROVAL AND AUTHORISATION TO ZOOMLION INDUSTRIAL VEHICLES TO ENGAGE IN BUSINESS SUPPORTED BY BANKER'S ACCEPTANCE SECURED BY GOODS
- (6) APPROVAL AND AUTHORISATION TO ZOOMLION AGRICULTURAL MACHINERY TO ENGAGE IN FINANCIAL BUSINESS WITH DOWNSTREAM CUSTOMERS AND PROVIDE EXTERNAL GUARANTEES
- (7) PROVISION OF GUARANTEES TO SUBSIDIARIES OF THE COMPANY
- (8) CARRYING OUT OF LOW RISK INVESTMENTS AND FINANCIAL MANAGEMENT
- (9) INVESTMENT IN FINANCIAL DERIVATIVES
- (10) AUTHORISATION TO HUNAN ZHICHENG TO ENGAGE IN THE BUSINESS OF PROVIDING FINANCING GUARANTEES
- (11) REGISTRATION FOR ISSUE OF ASSET-BACKED SECURITIES PRODUCTS BY ZOOMLION FINANCE AND LEASING (CHINA)
- (12) REGISTRATION FOR ISSUE OF SUPPLY CHAIN ASSET-BACKED SECURITIES PRODUCTS BY ZOOMLION BUSINESS FACTORING (CHINA)
- (13) DISPOSAL OF 81% EQUITY INTEREST IN WHOLLY-OWNED SUBSIDIARY
- (14) PROVISION OF GUARANTEES FOR MORTGAGE-FUNDED BUSINESS, FINANCE LEASING BUSINESS AND BUYER'S CREDIT BUSINESS
- (15) REGISTRATION FOR THE "CENTRALISED REGISTRATION FOR ISSUE OF DEBT FINANCING INSTRUMENTS (DFI) OF THE NATIONAL ASSOCIATION OF FINANCIAL MARKET INSTITUTIONAL INVESTORS (NAFMII)"
- (16) PROPOSED ISSUE OF MEDIUM-TERM NOTES
- (17) FULFILMENT OF CONDITIONS TO ISSUE BONDS
- (18) PROPOSED ISSUE OF BONDS BY WAY OF PUBLIC OFFERING TO PROFESSIONAL INVESTORS
- (19) PROPOSED GRANT OF AUTHORISATION TO THE BOARD AND ITS AUTHORISED PERSONS TO DEAL WITH MATTERS IN CONNECTION WITH THE BONDS ISSUE
- (20) PROPOSED AMENDMENTS TO THE ARTICLES AND
- (21) NOTICES OF AGM AND H SHARES CLASS MEETING

A notice convening the AGM to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC on Friday, 28 May 2021 at 2:30 p.m. is set out on pages 77 to 81 of this circular. A notice convening the H Shares Class Meeting to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC on Friday, 28 May 2021 at 4:00 p.m. is set out on pages 82 to 83 of this circular.

Whether or not you are able to attend the AGM and/or the H Shares Class Meeting, you are advised to read the notices of the AGM and the H Shares Class Meeting and to complete and return the enclosed proxy forms, in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in person or by post not less than 24 hours before the time stipulated for convening the AGM and the H Shares Class Meeting or any adjourned meeting thereof. Completion and return of the proxy forms will not preclude you from attending and voting at the AGM and/or the H Shares Class Meeting or at any adjourned meeting if you so wish.

* For identification purpose only

23 April 2021

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DEFINITIONS

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

“A Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company which are listed on the Shenzhen Stock Exchange and traded in RMB
“Administrative Measures”	the Administrative Measures for the Issuance and Trading of Bonds (《公司債券發行與交易管理辦法》)
“AGM”	the annual general meeting of the Company to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC at 2:30 p.m. on Friday, 28 May 2021
“Articles”	the articles of association of the Company, as amended from time to time
“BLFSA”	Beijing Local and Financial Supervision and Administration
“Board”	the board of Directors
“Buyer I”	湖南省國有資產管理集團有限公司 (Hunan State-owned Assets Group Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Hunan SASAC
“Buyer II”	湖南迪策投資有限公司 (Hunan Dice Venture Capital Co., Ltd.*), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Hunan SASAC
“Company”	中聯重科股份有限公司 (Zoomlion Heavy Industry Science and Technology Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability
“Company Law”	the Company Law the PRC (《中華人民共和國公司法》)
“Completion”	completion of the Disposal
“CSDC”	China Securities Depository and Clearing Corporation
“CSRC”	China Securities Regulatory Commission
“DFI”	debt financing instruments
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Equity Interests by the Company to the Buyers
“Equity Interest I”	45% equity interest in the Target Company

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“Equity Interest II”	36% equity interest in the Target Company
“Equity Interests”	Equity Interest I and Equity Interest II
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shares Class Meeting”	the class meeting for holders of H Shares to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC at 4:00 p.m. on Friday, 28 May 2021
“HKSCC Nominees”	HKSCC Nominees Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hunan SASAC”	State-owned Assets Supervision and Administration Commission of Hunan Province People’s Government, a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules
“Hunan Zhicheng”	湖南至誠融資擔保有限責任公司 (Hunan Zhicheng Financing And Guarantee Co., Ltd.*)
“Latest Practicable Date”	21 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“NAFMII”	National Association of Financial Market Institutional Investors
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this circular only, Hong Kong, Macau Special Administrative Region of the PRC, and Taiwan region
“Professional Investors”	professional investors who satisfy the requirements of the Administrative Measures
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》)
“Share(s)”	A Share(s) and H Share(s), or the context requires, either of them

DEFINITIONS

“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Listing Rules”	the Rules Governing Listing of Stocks on the Shenzhen Stock Exchange
“SPA I”	the sale and purchase agreement dated 16 April 2021 entered into between the Company and Buyer I in respect of Equity Interest I
“SPA II”	the sale and purchase agreement dated 16 April 2021 entered into between the Company and Buyer II in respect of Equity Interest II
“SPAs”	SPA I and SPA II
“Supervisor(s)”	supervisor(s) of the Company
“Target Company”	中聯重科融資租賃(北京)有限公司 (Zoomlion Finance and Leasing (Beijing) Co., Ltd.*), a subsidiary of the Company
“Valuation Report”	an assets valuation report of the Target Company as at 30 June 2020 (being the valuation date) prepared by Vocation (Beijing) International Certified Public Valuer Co., Ltd.* (沃克林(北京)國際資產評估有限公司), an independent valuer, using an asset-based approach
“Zoomlion Agricultural Machinery”	中聯重科農業機械股份有限公司 (Zoomlion Agricultural Machinery Co., Ltd.*), a subsidiary of the Company
“Zoomlion Business Factoring (China)”	中聯重科商業保理(中國)有限公司 (Zoomlion Business Factoring (China) Co., Ltd.*), a subsidiary of the Company
“Zoomlion Finance”	中聯重科集團財務有限公司 (Zoomlion Finance Co., Ltd.*), a subsidiary of the Company
“Zoomlion Finance and Leasing (China)”	中聯重科融資租賃(中國)有限公司 (Zoomlion Finance and Leasing (China) Co., Ltd.*), a subsidiary of the Company
“Zoomlion Industrial Vehicles”	中聯重科安徽工業車輛有限公司 (Zoomlion Heavy Industrial Science and Technology Anhui Industrial Vehicles Co., Ltd.*), a subsidiary of the Company

Unless otherwise stated, conversion of RMB into HK\$ in this circular is based on the exchange rate of RMB0.8406 to HK\$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount in HK\$ or RMB has been, could have been or may be converted at such or any other rate or at all.

In this circular, unless the context otherwise requires, the terms “connected person”, “subsidiary” and “substantial shareholder” have the meanings given to such terms in the Hong Kong Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD



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

中联重科股份有限公司

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

(Stock Code: 1157)

Members of the Board

Chairman and executive Director:

Dr. ZHAN Chunxin

Non-executive Directors:

Mr. HE Liu

Mr. ZHAO John Huan

Independent non-executive Directors:

Mr. ZHAO Songzheng

Mr. LAI Kin Keung

Ms. LIU Guiliang

Mr. YANG Changbo

Registered Office

No. 361, Yin Pen South Road,
Changsha City, Hunan Province,
the PRC

Dear Shareholders,

- (1) PROPOSED DIVIDEND**
- (2) PROVISIONS FOR ASSET IMPAIRMENT FOR THE YEAR 2020**
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- (21) NOTICES OF AGM AND H SHARES CLASS MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular, of which this letter forms a part, is to give you notices of the AGM and the H Shares Class Meeting and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM and the H Shares Class Meeting. The notice of the AGM is set out on pages 77 to 81 of this circular, and the notice of the H Shares Class Meeting is set out on pages 82 to 83 of this circular.

2. PROPOSED DIVIDEND

I. Proposed dividend

An ordinary resolution will be proposed at the AGM to consider and, if thought fit, to approve the declaration and payment of a final dividend of RMB0.32 for every outstanding Share held by the Shareholders whose names appear on the Company's registers of members at the close of business on the respective record dates for the holders of A Shares and H Shares, totalling RMB2,773 million (based on 8,666,612,984 Shares in issue as at the Latest Practicable Date). The final dividend is expected to be paid to the Shareholders on or about 27 July 2021.

According to the Law on Corporate Income Tax of the PRC and its implementing rules which came into effect on 1 January 2008 and other relevant rules, the Company is required to withhold 10% corporate income tax before distributing the final dividend to non-resident enterprise Shareholders as appearing on the its H share register of members. Any Shares registered in the name of the non-individual registered Shareholders, including HKSCC Nominees, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise Shareholders and therefore will be subject to the withholding of the corporate income tax. Cash dividend payable to non-resident enterprise holders of H Shares after the deduction of the said corporate income tax is RMB0.288 per Share (for reference only). Cash dividend payable to the H Shareholders will be paid in Hong Kong dollars.

Pursuant to the Notice on Tax Policies for Shenzhen-Hong Kong Stock Connect Pilot Program (Cai Shui [2016] No. 127) (《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》(財稅[2016]127號)), for domestic individual Shareholders who invest in H Shares through Shenzhen Hong Kong Stock Connect (such H Shares being registered in the name of HKSCC Nominees and held by CSDC as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend. For domestic Shareholders who are securities investment funds investing in H Shares through Shenzhen-Hong Kong Stock Connect (such H Shares being registered in the name of HKSCC Nominees and held by CSDC as nominee Shareholder), the Company will withhold and pay individual income tax at the rate of 20% on their behalf in the distribution of the final dividend. For domestic enterprise Shareholders who invest in H Shares through Shenzhen-Hong Kong Stock Connect (such H Shares being registered in the name of HKSCC Nominees and held by CSDC as nominee Shareholder), the Company will not withhold or pay enterprise income tax on their behalf in the distribution of the final dividend, and the domestic enterprise Shareholders shall report and pay the relevant taxes payable by themselves. Any dividend received in respect of H Shares which have been continuously held by a domestic enterprise Shareholder for 12 months shall be exempted from enterprise income tax.

LETTER FROM THE BOARD

The Company assumes no responsibility and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the Shareholders or any dispute over the mechanism of withholding. Shareholders are recommended to consult their taxation advisers regarding their holding and disposing of H Shares for the PRC, Hong Kong and other tax effects involved.

II. Closure of the Company's H share register of members

The Company's H share register of members will be closed from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (both days inclusive) for the purpose of determining the entitlement of holders of H Shares to the final dividend, during which period no transfer of Shares will be registered. In order to be entitled to the final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged by the holders of H Shares with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 2 June 2021.

3. PROVISIONS FOR ASSET IMPAIRMENT FOR THE YEAR 2020

The Company has conducted impairment tests on, among others, its accounts receivables, inventories and intangible assets which showed indication of impairment as at 31 December 2020, in accordance with the relevant requirements under the Accounting Standards for Business Enterprises and the accounting policies of the Company on a prudent basis. When the net realisable value of an asset is estimated to be lower than its carrying amount, a provision for asset impairment will be made upon recognition or measurement.

I. Overview of the provisions for asset impairment

After conducting tests, the Company made a provision of RMB1,775 million for asset impairment for the year 2020, among which bad debts provision for accounts receivables amounted to RMB1,489 million, bad debts provision for other receivables amounted to RMB161 million, written-back bad debts provision for long-term receivables amounted to RMB31 million, provision for decline in value of inventories amounted to RMB89 million and provision for intangible assets amounted to RMB6 million. Excluding the effect of difference arising from currency conversion, the effect of provisions for asset impairment on the profit or loss (before tax) for the year 2020 was RMB1,775 million in aggregate.

II. Provisions for asset impairment

(1) *Accounts receivables*

For the year 2020, the Company made a bad debts provision of RMB1,489 million for accounts receivables, a bad debts provision of RMB161 million for other receivables, and a bad debts provision of RMB31 million for long-term receivables on the following basis: the provision for bad debts of account receivables is recognised on the basis of the estimated credit loss of the Company, after considering the type of clients, loss incurred by historical defaults and current economic condition and taking account of forward-looking information, expected rate of default and rate of loss and subject to the expected renewal periods when determining the estimated credit loss.

(2) *Inventory*

For the year 2020, the Company made a provision of RMB89 million for decline in value of inventories on the following basis:

Inventories are measured at the lower of cost and net realisable value at the end of a period. The estimates of net realisable value are based on the most reliable evidence available, taking into consideration the purpose for holding inventories and the effects of events subsequent to the balance sheet date. If it is foreseeable that the cost of inventories may not be recoverable because inventories are damaged, have become wholly or partly obsolete, or their selling prices are below cost, the provision for decline in value of inventories will be made according to such portion of the cost not recoverable. The provision for decline in value of inventories such as finished products and bulk raw materials are made by comparing costs with their net realisable value on an individual basis. For other raw and auxiliary materials and products in progress with large quantities and relatively low unit costs, the provision for decline in value of those inventories are made according to the categories of inventories.

The net realisable value of inventory of goods directly for sale such as finished products, products in progress and materials for sale is determined by deducting the estimated sales expenses and relevant taxes from the estimated selling prices of those inventories. The net realisable value of inventory of materials held for production is the amount after deducting the estimated costs to be incurred upon completion, estimated sales expenses and relevant taxes from the estimated selling prices of finished products being manufactured. The net realisable value of inventories held for execution of sales contract or labour contract is calculated on the basis of contract prices. In the event that an enterprise holds more inventories than the quantities ordered in the sales contract, the net realisable value of the excessive inventories is calculated on the basis of the general selling prices.

For inventories showing any indication of possible impairment, the Company would conduct impairment test by regularly adopting the lower of cost and net realisable value method to make sufficient provisions for decline in the value of inventories.

LETTER FROM THE BOARD

(3) *Intangible assets*

For the year 2020, the Company made a provision of RMB6 million for diminution in value of intangible assets on the following basis:

The Company assesses the ability of each intangible asset to generate economic benefits to an entity at each year end. Where the anticipated recoverable amount of an intangible asset is less than its carrying amount, a provision will be made for diminution in value of intangible assets. The provision, once made, is not reversed during the period in which the asset is held:

- a. due to its continuous decline in market price as a result of technological, market or legal factors, that may not be recoverable during the remaining useful lives;
- b. its ability to generate economic benefit for the entity is adversely affected because it has been substituted by other new technologies;
- c. its useful life has not expired, however, the period covered by legal protection is expired; and
- d. such other circumstances that indicate impairment of intangible assets.

III. Effects of the loss of impairment loss on the financial position of the Company

The profit before tax of the Company decreased by RMB1,775 million for the year 2020 due to the provisions for asset impairment.

The provisions for asset impairment give a true view of the financial position of the Company, and are in compliance with the requirements of the accounting standards and relevant policies, conforming to the actual condition of the Company. The provisions for asset impairment are not prejudicial to the interests of the Company and its Shareholders, and do not involve any related party of the Company.

4. RE-APPOINTMENT OF AUDITORS FOR THE YEAR 2021

Based on the performance assessment of Baker Tilly China Certified Public Accountants Co., Ltd (“Baker Tilly”) and KPMG by the Company and after considering the combined factors such as continuity of auditing service and cost control, the re-appointment of international auditor and domestic auditor will be proposed and considered at the AGM:

I. Reasons of appointment of international auditor and domestic auditor

Baker Tilly was appointed as the domestic auditor of the Company for the year 2020 at the annual general meeting of the Company for the year 2019. While serving as the domestic auditor of the Company, Baker Tilly diligently performed its duties and effectively safeguarded the legitimate interests of the Company and its Shareholders from a professional perspective.

LETTER FROM THE BOARD

KPMG was appointed as the international auditor of the Company for the year 2020 at the annual general meeting of the Company for the year 2019. While serving as the international auditor of the Company, KPMG acted diligently and also fully reflected its professionalism in the international standards and the relevant Hong Kong Listing Rules and effectively safeguarded the legitimate interests of the Company and its Shareholders.

In the view of the business development requirements and future auditing needs of the Company and after consideration of the Company and the review of the audit committee of the Board, the Company proposes to appoint Baker Tilly as the domestic auditor and internal control auditor of the Company for the year 2021 and appoint KPMG as the international auditor of the Company for the year 2021.

II. Audit-related fees for the year 2020

For the year 2020, the audit fee and internal control audit fee of Baker Tilly amounted to RMB2.42 million and RMB350,000, respectively, and the audit fee of KPMG amounted to RMB9.98 million.

III. Appointment of international auditor and domestic auditor for the year 2021

The Company proposes to appoint Baker Tilly as domestic auditor and internal control auditor of the Company for the year 2021. Baker Tilly is responsible for the auditing of the financial report prepared in accordance with the China Accounting Standards for Business Enterprises and other assurance and consultation related services.

The Company proposes to appoint KPMG as the international auditor of the Company for the year 2021. KPMG is responsible for the auditing of the financial report prepared in accordance with the International Financial Reporting Standards and other assurance and consultation related services.

It is proposed at the AGM to authorise the audit committee of the Board to determine with Baker Tilly and KPMG the principles of fixing their respective remunerations and to authorise the Company's management to determine their actual remunerations respectively based on the agreed principles.

5. APPLICATION TO FINANCIAL INSTITUTIONS FOR GENERAL CREDIT FACILITIES AND AUTHORISATION TO THE CHAIRMAN OF THE BOARD TO EXECUTE RELEVANT FINANCE DOCUMENTS

In order to accelerate the digital transformation of the Company towards digitalisation, ecologicalisation and globalisation, and to create an open and harmonised industry landscape, the Company proposes to apply to relevant financial institutions for general credit facilities and financing with a total credit limit not exceeding RMB150 billion according to its business plan for the year 2021, including, working capital loans, mortgage for industrial machinery, supply chain financing, bond and investment, letters of credit and letters of guarantee and other relevant items, and to authorise Dr. Zhan Chunxin, the chairman of the Board, to execute on behalf of the Company the facility contracts and other relevant finance documents with financial institutions, and allocate the credit limit available to the Company to its branches or subsidiaries for their respective uses. This authorisation is non-assignable, and the effective term of which shall commence from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

6. APPROVAL AND AUTHORISATION TO ZOOMLION INDUSTRIAL VEHICLES TO ENGAGE IN BUSINESS SUPPORTED BY BANKER'S ACCEPTANCE SECURED BY GOODS

According to the operation requirements of Zoomlion Industrial Vehicles and with a view to accelerating return of capital and mitigating operating risks, the Company proposes to approve and authorise Zoomlion Industrial Vehicles to engage in business supported by banker's acceptance secured by goods with a limit of not exceeding RMB30 million and a maximum term of six months, with reference to the operation plan of Zoomlion Industrial Vehicles for the year 2021.

I. Overview of business supported by banker's acceptance secured by goods

Banker's acceptance secured by goods is a financial service provided by a bank to a manufacturer (a seller) and its distributor (a buyer) in a form of banker's acceptance. It is operated in the following ways: the bank receives from the distributor (the buyer) a certain percentage of deposit (where the minimum percentage is no less than 30%), and in turn issues a banker's acceptance with the distributor (the buyer) as the payer, and the manufacturer (the seller) as the payee, solely for the payment of trade payables to the manufacturer (the seller). Prior to each request for delivery of goods, the distributor (the buyer) must pay to the bank a deposit in an amount equivalent to the value of goods to be delivered. After the deposit so paid by the distributor (the buyer), the bank will issue a shipment notice in respect of an amount not exceeding the deposit. The manufacturer (the seller) can only deliver such amount of goods to the distributor (the buyer) solely according to the amount of goods set out in the shipment notice issued by the bank. After the sales of goods, the distributor (the buyer) pays further deposit to the bank which in turn issues another shipment notice. This cycle repeats until the outstanding deposit reaches or exceeds the value of the banker's acceptance issued by the bank. If the outstanding deposit is less than the value of the banker's acceptance upon its maturity, the manufacturer (seller) must pay to the bank the shortfall between the deposit and the value of the banker's acceptance.

II. Overview of the proposed business supported by banker's acceptance secured by goods

(1) Limit of banker's acceptance secured by goods and the limit of the guarantees

Zoomlion Industrial Vehicles proposes to engage in business with its distributors, supported by relevant financial institutions through banker's acceptance secured by goods with a maximum limit of RMB30 million, where Zoomlion Industrial Vehicles will provide joint and several guarantee not exceeding RMB30 million (which represents the shortfall between the deposit paid by its distributors and the value of the banker's acceptance) in favour of its distributors. The term of such guarantee will be provided for under the relevant contracts.

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(2) *Major terms and conditions of the agreement governing the banker's acceptance secured by goods*

Zoomlion Industrial Vehicles, its distributor(s) and the issuing bank(s) will enter into a tripartite co-operation agreement in respect of banker's acceptance secured by goods. Its major terms and conditions are as follows:

A. *Method of financing*

Upon application by a distributor and its submission of a sale and purchase agreement entered into with Zoomlion Industrial Vehicles as well as other background information, the issuing bank will provide a banker's acceptance secured by goods to the distributor solely for its payment to Zoomlion Industrial Vehicles in respect of goods purchased therefrom, after review and approval of the issuing bank.

Upon application for issuance of a banker's acceptance, the distributor must pay an initial minimum deposit to the issuing bank at a rate of no less than 30% of the face value of the banker's acceptance.

B. *Rules of request for goods delivery*

Prior to each request for delivery of goods under the sale and purchase agreement, the distributor is required to apply for the issuing bank by completing a form of Application for Request for Delivery, and at the same time, pays such amount of deposit equivalent to the value of goods to be delivered, to a deposit account maintained with the issuing bank. After confirming the receipt of deposit so paid by the distributor, the issuing bank will issue a notice of request for delivery to Zoomlion Industrial Vehicles.

Upon receipt of the notice of request for delivery issued by the issuing bank, Zoomlion Industrial Vehicles will issue an acknowledgment of the notice of request for delivery to the issuing bank and, at the same time, deliver goods to the distributor according to the amount value so notified by the issuing bank.

C. *Maturity of the banker's acceptance*

Within 10 days prior to the maturity of each banker's acceptance, if the credit facility made available by the issuing bank to the distributor exceeds the cumulative amounts set out in the notice of request for delivery issued by the issuing bank or other delivery evidence given to the distributor, or in other words, the cumulative amounts set out in the notices of request for delivery issued by the issuing bank or other evidence of request for delivery given to the distributor is less than the face value of the banker's acceptance, the issuing bank has the right to issue a refund notice to Zoomlion Industrial Vehicles.

Upon receipt of, and according to the requirements of, the refund notice, Zoomlion Industrial Vehicles must refund to the issuing bank the shortfall between the face value of the banker's acceptance and the cumulative amount set out in the notice of request for delivery.

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(3) *Criteria for selecting distributors to conduct sales supported by banker's acceptance secured by goods*

In order not to undermine the interests of the Company, Zoomlion Industrial Vehicles sets out the following criteria for selecting distributors to conduct business supported by banker's acceptance secured by goods:

- a. the distributor must be legally registered with a fixed place of operation;
- b. the distributor and its principal responsible persons have a good creditability with banks, and are neither dishonest person subject to enforcement in the PRC nor subject to any related legal dispute;
- c. there is neither misappropriation of funds of Zoomlion Industrial Vehicles nor conduct that would materially undermine the interest of Zoomlion Industrial Vehicles; and
- d. it has certain assets and measures in place that would allow it to provide counter-guarantee for the guarantee provided by Zoomlion Industrial Vehicles.

III. Authorisation

To authorise Zoomlion Industrial Vehicles to engage in business with its distributors supported by relevant financial institutions through banker's acceptance secured by goods, and to authorise the management of Zoomlion Industrial Vehicles to execute on behalf of Zoomlion Industrial Vehicles the relevant cooperation agreements in respect of such business.

This authorisation shall be effective from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

7. APPROVAL AND AUTHORISATION TO ZOOMLION AGRICULTURAL MACHINERY TO ENGAGE IN FINANCIAL BUSINESS WITH DOWNSTREAM CUSTOMERS AND PROVIDE EXTERNAL GUARANTEES

According to the operation requirements of Zoomlion Agricultural Machinery and with a view to accelerating return of capital and mitigating operating risks, the Company proposes to approve and authorise Zoomlion Agricultural Machinery to engage in financial business with downstream customers and provide external guarantees with a limit of not exceeding RMB800 million and a maximum term of 36 months, with reference to the operation plan of Zoomlion Agricultural Machinery for the year 2021. The guaranteed parties are downstream distributors and end customers.

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I. Overview of financial business with downstream customers

(1) Distributors

In the process of purchasing the products of Zoomlion Agricultural Machinery, the distributors of Zoomlion Agricultural Machinery make the payment to Zoomlion Agricultural Machinery for products through financing methods supported by financial institutions cooperating with Zoomlion Agricultural Machinery, such as banker's acceptance secured by goods and loans for purchase of products. Zoomlion Agricultural Machinery provides guarantees in favour of the relevant financial institutions for the above financings of the distributors.

(2) End customers

In the process of purchasing the products of Zoomlion Agricultural Machinery, the end customers of Zoomlion Agricultural Machinery make the payment to Zoomlion Agricultural Machinery for products through financing methods supported by financial institutions cooperating with Zoomlion Agricultural Machinery, such as mortgage, finance leasing and loans for purchase of products. Zoomlion Agricultural Machinery provides guarantees in favour of the relevant financial institutions for the above financings of the end customers.

II. Main scope of the external guarantees

If the distributors or the end customers fail to repay the loans or finance lease rentals in full and in a timely manner in the process of the above financing transactions, Zoomlion Agricultural Machinery shall assume the joint and several guarantee liability.

III. Risk control measures for provision of external guarantees

For the purpose of risk control, the Company will strictly monitor the credit rating of the finance business clients through stringent control over various aspects, including credibility review, completeness of business approval procedures, etc. to reduce its risk exposure arising from such guarantee. The main measures are as follows:

- (1) formulating management measures for its financial business to manage and supervise the procedures of financial business;
- (2) formulating and establishing pre-contract assessment procedures for financial business under the organisation and leadership of the Company. Where the feasible risk control procedures and proposals have been confirmed and in place and after the recognised counter-guarantee agreements have been executed by clients and the corresponding agreements and documents have passed the compliance review by the legal department, an authorised signatory will execute the relevant agreements with external parties;
- (3) establishing the early risk warning threshold and the management and control standards, conducting monthly monitor and control; and facilitating and procuring the enhancement of risk control capabilities of clients through analysis of client capabilities. If the early risk warning threshold is reached, the Company will intervene and supervise the risk management;

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- (4) specifying the proposed loan facilities to and management and control on each client and monitor the scope, risks, efficiency of turnover, etc. of the credits granted to clients;
- (5) pursuant to the above management and control procedures and requirements, establishing the corresponding risk control procedures and management proposals for credit facilities.

IV. Authorisation

- (1) To authorise Zoomlion Agricultural Machinery to engage in financial business with relevant financial institutions and downstream customers and provide external guarantees.
- (2) To authorise the management of Zoomlion Agricultural Machinery to execute on behalf of Zoomlion Agricultural Machinery the relevant cooperation agreements in respect of such financial business.

This authorisation shall be effective from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

8. PROVISION OF GUARANTEES TO SUBSIDIARIES OF THE COMPANY

To enhance market development and further procure the implementation of intelligent manufacturing and global development strategies of the Company, the Company proposes to provide guarantees in favour of 46 direct/indirect subsidiaries, including Zoomlion International Trading (H.K.) Co., Limited, Zoomlion Capital (H.K.) Co. Limited and Zoomlion Agricultural Machinery up to a total equivalent amount of not exceeding RMB18.425 billion, with details as follows:

I. Summary of the guarantees

- (1) A proposed guarantee of not exceeding RMB3.2 billion in aggregate for Zoomlion Agricultural Machinery, Zoomlion Heavy Machinery Zhejiang Co., Ltd.* and Henan Zoomlion Intelligent Agricultural Machinery Co., Ltd.*, primarily for domestic and international credit and financing including trade acceptances, letter of credit-based businesses and working capital loans, project loans and other related businesses.
- (2) A proposed guarantee of not exceeding RMB270 million in aggregate for Zoomlion Industrial Vehicles, primarily for domestic credit and financing including trade acceptances, letter of credit-based businesses and working capital loans, project loans and other related businesses.
- (3) A proposed guarantee of an equivalent amount not exceeding RMB1 billion in aggregate for Zoomlion Heavy Industry Construction Machinery Co., Limited*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (4) A proposed guarantee of not exceeding RMB120 million in aggregate for Changde Zoomlion Hydraulic Pressure Co. Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.

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- (5) A proposed guarantee of not exceeding RMB65 million in aggregate for Hunan Zoomlion Crawling Crane Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (6) A proposed guarantee of not exceeding RMB400 million in aggregate for Changsha Zoomlion Fire Fighting Machinery Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (7) A proposed guarantee of not exceeding RMB150 million in aggregate for Shanghai Zoomlion Pile Foundation Machinery Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (8) A proposed guarantee of not exceeding RMB1.5 billion in aggregate for M-Tec Mathis (China) Science & Technology Co., Ltd., primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (9) A proposed guarantee of not exceeding RMB100 million in aggregate for Hunan Teli Hydraulic Pressure Co. Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses and other related businesses.
- (10) A proposed guarantee of not exceeding RMB1 billion in aggregate for Shaanxi Zoomlion West Earthmoving Machinery Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, provision of working capital and other related businesses.
- (11) A proposed guarantee of not exceeding RMB3 billion in aggregate for Hunan Zoomlion Intelligent Aerial Work Machinery Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans, project loans and other related businesses.
- (12) A proposed guarantee of not exceeding RMB500 million in aggregate for Zoomlion Zvalley Technology Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans and other related businesses.
- (13) A proposed guarantee of an equivalent amount not exceeding RMB500 million in aggregate for Zoomlion Business Factoring (China) Co., Ltd., primarily for trade receivables finance and other related businesses.
- (14) A proposed guarantee of an equivalent amount not exceeding RMB375 million in aggregate for Zoomlion H.K. Holding Co., Limited, primarily for overseas financing, import/export settlement and provision of external guarantees.

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- (15) A proposed guarantee of an equivalent amount not exceeding RMB750 million in aggregate for Zoomlion International Trading (H.K.) Co., Limited, primarily for overseas import/export settlement, financing and provision of external guarantees.
- (16) A proposed guarantee of an equivalent amount not exceeding RMB30 million in aggregate for Zoomlion Singapore Investment Holdings PTE. LTD, primarily for overseas import/export settlement, investments and financing, fixed asset acquisitions and other related businesses.
- (17) A proposed guarantee of an equivalent amount not exceeding RMB1.4 billion in aggregate for Zoomlion Capital (H.K.) Co., Limited, Zoomlion Capital (Australia) Pty Ltd, Zoomlion Capital (Italy) S.p.A., ZOOMLION CAPITAL SOUTH AFRICA (PTY) LTD., LLC Zoomlion Capital (Rus) and Zoomlion Capital (U.S.A.) Corp., primarily for overseas external financing, financial leasing and factoring, investments and other related businesses.
- (18) A proposed guarantee of an equivalent amount not exceeding RMB580 million in aggregate for ZOOMLION HEAVY INDUSTRY RUS LLC, PT. Zoomlion Indonesia Heavy Industry, ZOOMLION HEAVY INDUSTRY (THAILAND) CO., LTD., ZOOMLION VIETNAM COMPANY LIMITED, Zoomlion Gulf FZE, Zoomlion Middle East Machinery Rental LLC, Zoomlion South Africa (Pty) Ltd, ZOOMLION AUSTRALIA-NEW ZEALAND PTY LTD, Zoomlion Pakistan (Pvt.) Ltd, ZOOMLION CIFA MAKINE SANAYI VE TICARET ANONIM SIRKETI and Zoomlion Brasil Industria e Comercio de Maquinas Ltda, primarily for overseas import/export settlement, investments and financing, fixed asset acquisitions and other related businesses.
- (19) A proposed guarantee of an equivalent amount not exceeding RMB470 million in aggregate for Zoomlion Wilbert TowerCranes GmbH, Compagnia Italiana Forme Acciaio S.p.A, m-tec Mathis Technik gmbh, Rabe Agrartechnik Vertriebsgesellschaft mbH, Zoomlion Belarus Manufacturing Base*, ZOOMLION INDIA PRIVATE LIMITED, primarily for overseas import/ export settlement, investments and financing, fixed asset acquisitions and other related businesses.
- (20) A proposed guarantee of not exceeding RMB3 billion in aggregate for Zoomlion Finance and Leasing (China) Co., Ltd.*, primarily for domestic credit and financing including trade acceptances, letter of credit and letter of guarantee-based businesses, working capital loans, project loans and other related businesses.
- (21) A proposed guarantee of not exceeding RMB15 million in aggregate for Hunan Zoomlion Zhenxiang Modern Agricultural Development Co., Ltd.*, primarily for domestic land levelling and development businesses.

In the actual course of operation, the Company may at its discretion provide or procure its subsidiaries to provide guarantees in favour of the aforementioned 46 direct/indirect subsidiaries. A contract of guarantee may be signed with a financial institution upon negotiation and will be disclosed accordingly.

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II. Particulars of the guaranteed parties

(1) Zoomlion Agricultural Machinery

- a. Name: Zoomlion Agricultural Machinery Co., Ltd.* 中聯農業機械股份有限公司
- b. Registered address: No. 16 E'Xi Road, Sanshan Economic Development Zone, Wuhu City, Anhui Province
- c. Legal representative: XIONG Yanming
- d. Registered capital: RMB2,628,571,428
- e. Business nature: Manufacturing of agricultural machinery
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Agricultural Machinery Co., Ltd.* were RMB5,752,587,300, its unaudited total liabilities were RMB3,533,769,100, and the total owners' equity attributable to parent was RMB2,218,818,200. For the period from January to December 2020, the operating revenue was RMB2,314,770,100 and the net profit was RMB-48,694,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB2.235 billion

(2) Zoomlion Heavy Machinery Nanling Co., Ltd.*

- a. Name: Zoomlion Heavy Machinery Nanling Co., Ltd.* 中聯重機南陵有限公司
- b. Registered address: No. 8 Zhouyu Avenue, Nanling County Economic Development Zone, Wuhu City, Anhui Province
- c. Legal representative: PAN Zhenyang
- d. Registered capital: RMB150 million
- e. Business nature: Manufacturing and sales of agricultural machinery
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of Zoomlion Agricultural Machinery Co., Ltd.*)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Heavy Machinery Nanling Co., Ltd.* were RMB217,904,700, its unaudited total liabilities were RMB272,497,600, and the total owners' equity attributable to parent was RMB-54,592,900. For the period from January to December 2020, the operating revenue was RMB77,638,400 and the net profit was RMB1,131,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB65 million

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(3) Zoomlion Heavy Machinery Zhejiang Co. Ltd.*

- a. Name: Zoomlion Heavy Machinery Zhejiang Co. Ltd.* 中聯重機浙江有限公司
- b. Registered address: Huifeng South Road, Jiangnan Street, Linhai City, Zhejiang Province
- c. Legal representative: PAN Zhenyang
- d. Registered capital: RMB30 million
- e. Business nature: Manufacturing of agricultural machinery
- f. Relationship with the Company: An indirect majority-owned subsidiary (an indirect subsidiary of Zoomlion Agricultural Machinery Co., Ltd*)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Heavy Machinery Zhejiang Co. Ltd. were RMB441,544,700, its unaudited total liabilities were RMB353,135,100 and the total owners' equity attributable to parent was RMB88,409,600. For the period from January to December 2020, the operating revenue was RMB380,220,200 and the net profit was RMB11,818,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB150 million

(4) Henan Zoomlion Intelligent Agricultural Machinery Co., Ltd.*

- a. Name: Henan Zoomlion Intelligent Agricultural Machinery Co., Ltd.* 河南中聯重科智能農機有限責任公司
- b. Registered address: No. 98, Songcheng Road, Kaifeng City, Henan Province
- c. Legal representative: SU Min
- d. Registered capital: RMB553 million
- e. Business nature: Manufacturing and sales of agricultural machinery
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of Zoomlion Agricultural Machinery Co., Ltd.*)
- g. As of 31 December 2020, the unaudited total assets of Henan Zoomlion Intelligent Agricultural Machinery Co., Ltd.* were RMB1,165,865,400, its unaudited total liabilities were RMB845,393,400, and the total owners' equity attributable to parent was RMB320,472,000. For the period from January to December 2020, the operating revenue was RMB1,133,748,900 and the net profit was RMB23,193,900.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB600 million

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(5) Hunan Zoomlion Intelligent Agricultural Machinery Co., Ltd.*

- a. Name: Hunan Zoomlion Intelligent Agricultural Machinery Co., Ltd.* 湖南中聯重科智能農機有限責任公司
- b. Registered address: No. 1, Zhonglian Avenue, Huangfu Community, Zhumushan Sub-district, Hanshou County, Changde City, Hunan Province
- c. Legal representative: WANG Xindan
- d. Registered capital: RMB50 million
- e. Business nature: Manufacturing and sales of agricultural machinery
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of Zoomlion Agricultural Machinery Co., Ltd.*)"
- g. As of 31 December 2020, the unaudited total assets of Hunan Zoomlion Intelligent Agricultural Machinery Co., Ltd.* were RMB129,610,300, its unaudited total liabilities were RMB62,845,200, and the total owners' equity attributable to parent was RMB66,765,100. For the period from January to December 2020, the operating revenue was RMB135,669,300 and the net profit was RMB18,304,300.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB100 million

(6) Zoomlion Intelligent Agriculture Co., Ltd.*

- a. Name: Zoomlion Intelligent Agriculture Co., Ltd.* 中聯智慧農業股份有限公司
- b. Registered address: No. 16 E'Xi Road, Sanshan District, Wuhu City, Anhui Province
- c. Legal representative: XIONG Yanming
- d. Registered capital: RMB100 million
- e. Business nature: digital planting service for crops; technical development, technical promotion, technical transfer, technical consultation, technical service in the field of agricultural technology
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of Zoomlion Agricultural Machinery Co., Ltd.*)"
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Intelligent Agriculture Co., Ltd.* were RMB8,994,500, its unaudited total liabilities were 0, and the total owners' equity attributable to parent was RMB8,994,500. For the period from January to December 2020, the operating revenue was 0 and the net profit was RMB-5,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

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(7) Zoomlion Heavy Industrial Science and Technology Anhui Industrial Vehicles Co., Ltd.*

- a. Name: Zoomlion Heavy Industrial Science and Technology Anhui Industrial Vehicles Co., Ltd.* 中聯重科安徽工業車輛有限公司
- b. Registered address: No. 2, Nanwei First Road, South District, Wuhu Hi-tech Industrial Development Zone
- c. Legal representative: SUN Changjun
- d. Registered capital: RMB200 million
- e. Business nature: Manufacturing, sales, leasing, modification and maintenance of forklifts and logistics equipment
- f. Relationship with the Company: A direct majority-owned subsidiary (a 60% interest of which is held by Zoomlion)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Heavy Industrial Science and Technology Anhui Industrial Vehicles Co., Ltd. were RMB531,317,700, its unaudited total liabilities were RMB460,773,700 and the total owners' equity attributable to parent was RMB70,544,000. For the period from January to December 2020, the operating revenue was RMB322,756,700 and the net profit was RMB4,032,800.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB270 million

(8) Zoomlion Construction and Crane Machinery Co., Limited*

- a. Name: Zoomlion Construction and Crane Machinery Co., Limited* 中聯重科建築起重機械有限責任公司
- b. Registered address: Zhangyao Road, Changde High-Tech Industrial Park, Guanxi, Dingcheng, Changde
- c. Legal representative: ZHAN Chunxin
- d. Registered capital: RMB800 million
- e. Business nature: Research and development, manufacturing, sales, installation and repair of, and after-sale technical service for, construction machinery, other machinery and spare parts and components
- f. Relationship with the Company: A direct wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Construction and Crane Machinery Co., Limited were RMB22,016,834,400, its unaudited total liabilities were RMB20,041,753,700 and the total owners' equity attributable to parent was RMB1,975,080,700. For the period from January to December 2020, the operating revenue was RMB14,412,812,700 and the net profit was RMB622,864,100.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB1 billion

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(9) *Changde Zoomlion Hydraulic Pressure Co. Ltd.**

- a. Name: Changde Zoomlion Hydraulic Pressure Co. Ltd.* 常德中聯重科液壓有限公司
- b. Registered address: Division 6, Chongde Residential Committee, Deshan Town, Changde Economic and Technological Development Zone (Qingshan East Road)
- c. Legal representative of the company: LUO Kai
- d. Registered capital: RMB21,632,300
- e. Business nature: Manufacturing, sales and repair of hydraulic power machinery and components
- f. Relationship with the Company: A direct 100% wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Changde Zoomlion Hydraulic Pressure Co. Ltd. were RMB632,287,500, its unaudited total liabilities were RMB151,756,800 and the total owners' equity attributable to parent was RMB480,530,700. For the period from January to December 2020, the operating revenue was RMB409,228,300 and the net profit was RMB104,941,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB120 million

(10) *Hunan Zoomlion Crawling Crane Co., Ltd.**

- a. Name: Hunan Zoomlion Crawling Crane Co., Ltd.* 湖南中聯重科履帶起重機有限公司
- b. Registered address: Lugu Zoomlion Industrial Park, Changsha High-tech Development Zone
- c. Legal representative: LUO Kai
- d. Registered capital: RMB360 million
- e. Business nature: Engaging in research and development and sales of crawler cranes and their parts; self-operated and agency import/export of various products and technologies
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Hunan Zoomlion Crawling Crane Co., Ltd. were RMB3,501,210,200, its unaudited total liabilities were RMB1,512,215,900 and the total owners' equity attributable to parent was RMB1,988,994,300. For the period from January to December 2020, the operating revenue was RMB 4,612,460,000, the total profit was RMB1,282,502,900 and the net profit was RMB1,093,097,900.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB65 million

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(11) Changsha Zoomlion Fire Fighting Machinery Co., Ltd.*

- a. Name: Changsha Zoomlion Fire Fighting Machinery Co., Ltd.* 長沙中聯消防機械有限公司
- b. Registered address: No. 997, Section 2, Tengfei Road, Wangcheng District, Changsha City
- c. Legal representative: LI Xujiong
- d. Registered capital: RMB50 million
- e. Business nature: Design, manufacturing, sales and repair of various fire fighting equipment such as fire trucks, fire extinguishing appliances, fixed and mobile fire extinguishing systems, rescue tools and fire fighting apparatus; design, manufacturing, sales and repair of special vehicles and police equipment; technical training, technical consultation, technology transfer and technical service; design, installation and repair of fire engineering and ancillary equipment; computer software design, programming, analysis, testing, modification and consultation; export of products and technologies produced by itself; import/export of raw and auxiliary materials, instruments and meters, automobile chassis, mechanical equipment, spare parts and goods and import/export of technologies required for its own production; and import/export agency business.
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Changsha Zoomlion Fire Fighting Machinery Co., Ltd. were RMB895,811,900, its unaudited total liabilities were RMB402,594,000 and the total owners' equity attributable to parent was RMB493,217,900. For the period from January to December 2020, the operating revenue was RMB502,523,500 and the net profit was RMB50,089,900.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB400 million

(12) Shanghai Zoomlion Pile Foundation Machinery Co., Ltd.*

- a. Name: Shanghai Zoomlion Pile Foundation Machinery Co., Ltd.* 上海中聯重科樁工機械有限公司
- b. Registered address: No. 297 Binfan Road, Songjiang District, Shanghai City
- c. Legal representative: NING Yongqun
- d. Registered capital: RMB50 million
- e. Business nature: Development, manufacturing and sales of construction machinery and equipment (except special equipment), general-purpose machinery and equipment (except special equipment), leasing of self-owned machinery and equipment (except financial leasing); engaging in import/export of goods and technologies

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- f. Relationship with the Company: A direct wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Shanghai Zoomlion Pile Foundation Machinery Co., Ltd. were RMB2,897,057,700, its unaudited total liabilities were RMB2,004,221,700 and the total owners' equity attributable to parent was RMB892,836,000. For the period from January to December 2020, the operating revenue was RMB1,780,378,100 and the net profit was RMB193,176,200.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB150 million

(13) M-Tec Mathis (China) Science & Technology Co., Ltd.

- a. Name: M-Tec Mathis (China) Science & Technology Co., Ltd. 摩泰克梅蒂斯(中國) 科技有限公司
- b. Registered address: Room 3037, No. 677 Lugu Avenue, Changsha Hi-Tech Industry Development Zone
- c. Legal representative: Dr. MICHAEL MEDING
- d. Registered capital: RMB50 million
- e. Business nature: Design and development of environmental equipment; development of mechanical parts; research and development of technologies for mechanical and electrical equipment and vehicle engineering; high-tech services; sales of mechanical construction vehicles, mechanical and electrical equipment and mechanical parts; design of construction machinery; manufacturing of construction machinery; mechanical and electrical equipment installation services; mechanical and electrical equipment repairing and maintenance services; mechanical equipment technical services; technical consultation relating to construction materials; operation and leasing of construction machinery and equipment; import/export of goods or technologies (except import/export of goods and technologies prohibited by the state or otherwise subject to administrative approval)
- f. Relationship with the Company: An indirect 100% wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of M-Tec Mathis (China) Science & Technology Co., Ltd. were RMB240,730,000, its unaudited total liabilities were RMB180,020,000 and the total owners' equity attributable to parent was RMB60,710,000. For the period from January to December 2020, the operating revenue was RMB197,740,000 and the net profit was RMB22,120,000.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB1.5 billion

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(14) Hunan Teli Hydraulic Pressure Co. Ltd.*

- a. Name: Hunan Teli Hydraulic Pressure Co. Ltd.* 湖南特力液壓有限公司
- b. Registered address: Zhonglian Street, Xiyan Community, Guanxi Town, Dingcheng District, Changde City (100 metres to the right of Zhangshu Bay Police Station)
- c. Legal representative of the company: ZHAN Chunxin
- d. Registered capital: RMB180,198,400
- e. Business nature: Engaging in the research, design, manufacturing, sales, heat treating and electroplating of hydraulic oil tanks and hydraulic valves
- f. Relationship with the Company: A direct majority-owned subsidiary (held as to 84.43%)
- g. As of 31 December 2020, the unaudited total assets of Hunan Teli Hydraulic Pressure Co. Ltd. were RMB2,128,598,800, its unaudited total liabilities were RMB574,810,500 and the total owners' equity attributable to parent was RMB1,553,788,300. For the period from January to December 2020, the operating revenue was RMB2,239,900,600 and the net profit was RMB416,025,100.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB100 million

(15) Shaanxi Zoomlion West Earthmoving Machinery Co., Ltd.*

- a. Name: Shaanxi Zoomlion West Earthmoving Machinery Co., Ltd.* 陝西中聯西部土方機械有限公司
- b. Registered address: No.86, Chaoyang Street West, Weinan Economic and Technological Development Zone, Shaanxi Province
- c. Director: SHEN Ke
- d. Registered capital: RMB1.35 billion
- e. Business nature: Manufacturing and sales of machinery for construction purpose
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Shaanxi Zoomlion West Earthmoving Machinery Co., Ltd.* were RMB5,005,756,600, its unaudited total liabilities were RMB3,662,313,600, and the total owners' equity attributable to parent was RMB1,343,443,000. For the period from January to December 2020, the operating revenue was RMB1,445,254,600 and the net profit was RMB-6,570,000.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB1 billion

LETTER FROM THE BOARD

(16) Hunan Zoomlion Intelligent Aerial Work Machinery Co., Ltd.*

- a. Name: Hunan Zoomlion Intelligent Aerial Work Machinery Co., Ltd.* 湖南中聯重科智能高空作業機械有限公司
- b. Registered address: Room 4110, 4/F, Office Building, No. 677 Lugu Avenue, Changsha Hi-Tech Industry Development Zone
- c. Legal representative: ZHAN Chunxin
- d. Registered capital: RMB500 million
- e. Business nature: Manufacturing of mini lifting equipment (may only be operated by branches); manufacturing of vehicles for production (may only be operated by branches); sales of specialised vehicles, parts and components for machinery, computer software, construction machinery vehicles and intelligent equipment; research and development of parts and components for machinery; maintenance of lifting machinery; manufacturing of general parts and components (may only be operated by branches); leasing of machinery and equipment; loading, unloading and transport (except gravel); technical consultation for machinery and equipment; technical services for machinery and equipment; development of software; software services; import and export of goods or technologies (except for import and export of goods and technologies prohibited by the State or for which administrative approval is required); operation of second-hand cars; design of construction machinery; manufacturing of construction machinery (may only be operated by branches); repair services for construction machinery; manufacturing of intelligent equipment (may only be operated by branches). (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments and shall not, without approval, conduct P2P lending, equity crowdfunding, Internet insurance, capital management and cross-border business such as financial, third-party payments, virtual currency transactions, ICO, illegal foreign exchange and other Internet financial services)
- f. Relationship with the Company: A direct wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Hunan Zoomlion Intelligent Aerial Work Machinery Co., Ltd.* were RMB1,031,262,200, its unaudited total liabilities were RMB571,864,500, and the total owners' equity attributable to parent was RMB459,397,700. For the period from January to December 2020, the operating revenue was RMB1,028,146,100 and the net profit was RMB60,484,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB3 billion

LETTER FROM THE BOARD

(17) Zoomlion Zvalley Technology Co., Ltd.*

- a. Name: Zoomlion Zvalley Technology Co., Ltd.* 中科雲谷科技有限公司
- b. Registered address: Building C, No. 888 Huanhu West 2nd Road, Nanhui Xincheng Town, Pudong New District, Shanghai City
- c. Legal representative: FU Ling
- d. Registered capital: RMB50 million
- e. Business nature: Industrial Internet
- f. Relationship with the Company: A direct wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Zvalley Technology Co., Ltd.* were RMB128,981,300, its unaudited total liabilities were RMB97,876,500, and the total owners' equity attributable to parent was RMB31,104,800. For the period from January to December 2020, the operating revenue was RMB121,989,100 and the net profit was RMB623,200.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB500 million

(18) Zoomlion Business Factoring (China) Co., Ltd.

- a. Name: Zoomlion Business Factoring (China) Co., Ltd. 中聯重科商業保理(中國)有限公司
- b. Registered address: Room 217, Level Two, Block D, Office Building, Integrated Service Region, Tianjin Development Zone (Nangang Industrial Zone)
- c. Legal representative: ZHAN Chunxin
- d. Registered capital: USD100 million
- e. Business nature: Trade receivables financing; settlement, management and recovery of receivables; maintenance of the sales ledger; non-commercial guarantees against bad debts related to the business of the Company; client status enquiries and evaluation; and other advisory services. (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments)
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion Capital (H.K.) Co. Limited)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Business Factoring (China) Co., Ltd. were RMB1,434,644,900, its unaudited total liabilities were RMB770,500,000 and the total owners' equity attributable to parent was RMB664,145,000. For the period from January to December 2020, the operating revenue was RMB17,506,600 and the net profit was RMB854,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB500 million

LETTER FROM THE BOARD

(19) Zoomlion H.K. Holding Co., Limited

- a. Name: Zoomlion H.K. Holding Co., Limited 中聯重科(香港)控股有限公司
- b. Registered address: 6/F, THE ANNEX, CENTRAL PLAZA, 18 HARBOUR ROAD, HK
- c. Director: ZHAN Chunxin
- d. Registered capital: USD882,640,642.58
- e. Business nature: Holding company
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion H.K. Holding Co., Limited were RMB5,565,428,900, its unaudited total liabilities were RMB113,398,400, and the total owners' equity attributable to parent was RMB5,452,030,400. For the period from January to December 2020, the operating revenue was 0 and the net profit was RMB50,720,400.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB375 million

(20) Zoomlion International Trading (H.K.) Co., Limited

- a. Name: Zoomlion International Trading (H.K.) Co., Limited 中聯重科國際貿易(香港)有限公司
- b. Registered address: 6/F, THE ANNEX, CENTRAL PLAZA, 18 HARBOUR ROAD, HK
- c. Director: SHEN Ke
- d. Registered capital: USD52 million
- e. Business nature: Trading company
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion H.K. Holding Co., Ltd.)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion International Trading (H.K.) Co., Limited were RMB4,690,383,000, its unaudited total liabilities were RMB4,228,785,200, and the total owners' equity attributable to parent was RMB461,597,700. For the period from January to December 2020, the operating revenue was RMB565,197,400 and the net profit was RMB150,261,600.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB750 million

LETTER FROM THE BOARD

(21) Zoomlion Singapore Investment Holdings PTE. LTD

- a. Name: Zoomlion Singapore Investment Holdings PTE. LTD 中聯重科新加坡控股公司
- b. Registered address: 112 Robinson Road #03-01 Robinson 112 Singapore (068902)
- c. Director: SHEN Ke
- d. Registered capital: USD10,495,000.00
- e. Business nature: Holding company
- f. Relationship with the Company: A direct majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Singapore Investment Holdings PTE. LTD were RMB85,554,800, its unaudited total liabilities were RMB20,832,000, and the total owners' equity attributable to parent was RMB64,722,800. For the period from January to December 2020, the operating revenue was 0 and the net profit was RMB-94,600.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB30 million

(22) Zoomlion Capital (H.K.) Co., Limited

- a. Name: Zoomlion Capital (H.K.) Co., Limited 中聯重科金融(香港)公司
- b. Registered address: 6/F, THE ANNEX, CENTRAL PLAZA, 18 HARBOUR ROAD, HK
- c. Director: DU Yigang
- d. Registered capital: HKD1,671,205,000.01
- e. Business nature: Financial leasing
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion H.K. Holding Co., Ltd.)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Capital (H.K.) Co. Limited were RMB3,604,692,800, its unaudited total liabilities were RMB180,296,100, and the total owners' equity attributable to parent was RMB3,424,396,700. For the period from January to December 2020, the operating revenue was RMB5,022,900 and the net profit was RMB110,260,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB1 billion

LETTER FROM THE BOARD

(23) Zoomlion Capital (Australia) Pty Ltd

- a. Name: Zoomlion Capital (Australia) Pty Ltd. 中聯重科金融(澳大利亞)公司
- b. Registered address: Suite 1, 27–31 Duerdin Street, Notting Hill, VIC 3168.
- c. Directors: WANG Furong, DU Yigang and LI Kai
- d. Registered capital: AUD1,000.00
- e. Business nature: Financial leasing and mortgage loans
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion Capital (H.K.) Co., Limited)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Capital (Australia) Pty Ltd were RMB63,039,400, its unaudited total liabilities were RMB70,954,900, and the total owners' equity attributable to parent was RMB-7,915,500. For the period from January to December 2020, the operating revenue was RMB1,960,400 and the net profit was RMB3,460,200.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

(24) Zoomlion Capital (Italy) S.p.A.

- a. Name: Zoomlion Capital (Italy) S.p.A. 中聯重科金融(意大利)公司
- b. Registered address: Via Stati Uniti d'America 26 20030 Senago (Mi), Italy
- c. Directors: WANG Furong, DU Yigang, Alessandro Lacono, Eugenio Maria Mastropaolo and Lilia Gattuso
- d. Registered capital: EUR14,000,000
- e. Business nature: Financial leasing
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion Capital (H.K.) Co., Limited)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Capital (Italy) S.p.A. were RMB637,557,700, its unaudited total liabilities were RMB502,761,000, and the total owners' equity attributable to parent was RMB134,796,700. For the period from January to December 2020, the operating revenue was RMB17,043,400 and the net profit was RMB-40,324,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

LETTER FROM THE BOARD

(25) ZOOMLION CAPITAL SOUTH AFRICA (PTY) LTD.

- a. Name: ZOOMLION CAPITAL SOUTH AFRICA (PTY) LTD. 中聯重科金融(南非)公司
- b. Registered address: Lynnwood Bridge4 Daventry Street Johannesburg, Gauteng SOUTH AFRICA 0081
- c. Directors: WANG Furong, DU Yigang, LIU Jie and ZHANG Ying
- d. Registered capital: USD1 million
- e. Business nature: Financial leasing and mortgage loan businesses
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion Capital (H.K.) Co., Limited)
- g. As of 31 December 2020, the unaudited total assets of ZOOMLION CAPITAL SOUTH AFRICA (PTY) LTD. were RMB54,834,200, its unaudited total liabilities were 55,928,500 and the total owners' equity attributable to parent was RMB-1,094,300. For the period from January to December 2020, the operating revenue was RMB1,043,100 and the net profit was RMB16,711,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

(26) LLC Zoomlion Capital (Rus)

- a. Name: LLC Zoomlion Capital (Rus) 中聯重科金融(俄羅斯)公司
- b. Registered address: Building 1, 30, Selskokhozayistvennaya street, Moscow, 129226, Russia
- c. General manager: YAN Xin
- d. Registered capital: RUB2,500,000.00
- e. Business nature: Financial leasing business
- f. Relationship with the Company: An indirect majority-owned subsidiary (Zoomlion Capital (H.K.) Co., Limited and SU Yongzhuan hold as to 99% and 1% of the equity interest respectively)
- g. As of 31 December 2020, the unaudited total assets of LLC Zoomlion Capital (Rus) were RMB48,577,400, its unaudited total liabilities were RMB138,469,800 and the total owners' equity attributable to parent was RMB-89,892,400. For the period from January to December 2020, the operating revenue was RMB969,100 and the net profit was RMB-19,700,100.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB200 million

LETTER FROM THE BOARD

(27) Zoomlion Capital (U.S.A.) Corp.

- a. Name: Zoomlion Capital (U.S.A.) Corp. 中聯重科金融(美國)公司
- b. Registered address: 550 W Duarte Rd #6, Arcadia, CA 91007, USA
- c. Directors: WANG Furong, DU Yigang and SUN Changjun
- d. Registered capital: USD5,047,500.00
- e. Business nature: Financial leasing
- f. Relationship with the Company: An indirect majority-owned subsidiary (a wholly-owned subsidiary of Zoomlion Capital (H.K.) Co., Limited)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Capital (U.S.A.) Corp. were RMB44,248,600, its unaudited total liabilities were RMB12,090,100, and the total owners' equity attributable to parent was RMB32,158,500. For the period from January to December 2020, the operating revenue was RMB8,035,600 and the net profit was RMB-134,900.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

(28) Zoomlion Heavy Industry Rus LLC

- a. Name: Zoomlion Heavy Industry Rus LLC 中聯重科俄羅斯有限公司
- b. Registered address: 143441 Московская область, Красногорский район, п/о Путилково, 69 км МКАД, офисно-общественный комплекс ЗАО "Гринвуд", строение 17
- c. Director: Ksenia Maskalkova
- d. Registered capital: RUB32 million
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary jointly invested by a Luxembourgian company and a Singaporean company)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Heavy Industry Rus LLC were RMB97,454,900, its unaudited total liabilities were RMB102,437,000, and the total owners' equity attributable to parent was RMB-4,982,100. For the period from January to December 2020, the operating revenue was RMB112,477,300 and the net profit was RMB-6,653,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB80 million

LETTER FROM THE BOARD

(29) PT. Zoomlion Indonesia Heavy Industry

- a. Name: PT. Zoomlion Indonesia Heavy Industry 中聯印尼公司
- b. Registered address: Kirana Two Building 18th floor Unit C, Jl. Boulevard Timur No. 88, Pegangsaan Dua, Kelapa Gading, North of Jakarta
- c. Directors: LI Bin, LONG Yong and LI Dongjing
- d. Registered capital: IDR9,220,000,000
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary jointly invested by a Luxembourgian company and a Singaporean company)
- g. As of 31 December 2020, the unaudited total assets of PT. Zoomlion Indonesia Heavy Industry were RMB71,423,100, its unaudited total liabilities were RMB65,120,700, and the total owners' equity attributable to parent was RMB6,302,400. For the period from January to December 2020, the operating revenue was RMB14,793,700 and the net profit was RMB-3,493,200.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB100 million

(30) ZOOMLION HEAVY INDUSTRY (THAILAND) CO., LTD.

- a. Name: ZOOMLION HEAVY INDUSTRY (THAILAND) CO.,LTD. 中聯重科泰國公司
- b. Registered address: No. 1, MD Tower Building, Room C1, 8th Floor, Soi Bangna-Trad 25, Debaratna Road, Bangna Nuea, Bangna, Bangkok 10260
- c. Director: TAO Jiude
- d. Registered capital: THB203 million
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary jointly owned by a Hong Kong international trading company, a Luxembourgian company and a Singaporean company)
- g. As of 31 December 2020, the unaudited total assets of ZOOMLION HEAVY INDUSTRY (THAILAND) CO.,LTD. were RMB89,635,900, its unaudited total liabilities were RMB42,487,200, and the total owners' equity attributable to parent was RMB47,148,700. For the period from January to December 2020, the operating revenue was RMB62,649,200 and the net profit was RMB4,272,100.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB100 million

LETTER FROM THE BOARD

(31) ZOOMLION VIETNAM COMPANY LIMITED

- a. Name: ZOOMLION VIETNAM COMPANY LIMITED 中聯重科越南公司
- b. Registered address: 10 Floor, Center Building, No 1 Nguyen Huy Tuong Street, Thanh Xuan Trung Ward, Thanh Xuan District, Hanoi, Vietnam.
- c. Director: YI Luwei
- d. Registered capital: VND12,750,000,000
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary of a Hong Kong international trading company)
- g. As of 31 December 2020, the unaudited total assets of ZOOMLION VIETNAM COMPANY LIMITED were RMB16,613,900, its unaudited total liabilities were RMB15,362,200, and the total owners' equity attributable to parent was RMB1,251,700. For the period from January to December 2020, the operating revenue was RMB8,506,200 and the net profit was RMB-829,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB75 million

(32) Zoomlion Gulf FZE

- a. Name: Zoomlion Gulf FZE 中聯重科海灣公司
- b. Registered address: Plot No. S21505, Jebel Ali, Dubai, United Arab Emirates
- c. General manager: CHANG Shu
- d. Registered capital: AED8,000,000
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: A direct wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Gulf FZE were RMB225,779,600, its unaudited total liabilities were RMB221,631,000, and the total owners' equity attributable to parent was RMB4,148,600. For the period from January to December 2020, the operating revenue was RMB191,163,500 and the net profit was RMB-15,086,000.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB60 million

LETTER FROM THE BOARD

(33) Zoomlion Middle East Machinery Rental LLC

- a. Name: Zoomlion Middle East Machinery Rental LLC 中聯重科中東機械租賃公司
- b. Registered address: Plot No 341-0, zarooni, Al Mararr, Duabi UAE
- c. General manager: REN Jie
- d. Registered capital: AED0.3 million
- e. Business nature: leasing and sales of machinery and equipment
- f. Relationship with the Company: An indirect majority-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Middle East Machinery Rental LLC were RMB20,015,700, its unaudited total liabilities were RMB19,415,400, and the total owners' equity attributable to parent was RMB600,300. For the period from January to December 2020, the operating revenue was RMB6,265,300 and the net profit was RMB-183,100.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB10 million

(34) Zoomlion South Africa (Pty) Ltd

- a. Name: Zoomlion South Africa (Pty) Ltd 中聯重科南非公司
- b. Registered address: 50 Oxford Road, Parktown, Johannesburg, Gauteng
- c. Legal representatives: XIONG Yanming and Olivier Alain
- d. Registered capital: ZAR1000
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary of a Hong Kong international trading company)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion South Africa (Pty) Ltd were RMB21,468,200, its unaudited total liabilities were RMB23,159,700, and the total owners' equity attributable to parent was RMB-1,691,500. For the period from January to December 2020, the operating revenue was RMB6,611,200 and the net profit was RMB1,803,800.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB30 million

LETTER FROM THE BOARD

(35) ZOOMLION AUSTRALIA-NEW ZEALAND PTY LTD

- a. Name: ZOOMLION AUSTRALIA-NEW ZEALAND PTY LTD 中聯重科澳新公司
- b. Registered address: UNIT 14 , 20 DUERDIN STREET , CLAYTON VIC 3168
- c. Legal representatives: XIONG Yanming, PI Gang and ZHONG Long
- d. Registered capital: AUD100
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary of a Hong Kong international trading company)
- g. As of 31 December 2020, the unaudited total assets of ZOOMLION AUSTRALIA-NEW ZEALAND PTY LTD were RMB11,882,300, its unaudited total liabilities were RMB16,016,100, and the total owners' equity attributable to parent was RMB-4,133,800. For the period from January to December 2020, the operating revenue was RMB16,796,000 and the net profit was RMB2,617,800.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB45 million

(36) Zoomlion Pakistan (Pvt.) Ltd

- a. Name: Zoomlion Pakistan (Pvt.) Ltd 中聯重科巴基斯坦有限公司
- b. Registered address: Bungalow, No.85/1, 30th Street, Khayaban-e-seher, Phase-VI, D.H.A, Karachi, Pakistan
- c. Directors: CHANG Shu and FAN Zhide
- d. Registered capital: PKR100,000,000
- e. Business nature: Sales and import/export of construction machinery and their parts
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of a Singaporean company)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Pakistan (Pvt.) Ltd were RMB7,811,600, its unaudited total liabilities were RMB3,327,100, and the total owners' equity attributable to parent was RMB4,484,500. For the period from January to December 2020, the operating revenue was RMB3,923,900 and the net profit was RMB714,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB30 million

LETTER FROM THE BOARD

(37) ZOOMLION CIFA MAKINE SANAYI VE TICARET ANONIM SIRKETI

- a. Name: ZOOMLION CIFA MAKINE SANAYI VE TICARET ANONIM SIRKETI
中聯-Cifa機械工業與貿易股份有限公司
- b. Registered address: Yenisehir Mahallesi Osmanli Bulvari B Blok A Girisi 4/A D35
34912 Pendik Istanbul
- c. Board representative: ZHANG Xinghua
- d. Registered capital: TRY2,500,000
- e. Business nature: Manufacturing, sales and import/export of construction machinery
and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Cifa Makine Sanayi
Ve Ticaret Anonim Sirketi were RMB10,969,200, its unaudited total liabilities
were RMB8,180,200, and the total owners' equity attributable to parent was
RMB2,789,000. For the period from January to December 2020, the operating revenue
was RMB9,392,100 and the net profit was RMB347,200.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB30 million

(38) Zoomlion Brasil Industria e Comercio de Maquinas Ltda

- a. Name: Zoomlion Brasil Industria e Comercio de Maquinas Ltda 中聯巴西工業貿易
機械公司
- b. Registered address: Alameda Venus, 694, Distrito Industrial American Park,
Indaiatuba, Sao Paulo, Brazil
- c. Director: ZHONG Qirui
- d. Registered capital: USD25,106,717.52
- e. Business nature: Manufacturing, sales and import/export of concrete machinery and
their parts and components
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary
of Zoomlion Luxembourg Inv Holding. S.A. and Zoomlion's Singaporean company
respectively)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Brasil Industria
e Comercio de Maquinas Ltda were RMB71,034,000, its unaudited total liabilities
were RMB58,091,000, and the total owners' equity attributable to parent was
RMB12,943,000. For the period from January to December 2020, the operating revenue
was RMB14,915,500 and the net profit was RMB-17,739,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB20 million

LETTER FROM THE BOARD

(39) Zoomlion Wilbert TowerCranes GmbH

- a. Name: Zoomlion Wilbert TowerCranes GmbH 中聯重科威爾伯特塔機有限責任公司
- b. Registered address: Am Lohrgraben 2, 55444 Waldlaubersheim
- c. Director: Dr. Meding, Michael
- d. Registered capital: EUR4,060,000
- e. Business nature: Engaging in the development, manufacturing, sales, leasing, installation, maintenance, repair and trading of tower cranes and construction machinery.
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary of GuoYu Europe Holding GmbH)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Wilbert TowerCranes GmbH were RMB308,735,000, its unaudited total liabilities were RMB135,652,500 and the total owners' equity attributable to parent was RMB173,082,500. For the period from January to December 2020, the operating revenue was RMB194,158,300 and the net profit was RMB15,869,300.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB50 million

(40) Compagnia Italiana Forme Acciaio S.p.A

- a. Name: Compagnia Italiana Forme Acciaio S.p.A
- b. Registered address: Via Stati Uniti d'America, 26 20030 Senago, (MI)
- c. Director: WANG Yongxiang
- d. Registered capital: EUR15,100,000
- e. Business nature: Research and development, production, manufacturing and sales of, and after-sale technical service for, construction machinery and equipment and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of Compagnia Italiana Forme Acciaio S.p.A were RMB4,573,339,700, its unaudited total liabilities were RMB3,230,028,600, and the total owners' equity attributable to parent was RMB1,343,311,100. For the period from January to December 2020, the operating revenue was RMB1,143,047,200 and the net profit was RMB-61,094,800.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB120 million

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(41) *m-tec mathis technik gmbh*

- a. Name: m-tec mathis technik gmbh
- b. Registered address: Otto-Hahn-Str. 6 DE-79395 Neuenburg
- c. Director: SHEN Ke
- d. Registered capital: EUR2,556,459.41
- e. Business nature: Research and development, production, manufacturing and sales of, and after-sale technical service for, construction machinery and equipment and their parts
- f. Relationship with the Company: An indirect wholly-owned subsidiary
- g. As of 31 December 2020, the unaudited total assets of m-tec mathis technik gmbh were RMB245,949,400, its unaudited total liabilities were RMB110,518,300, and the total owners' equity attributable to parent was RMB135,431,100. For the period from January to December 2020, the operating revenue was RMB273,506,500 and the net profit was RMB3,797,400.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB40 million

(42) *Rabe Agrartechnik Vertriebsgesellschaft mbH*

- a. Name: Rabe Agrartechnik Vertriebsgesellschaft mbH
- b. Registered address: 49536, Lienen, Germany
- c. Director: WANG Lei
- d. Registered capital: RMB36,077,500
- e. Business nature: Research and development, manufacturing and sales of, and after-sale service for, agricultural machinery
- f. Relationship with the Company: An indirect majority-owned subsidiary (a subsidiary of ZWL Holding GmbH)
- g. As of 31 December 2020, the unaudited total assets of Rabe Agrartechnik Vertriebsgesellschaft mbH were RMB80,119,900, its unaudited total liabilities were RMB52,226,700, and the total owners' equity attributable to parent was RMB27,893,200. For the period from January to December 2020, the operating revenue was RMB24,482,400 and the net profit was RMB-8,092,300.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB40 million

LETTER FROM THE BOARD

(43) LLC “ZOOMLION BEL-RUS”

- a. Name: LLC “ZOOMLION BEL-RUS” 中聯重科白俄羅斯有限責任公司
- b. Registered address: China-Bel-Rus Industrial Park, Smalyavichy District, Minsk Region, Belarus
- c. General manager: YUAN Xun
- d. Registered capital: BYN61,552,684.50
- e. Business nature: Manufacturing and sales of construction machinery
- f. Relationship with the Company: an indirect majority-owned subsidiary (held as to 99%) (Powermole Limited and YUAN Xun hold as to 99% and 1% of the equity interest respectively)
- g. As of 31 December 2020, the unaudited total assets of LLC “ZOOMLION BEL-RUS” were RMB217,172,600, its unaudited total liabilities were RMB67,484,400, and the total owners’ equity attributable to parent was RMB149,688,200. For the period from January to December 2020, the operating revenue was RMB4,179,200 and the net profit was RMB-4,964,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB70 million

(44) ZOOMLION INDIA PRIVATE LIMITED

- a. Name: ZOOMLION INDIA PRIVATE LIMITED 中聯重科印度子公司
- b. Registered address: Plot No. 49, Panvel Industrial Co-operative Estate Ltd, Panvel, Raigarh, Pin Code-410206, Maharashtra Mumbai
- c. Directors: HUANG Qun, SHEN Ke and MUKESH KUMAR JHA
- d. Registered capital: Paid-in: INR813,228,204.15; Share premium: INR6,315,800
- e. Business nature: Trading company, sales of and after-sale service for construction machinery and products, including concrete machinery, piling machinery, earthmoving machinery and crane machinery
- f. Relationship with the Company: An indirect wholly-owned subsidiary (a subsidiary jointly owned by a Singaporean holding company and a Hong Kong international trading company)
- g. As of 31 December 2020, the unaudited total assets of ZOOMLION INDIA PRIVATE LIMITED were RMB170,102,300, its unaudited total liabilities were RMB119,385,700, and the total owners’ equity attributable to parent was RMB50,716,700. For the period from January to December 2020, the operating revenue was RMB65,802,300 and the net profit was RMB-12,546,500.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB150 million

LETTER FROM THE BOARD

(45) Zoomlion Finance and Leasing (China) Co., Ltd.*

- a. Name: Zoomlion Finance and Leasing (China) Co., Ltd.* 中聯重科融資租賃(中國)有限公司
- b. Registered address: Room 316, Block D, Office Building, Comprehensive Service Area, Nangang Industrial Zone, Tianjin Development Area
- c. Legal representative: ZHAN Chunxin
- d. Registered capital: USD280 million
- e. Business nature: Financial leasing
- f. Relationship with the Company: An indirect wholly-owned subsidiary (100% interest of which is held by Zoomlion Capital (H.K.) Co., Limited)
- g. As of 31 December 2020, the unaudited total assets of Zoomlion Finance and Leasing (China) Co., Ltd.* were RMB10,838,239,900, its unaudited total liabilities were RMB8,471,996,200, and the total owners' equity attributable to parent was RMB2,366,243,700. For the period from January to December 2020, the operating revenue was RMB414,611,400 and the net profit was RMB-444,101,900.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB3 billion

(46) Hunan Zoomlion Zhenxiang Modern Agricultural Development Co., Ltd.*

- a. Name: Hunan Zoomlion Zhenxiang Modern Agricultural Development Co., Ltd.* 湖南中聯振湘現代農業發展有限公司
- b. Registered address: 3/F, Office Building, No. 677 Lugu Avenue, Changsha Hi-Tech Industry Development Zone
- c. Legal representative of the company: SUN Changjun
- d. Registered capital: RMB100 million
- e. Business nature: Development of modern agricultural
- f. Relationship with the Company: a direct majority-owned subsidiary (held as to 51%)
- g. As of 31 December 2020, the unaudited total assets of Hunan Zoomlion Zhenxiang Modern Agricultural Development Co., Ltd.* were RMB16,507,600, its unaudited total liabilities were RMB605,000, and the total owners' equity attributable to parent was RMB15,902,600. For the period from January to December 2020, the operating revenue was 0 and the net profit was RMB-2,224,700.
- h. Amount of guarantee: Not exceeding an equivalent amount of RMB15 million

LETTER FROM THE BOARD

III. Principal terms of the guarantees

The guarantees are joint liability guarantees. The guarantor provides each guarantee for two years from the date on which the performance of the obligation is due according to the relevant agreement.

In the event that the borrower does not repay any amounts utilised when due in accordance with the relevant credit agreement or does not perform its obligations thereunder, the guarantor undertakes to repay the bank immediately upon calling up by the bank in writing or by teletype the principal amount actually utilised and the interest accrued thereon for which the guarantee is given by the guarantor, together with any legal fees, expenses, compensations, fines, and collection costs incurred, regardless of any disputes between the Company and its direct/indirect controlled subsidiaries.

IV. Authorisation

To seek approval from the Shareholders at the AGM to authorise the Board or any person authorised by the Board to adjust the available guarantee amount between the guaranteed parties if any of the following conditions is fulfilled:

- (1) a single guarantee amount for a concerned party shall not exceed 10% of the latest audited net assets of the Company;
- (2) where a guaranteed party has a debt-to-asset ratio exceeding 70% at the time of adjustment, the guarantee amount can only be obtained by the guaranteed party having a debt-to-asset ratio exceeding 70% (at the time when the Shareholders consider the guarantee amount at the AGM);
- (3) where a guaranteed party is an external entity outside the consolidated statement at the time of adjustment, the guarantee amount can only be obtained by other external guaranteed parties outside the consolidated statement;
- (4) at the time of adjustment, a concerned party has no outstanding liability; or
- (5) the Company provides guarantee to a concerned party based on its proportion of capital contribution, and the concerned party or other entities should have adopted the counter-guarantee and other related risk control measures.

V. Aggregate amounts of external or overdue guarantees

As at 31 December 2020, the Company provided external guarantees to subsidiaries and customers who financed their purchases by way of financial leasing or by mortgage with an aggregate outstanding balance of RMB16.673 billion, accounting for approximately 35.67% of the audited net asset for the latest audited period. The Company has neither provided any illegal external guarantees nor had any overdue guarantees. The Company does not bear any loss arising from a lawsuit for which judgment is made against the Company in relation to a guarantee. The Company does not provide debt guarantees for any debtors of its controlling shareholders or an affiliate thereof.

9. CARRYING OUT OF LOW RISK INVESTMENTS AND FINANCIAL MANAGEMENT

Under the premise of safeguarding its normal business operation, funds security and risk control, and in order to reasonably utilise idle funds and enhance the efficiency of capital utilisation, the Company proposes to engage in low risk investment and wealth management by utilising its idle funds in accordance with the following principles and the relevant requirements, such as the Shenzhen Listing Rules, the Guidelines for the Standard Operation of Listed Companies (2020 Revision) of the Shenzhen Stock Exchange and the Hong Kong Listing Rules:

I. Investment objective

To reasonably utilise idle funds generated from capital turnover of the Company, enhance the efficiency of capital utilisation, further preserve and enhance the capital value of the Company and safeguard the interest of the Shareholders without affecting the normal operation of the Company.

II. Investment limit

Not exceeding RMB12 billion. The funds can be used on a rolling basis within such limit.

III. Type of investment

- (1) Investment in bonds and money market funds
- (2) Entrusted wealth management (including wealth management products, trust products, asset management plans and public funds offered by financial institutions) etc.

IV. Term of investment

The term of each single investment shall not exceed two years.

V. Source of funds

It is funded by the Company's idle funds. No fund generated from capital raising or bank financing will be used for investment.

VI. Risk analysis and control measures

(1) Risk analysis

Although wealth management products are a kind of low risk investment products, the financial market is likely to be affected by macro-economy and thus the possibility that such investment may be affected by market fluctuation cannot be ruled out.

The Company will intervene to such extent as and when appropriate, taking account of the economic situation and changes in financial market, and the actual gain of investment is therefore unpredictable.

LETTER FROM THE BOARD

(2) Control measures

Zoomlion Finance is an operating unit that mainly deals with wealth management. Zoomlion Finance is responsible for reviewing the coverage of wealth management business, assessing risk and formulating wealth management plans for submission to the person-in-charge of finance of the Company for approval based on the financial and cash flow positions of the Company, movements in interest rate and other conditions. In addition, Zoomlion Finance is also responsible for raising capital required for wealth management, dealing with formalities relating to wealth management, conducting bookkeeping for wealth management on a monthly basis and filing and safekeeping relevant files.

The risk control department of the Company is responsible for reviewing and seeking legal advice on contracts and legal documents relating to wealth management in order to ensure that the wealth management is in compliance with the requirements of laws and regulations as well as policies of the Company and to safeguard the legal interest of the Company.

The audit department of the Company is a department that supervises the wealth management. It is responsible for supervising, controlling and auditing the wealth management of the Company, reviewing the approval, actual operation, capital utilisation, profit and loss, etc. of wealth management, procuring prompt and timely bookkeeping by accounting personnel and checking the condition of bookkeeping.

The Company shall disclose in its periodic report the investment in wealth management products and the corresponding gains generated therefrom during the reporting period.

VII. Effect on the Company

The low risk investment and wealth management funded by its own idle funds is only implemented by the Company where the normal operation and security of funds of the Company are safeguarded without affecting the normal capital turnover requirements for daily operation and the normal development of the principal businesses of the Company.

The Company is able to obtain gains from low risk investment and wealth management at an appropriate scale, which will help to improve the overall results of the Company and achieve better investment return for the Shareholders.

VIII. Authorisation

To authorise the chairman of the Board to exercise the power to make any such investment decisions within the abovementioned limit and execute the relevant contracts and agreements. This authorisation shall be effective from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

10. INVESTMENT IN FINANCIAL DERIVATIVES

In order to fulfil the needs of the Company and its controlling subsidiaries to conduct hedging for value preservation, establish an effective risk prevention mechanism and procure stable and sound operation, the Company proposes to invest in financial derivatives in accordance with the following principles and the relevant requirements, such as the Shenzhen Listing Rules, the Guidelines for the Standard Operation of Listed Companies (2020 Revision), the Memorandum No. 26 on Information Disclosure — Derivatives Investments of the Shenzhen Stock Exchange and the Hong Kong Listing Rules:

I. Objectives

The objectives of financial derivatives investment of the Company are hedging and value preservation so as to lock costs and circumvent risks, including risks relating to interest and exchange rates. It involves basic financial derivatives that are closely related to the principal business and in alignment with the underlying business in terms of product type, scope, direction and term, etc., and thus the prudent and sound risk control principles of the Company are well-observed.

II. Limit

Nominal principal shall not exceed RMB6 billion on a revolving basis within such limit.

III. Type of derivatives

The proposed investment of the Company in derivatives products mainly include products such as forward contracts, options, swaps or futures and their portfolios, and the corresponding underlying assets include interest, exchange rates, currencies or products and their portfolios.

IV. Term of investment

Any single financial derivative shall not have a term exceeding the term of its corresponding underlying business.

V. Necessity for trading of foreign exchange derivatives

The import and export businesses of the Company are mainly settled in United States Dollars, and part of it is settled in other currencies, such as Euro and Japanese Yen. In addition, the US\$0.6 billion bonds issued by the Company will fall due in 2022. In order to avoid interest and exchange rates exposures, minimise their impact on profits of the Company, reduce loss from foreign exchange and minimise finance expenses, the Company and its controlling subsidiaries are required to engage in trading of financial derivatives to reduce the foreseeable risks relating to substantial interest and exchange rate fluctuation.

VI. Risk analysis

Market risk: The financial derivative investment to be engaged in by the Group and its members is of the type of hedging which is relevant to their principal businesses. There is the risk of loss arising from changes in prices of financial derivatives caused by market price fluctuation, such as that of the underlying interest and exchange rates.

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Liquidity risk: As the derivative investment will be in a form of over-the-counter trading operated by financial institutions and relate to its import and export payables and receivables in foreign currencies and local and foreign currencies, no available funds will be applied. However, there is the risk of loss due to payment of any margin to banks upon closing a position for whatever reasons.

Other risks: In the actual course of implementation, the Company may suffer loss in the course of trading of financial derivatives for reasons, such as incomprehensive internal control procedures, employees' operation, systems, etc. In addition, if any personnel who is responsible for trading fails to fully understand the terms of the relevant trading contracts and product information, the Company is subject to legal risk and trading loss so incurred.

VII. Risk control measures

- (1) Zoomlion Finance is responsible for the centralised management of financial derivative investment of the member companies of the Group, real-time tracking of changes and trends in international foreign exchange market, enhancing analysis of foreign exchange and interest rates information, operating in strict compliance with requirements of the Regulations on Internal Control for Financial Derivative Investment, ensuring the effective implementation of those regulations and preventing loss from foreign exchange to the greatest extent.
- (2) The Company has formulated the Regulations on Internal Control for Financial Derivative Investment and other relevant procedures and policies, and put in place specific regulations concerning the financial derivative investment of the Company that relate to the amount of transactions, type and scope of products, approval and authorizations, internal procedures, responsible departments, information segregation measures, regulations on internal risk reporting and risk control procedures, information disclosure and file management, etc.
- (3) Management of trading counterparties: In the course of investing in financial derivatives, large-scale international and local commercial banks with good standing shall be prudently and carefully selected for financial derivative investment, and the development of the relevant laws and regulations will be kept abreast so as to avoid any potential legal risks.
- (4) Management on bank accounts and funds will be strengthened, and the approval procedures for fund allocation and utilization will be strictly observed.
- (5) In the event of material market change or any material unrealised loss, a special task group will be formed and a contingency system must be promptly established to pro-actively deal with and properly resolve the issue.
- (6) A proper risk assessment model and a supervising and control system will be selected. All types of risks will be continually monitored, controlled and reported. The frequency of reporting will be increased and proposed solutions will be promptly formulated where there is severe market fluctuation or escalation of risk.

VIII. Authorisation

To authorise the chairman of the Board and his authorised persons to exercise the power to make any decision on financial derivative investment within the abovementioned limit and execute the relevant contracts and agreements. This authorisation shall be effective from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

11. AUTHORISATION TO HUNAN ZHICHENG TO ENGAGE IN THE BUSINESS OF PROVIDING FINANCING GUARANTEES

In order to promote the smooth development of the production and sales of products of the Company, open up the upstream and downstream financing channels in the industrial chain and acquire mutual benefits through cooperation, and according to the business plan of the Company for the year 2021 and subject to management and effective assets risk control, the Company proposes to authorize Hunan Zhicheng to engage in the business of providing financing guarantees with a maximum outstanding balance of RMB2 billion. Each guarantee shall have the same term as the relevant loan with a maximum term of five years.

I. Basic requirement of the guaranteed party

A guaranteed party must be a supplier, agent or end user of the Company which is not connected to the Company or it must be a subsidiary controlled by the Company, in each case in good standing and satisfying the conditions for grant of guarantees after review by a financial institution and Hunan Zhicheng.

II. Main scope of the guarantee

Financing guarantee, performance guarantee and provision of intermediary services such as financing consultancy or financial advisory services relating to the provision of guarantees.

III. Risk control measures for the guaranteed facilities

For the purpose of risk control, Hunan Zhicheng will strictly monitor the credit rating of the clients through stringent control over various aspects, including credibility review, completeness of business approval procedures, etc. to reduce its risk exposure arising from such guarantee. Major measures are as follows:

- (1) formulating management measures for its financing guarantee business to manage and supervise the procedures of the business and requiring its clients to provide counter-guarantee in favour of Hunan Zhicheng;
- (2) based on the above management measures, specifying the proposed loan facilities to and management and control on its clients and monitor the scope, risks, efficiency of turnover, etc. of the credits granted to clients;
- (3) establishing the early risk warning threshold and the management and control standards, conducting monthly monitor and control; and facilitating and procuring the enhancement of risk control capabilities through analysis of repayment capabilities of clients; and

LETTER FROM THE BOARD

- (4) in the event of breach of agreements by clients, promptly taking loss mitigation measures by Hunan Zhicheng, such as demanding for repayment through phone calls, sending solicitor's demand letter, taking legal proceedings or actions.

IV. Execution of agreement

Upon commencement of guarantee business, Hunan Zhicheng will enter into relevant agreements in accordance with the authorisation granted by the Board in connection with the business of financing guarantees.

V. Aggregate amount of external guarantees provided by Hunan Zhicheng

As at 31 December 2020, the outstanding total amount of guarantees provided by Hunan Zhicheng amounted to RMB896 million. No external guarantee has been provided in breach of applicable laws.

VI. Authorisation

To authorise Hunan Zhicheng to engage in the financing guarantee business and to approve the outstanding limit for such external guarantees.

The effective term of such authorisation shall commence from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

12. REGISTRATION FOR ISSUE OF ASSET-BACKED SECURITIES PRODUCTS BY ZOOMLION FINANCE AND LEASING (CHINA)

In order to optimise the asset structure, broaden financing channels and promote high-quality development of the Company, Zoomlion Finance and Leasing (China) Co., Ltd.*, a wholly-owned subsidiary of the Company, proposed to apply for registration for the issue of asset-backed securities products. Details are as follows:

I. Basic particulars of asset-backed securities products

- (1) Original owner: Zoomlion Finance and Leasing (China)
- (2) Underlying assets: the right to collect lease payments and other rights under the financing and leasing contracts of Zoomlion Finance and Leasing (China) and the ancillary security interests provided thereunder
- (3) Offer size: Not more than RMB5 billion, to be issued in multiple tranches
- (4) Term of issue: Not more than 5 years

LETTER FROM THE BOARD

- (5) Credit enhancement measures: A top-up arrangement to be provided by Zoomlion Finance and Leasing (China) in the event of any shortfall in payment, of which it will assume the obligations to settle any shortfall where the allocated capital for a security plan (excluding the default payments and compensation for damages (if any) payable by the corresponding transaction parties under the account of the security plan) is insufficient to, in accordance with the priority of allocation as agreed in the Standard Terms thereunder, fully settle the expected proceeds and/or principal payable for each tranche in respect of the senior asset-backed securities.

The Company will provide a guarantee in favour of Zoomlion Finance and Leasing (China) for the top-up arrangement. The total guaranteed amount will not exceed RMB5.5 billion, being the sum of the principal of and the expected proceeds to be derived from the senior securities products actually issued by Zoomlion Finance and Leasing (China) for each tranche. The guarantee period will commence from the date on which each security plan is established and end on the third anniversary of the date of completion of the respective asset-backed security plans.

II. Basic information of the guaranteed party

- (1) Name of company: Zoomlion Finance and Leasing (China) Co., Ltd.*
- (2) Registered address: Room 316, Block D, Office Building, Comprehensive Service Area, Nangang Industrial Zone, Tianjin Development Area
- (3) Type of business: Limited liability company (solely owned by legal person in Hong Kong, Macau or Taiwan)
- (4) Legal representative: ZHAN Chunxin (詹純新)
- (5) Registered capital: USD280,000,000
- (6) Date of incorporation: 2 February 2009
- (7) Scope of business: Financial leasing business; leasing business; purchase of leased property from domestic and foreign sources; treatment and maintenance of the residual value of the leased property; consultation of and provision of guarantee for lease transaction; provision of insurance agency service; economic information consultation; sale of construction and machinery equipment and construction vehicles; and provision of commercial factoring business relating to the main business.
- (8) Relationship between the guaranteed party and the Company: A wholly-owned subsidiary of the Company

The guaranteed party is not a judgement debtor. As at 31 December 2020, there is no contingent liabilities relating to the guaranteed party which needs to be disclosed.

LETTER FROM THE BOARD

Financial condition of the guaranteed party in the last year and period:

(1) Condition of assets and liabilities (in RMB)

Item	As at 31 December 2019	As at 31 December 2020
Total assets	10,758,384,358.00	10,838,239,907.37
Total liabilities	609,155,181.00	8,471,996,241.79
Where: Total current liabilities	486,237,323.00	7,806,921,911.66
Net assets	10,149,229,177.00	2,366,243,665.57

(2) Operating income and profit (in RMB)

Item	2019	2020
Operating income	399,474,543.57	414,611,447.91
Total profit	-24,905,332.10	473,672,531.21
Net profit	37,620,442.72	444,101,867.46

III. Authorisation

- (1) To agree to the registration of the asset-backed securities products in the amount of RMB5 billion by Zoomlion Finance and Leasing (China).
- (2) To agree to the undertaking of obligations to top up the shortfall in relation to the asset-backed securities products in the amount of RMB5 billion by Zoomlion Finance and Leasing (China).
- (3) To agree to the provision of guarantee in favour of Zoomlion Finance and Leasing (China) for the top-up arrangement and the guaranteed amount will not exceed RMB5.5 billion.
- (4) To authorise the Board or its authorised persons to determine and deal with, at its/his sole discretion, matters in connection with the issue of asset-backed securities products under the proposed issuance, including but not limited to determining the issue place, the timing of the issue; form of issue; issue structure; size of issue; tranches of issue; interest rate; actual use of proceeds; signing necessary documents if required; appointing intermediaries such as underwriters, credit rating agencies, certified public accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required.

13. REGISTRATION FOR ISSUE OF SUPPLY CHAIN ASSET-BACKED SECURITIES PRODUCTS BY ZOOMLION BUSINESS FACTORING (CHINA)

In order to safeguard the smoothness of supply chain financing and develop a collaborative, sharing and “win-win” supply chain landscape, Zoomlion Business Factoring (China), a wholly-owned subsidiary of the Company, proposed to apply for registration for the issue of supply chain asset-backed securities products. Details are as follows:

I. Basic particulars

- (1) Original owner: Zoomlion Business Factoring (China)
- (2) Underlying assets: Creditors’ rights of accounts receivables and the ancillary rights thereunder transferred to the original owner after the application for factoring services by creditors (non-related parties), who held such creditors’ rights of accounts receivables confirmed by the Company and its subsidiaries or affiliated companies
- (3) Offer size: Not more than RMB6 billion, to be issued in multiple tranches
- (4) Term of issue: Not more than 1 year
- (5) Credit enhancement measures: The Company, as a joint debtor, will issue necessary documents, such as the Payment Confirmation Letter, to confirm that the creditors’ rights of accounts receivables corresponding to the underlying assets have a true, legal, valid and fair underlying transaction relationship and will agree that, until the full settlement of such accounts receivables, it will, as a joint debtor together with its subsidiaries/affiliated companies, assume the payment obligation when the accounts receivables fall due without defence for any reasons (including but not limited to commercial dispute).

II. Authorisation

- (1) To agree to the registration of the supply chain asset-backed securities products in the amount of RMB6 billion by Zoomlion Business Factoring (China).
- (2) To agree that the Company, as a joint debtor, will issue necessary documents, such as the Payment Confirmation Letter, to confirm that the creditors’ rights of accounts receivables corresponding to the underlying assets have a true, legal, valid and fair underlying transaction relationship and will agree that, until the full settlement of such accounts receivables, it will, as a joint debtor together with its subsidiaries/affiliated companies, assume the payment obligation when the accounts receivables fall due without defence for any reasons (including but not limited to commercial dispute).
- (3) To authorise the Board or its authorised persons to determine and deal with, at his sole discretion, matters in connection with the issue of asset-backed securities products under the proposed issuance, including but not limited to determining the issue place, the timing of the issue; form of issue; issue structure; size of issue; tranches of issue; interest rate; actual use of proceeds; signing necessary documents if required; appointing intermediaries such as underwriters, credit rating agencies, certified public accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required.

14. DISPOSAL OF 81% EQUITY INTEREST IN WHOLLY-OWNED SUBSIDIARY

On 16 April 2021 (after trading hours), the Company and the Buyers entered into the SPAs, pursuant to which the Buyers agreed to acquire from the Company the Equity Interests for an aggregate cash consideration of RMB1,626,952,800 (equivalent to approximately HK\$1,935,466,096).

The transaction does not constitute a major asset restructuring under the Administrative Measures on Major Asset Restructuring of Listed Companies (《上市公司重大資產重組管理辦法》).

I. THE SPAS

The principal terms of the SPAs are set out below.

SPA I

Date

16 April 2021

Parties

(1) The Company, as seller

(2) Buyer I, as buyer

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Buyer I is a wholly-owned subsidiary of Hunan SASAC, which is a substantial Shareholder. Nevertheless, Hunan SASAC is a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules and therefore not a connected person of the Company by virtue of Rule 14A.10 of the Hong Kong Listing Rules.

Subject matter

The Company conditionally agreed to sell and Buyer I conditionally agreed to purchase Equity Interest I, which represents 45% of the equity interest in the Target Company.

Consideration

A consideration of RMB903,862,700 is payable in cash by Buyer I to the Company, which was determined after arm's length negotiations between the parties with reference to the Target Company's net assets value as at 30 June 2020 of approximately RMB2,008,583,700, as set out in the Valuation Report. Accordingly, the consideration payable for the acquisition of Equity Interest I was set at 45% of such net assets value which equals to approximately RMB903,862,700.

The consideration payable will be settled in full within 30 days from the date of SPA I. If the Company fails to complete the formalities for change in industrial and commercial registration within 60 days after the date of SPA I, such consideration will be fully refunded by the Company to Buyer I with interest calculated at the rate of 4.35% per annum on a daily basis.

LETTER FROM THE BOARD

Conditions precedent

Completion of SPA I is conditional upon the fulfilment of the following conditions:

- (1) Hunan SASAC having issued its written consent in principle to the transfer of Equity Interest I;
- (2) all necessary approvals and consents for such transfer having been obtained by the parties to SPA I as required under their respective articles of association;
- (3) the Target Company having obtained approval for such transfer from its shareholders and board of directors;
- (4) approval having been obtained from the Shareholders in respect of such transfer; and
- (5) approval having been obtained from the BLFSA in respect of such transfer.

SPA II

Date

16 April 2021

Parties

- (1) The Company, as seller
- (2) Buyer II, as buyer

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Buyer II is a wholly-owned subsidiary of Hunan SASAC, which is a substantial Shareholder. Nevertheless, Hunan SASAC is a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules and therefore not a connected person of the Company by virtue of Rule 14A.10 of the Hong Kong Listing Rules.

Subject matter

The Company conditionally agreed to sell and Buyer II conditionally agreed to purchase Equity Interest II, which represents 36% of the equity interest in the Target Company.

Consideration

A consideration of RMB723,090,100 is payable in cash by Buyer II to the Company, which was determined after arm's length negotiations between the parties with reference to the Target Company's net assets value as at 30 June 2020 of approximately RMB2,008,583,700, as set out in the Valuation Report. Accordingly, the consideration payable for the acquisition of Equity Interest II was set at 36% of such net assets value which equals to approximately RMB723,090,100.

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The consideration payable will be settled in full within 30 days from the date of SPA II. If the Company fails to complete the formalities for change in industrial and commercial registration within 60 days after the date of SPA II, such consideration will be fully refunded by the Company to Buyer II with interest calculated at the rate of 4.35% per annum on a daily basis.

Conditions precedent

Completion of SPA II is conditional upon the fulfilment of the following conditions:

- (1) Hunan SASAC having issued its written consent in principle to the transfer of Equity Interest II;
- (2) all necessary approvals and consents for such transfer having been obtained by the parties to SPA II as required under their respective articles of association;
- (3) the Target Company having obtained approval for such transfer from its shareholders and board of directors;
- (4) approval having been obtained from the Shareholders in respect of such transfer; and
- (5) approval having been obtained from the BLFSA in respect of such transfer.

II. INFORMATION ON THE PARTIES

Information on the Company

The Company is a joint stock company incorporated with limited liability in the PRC. The Group is principally engaged in the research, development, manufacturing and sale of construction machinery and agricultural machinery, as well as financial services such as finance leasing.

Information on the Buyers

Buyer I is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Hunan SASAC. It is principally engaged in taking over of state-owned assets and state-owned equity, engaging in state-owned asset operation and management, state-owned equity management and capital operation within the scope of authorisation and other related business.

Buyer II is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Hunan SASAC. It is principally engaged in the investment of non-publicly issued and traded ordinary shares, convertible preference shares and convertible bonds of unlisted companies and investment management service.

Hunan SASAC is a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules.

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III. INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in the production of machinery and equipment components, insurance agency service, leasing, sales, repair and maintenance of machinery and equipment, sales of motor vehicles (excluding cars), construction vehicles, building materials and interior fitting materials, technical development, technical consultation and technical services, staff training, organising and preparing exhibitions and displays, financing and leasing; information consultation (except intermediary service), and asset management.

Set out below is a summary of the financial information on the Target Company:

	For the year ended 31 December	
	2020	2019
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>
Revenue	790,134,600	403,411,600
Profit before taxation	231,062,500	356,195,400
Profit after taxation	167,484,700	267,858,400

	As at 31 December	
	2020	2019
	<i>RMB</i>	<i>RMB</i>
	<i>(audited)</i>	<i>(audited)</i>
Net assets	2,189,575,600	2,022,090,800

IV. REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Disposal is in line with the Company's strategic development plan and allows it to streamline business structure and resources as well as promote and focus on its principal businesses. The Company intends to apply the net proceeds from the Disposal of approximately RMB1,626,392,800 (equivalent to approximately HK\$1,934,799,905) toward potential business or investment opportunities as and when they arise and for replenishing its working capital.

Based on the above, the Directors are of the view that the SPAs were entered into on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

V. FINANCIAL EFFECTS OF THE DISPOSAL

Immediately after Completion, the Company will hold a 19% interest in the Target Company. As such, the Target Company will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Company's financial statements.

It is estimated that the Group will record a gain on the Disposal in the amount of approximately RMB5,913,450.98 (equivalent to approximately HK\$7,034,797.74), being the difference between the sale proceeds and the unaudited net assets attributable to the Equity Interests as at 31 March 2021. The actual gain or loss arising from the Disposal will be subject to audit and may be different from the amount stated.

VI. LISTING RULES IMPLICATIONS

Hong Kong Listing Rules

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Hong Kong Listing Rules.

Each of the Buyers is a wholly-owned subsidiary of Hunan SASAC, which is a substantial Shareholder. Nevertheless, Hunan SASAC is a PRC Governmental Body within the meaning of Rule 19A.04 of the Hong Kong Listing Rules and therefore not a connected person of the Company by virtue of Rule 14A.10 of the Hong Kong Listing Rules.

Shenzhen Listing Rules

Hunan SASAC is the single largest Shareholder holding more than 5% of the Shares in issue and is therefore a related party of the Company. On this basis, the Disposal constitutes a related party transaction and is subject to approval from Shareholders under the Shenzhen Listing Rules.

Shareholders and potential investors should note that Completion is subject to satisfaction of certain conditions precedent and may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Company's securities.

VII. OTHER INFORMATION

As at the Latest Practicable Date, the amount of account receivables due from the Target Company to the Company was RMB6,991,827,800, which were incurred to satisfy the Target Company's daily operational needs. In this respect, the Target Company has agreed to a repayment plan under which it undertakes to fully settle by cash such outstanding sum within three years from the date of Completion as follows:

- (1) not less than RMB2.5 billion is payable on or before the first anniversary of the date of Completion;
- (2) not less than RMB2.5 billion is payable on or before the second anniversary of the date of Completion; and
- (3) the remainder of the outstanding balance (if any) is payable on or before the third anniversary of the date of Completion.

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As at the Latest Practicable Date, certain guarantees provided by the Company in favour of the Target Company remained outstanding as follows:

Date of grant	Term of guarantee	Type of funds	Method of guarantee	Financing amount (RMB)	Guaranteed amount (RMB)	Outstanding amount of guarantee (RMB)
27 September 2019	From the date of establishment of the financing project until the date falling three years after the completion date of the financing project	Asset-based securitisation 1	Joint and several	518,000,000	550,000,000	140,669,700
24 April 2020	From the date of establishment of the financing project until the date falling three years after the completion date of the financing project	Asset-based securitisation 2	Joint and several	777,000,000	854,700,000	496,892,000
27 July 2020	From the date of establishment of the financing project until the date falling three years after the completion date of the financing project	Asset-based securitisation 3	Joint and several	860,000,000	946,000,000	703,890,000
18 November 2020	From the date of establishment of the financing project until the date falling three years after the completion date of the financing project	Asset-based securitisation 4	Joint and several	1,363,000,000	1,499,300,000	1193,337,200

The above guarantees will be released upon the expiry of the maturity dates of the relevant financial products. Upon Completion, such guarantees will constitute related party guarantees and their continuance after Completion are subject to approval from Shareholders under the Shenzhen Listing Rules.

15. PROVISION OF GUARANTEES FOR MORTGAGE-FUNDED BUSINESS, FINANCE LEASING BUSINESS AND BUYER'S CREDIT BUSINESS

In order to fully enhance our customer service, develop a new “win-win” industry landscape, provide finance support for customers in purchasing the products of the Company, procure sales return and reduce business risks, according to the business plan of the Company for the year 2021 and subject to management and effective assets risk control, the Company proposes to continue to develop its mortgage-funded sales business and finance leasing and sales business and establish buyer's credit and sales business, and provide buy-back guarantees for such businesses with a maximum limit of RMB47 billion in total. Each guarantee shall have the same term as the respective business facility with a maximum term of five years.

I. Basic requirement of the guaranteed party

A guaranteed party must be a client of the Company in good standing which satisfies the financing conditions after review by a cooperative financial institution, and is not connected with the Company.

II. Main scope of the guarantee

The guarantee is provided in the form of a buy-back guarantee for equipment (subject matter) under mortgage-funded, finance leasing and buyer's credit (including joint facility) businesses.

III. Risk control measures for the guaranteed facilities

For the purpose of risk control, the Company will strictly monitor the credit rating of the clients of mortgage-funded, finance leasing and buyer's credit and sales businesses through stringent control over various aspects, including credibility review, completeness of business approval procedures, etc. to reduce its risk exposure arising from such guarantee. The main measures are as follows:

- (1) formulating management measures for its mortgage-funded, finance leasing and buyer's credit and sales businesses to manage and supervise the procedures of respective businesses;
- (2) pursuant to the above management measures, specifying the proposed loan facilities to and management and control on each client and monitor the scope, risks, efficiency of turnover, etc. of the credits granted to clients;
- (3) establishing the early risk warning threshold and the management and control standards, conducting monthly monitor and control; and facilitating and procuring the enhancement of risk control capabilities of clients through analysis of client capabilities. If the early risk warning threshold is reached, the Company will intervene and supervise the risk management;
- (4) pursuant to the above management and control procedures and requirements, establishing the corresponding risk control procedures and management proposals for credit facilities, which will be organised and coordinated by the credit control department of the Company; and

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- (5) formulating and establishing pre-contract assessment procedures for mortgage-funded, finance leasing and buyer's credit businesses under the organisation and leadership of the Company. Where the feasible risk control procedures and proposals have been confirmed and in place and after the recognised counter-guarantee agreements have been executed by clients and the corresponding agreements and documents have passed the compliance review by the legal department, an authorised signatory will execute the relevant agreements with external parties.

IV. Execution of agreement

No agreement has been executed in relation to any guarantee. An agreement will be executed upon the provision of such guarantee, subject to review and approval according to the relevant procedures of the Company.

V. Outstanding amount of external guarantees under mortgage-funded and finance leasing and sales businesses

As at 31 December 2020, the outstanding amount of guarantees provided by the Company to clients of mortgage-funded, finance lease and buyer's credit businesses amounted to RMB6.85 billion, representing approximately 14.65% of the net asset attributable to the Shareholders. No external guarantee has been provided in breach of applicable laws.

VI. Authorisation

To authorise the Company to continue to develop its mortgage-funded sales business and finance leasing and sales business and establish buyer's credit and sales business, and provide buy-back guarantees for such businesses.

The effective term of such authorisation shall commence from the date on which it is considered and approved at the AGM and end on the date on which the annual general meeting of the Company for the year 2021 is held.

16. REGISTRATION FOR THE “CENTRALISED REGISTRATION FOR ISSUE OF DEBT FINANCING INSTRUMENTS (DFI) OF THE NATIONAL ASSOCIATION OF FINANCIAL MARKET INSTITUTIONAL INVESTORS (NAFMII)”

In order to enhance the efficiency of registration and issue in the interbank market, broaden the scope of financing products available in the interbank market, the Company proposes to apply for registration for the “centralised registration for issue of DFI of the NAFMII”. Relevant details are as follows:

I. Proposed registration for DFI

- (1) Registrant: The Company
- (2) Types of DFI: It includes super short-term notes, short-term notes, medium-term notes, perpetual notes, asset-backed notes, and green debt financing and poverty alleviation debt instruments.

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- (3) Registration amount: No registration limit will be set at registration stage. Factors such as types, size and term to be registered under DFI will be determined at issue stage.
- (4) Effective period of the resolution: It will be effective for 36 months from the date on which it is passed by the Shareholders at the AGM.
- (5) Credit enhancement measures: In respect of asset-backed securities (including asset-backed notes in the interbank market, asset-backed securities in the exchange market and debt financing plan for accounts receivables on Beijing Financial Assets Exchange), the Company will issue the Shortfall Payment Undertaking and assume the obligation to settle the shortfall for the principal and interests of the senior asset-backed securities.

II. Authorisation

- (1) To authorise the Board or its authorised persons to determine, at its/his sole discretion, matters in connection with the registration of DFI under the proposed registration above, including but not limited to signing necessary documents if required; appointing intermediaries such as registration agencies, credit rating agencies, accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required.
- (2) To authorise the Board or its authorised persons to determine and deal with, at its/his sole discretion, matters in connection with the issue of bonds under the above DFI within the limit approved by the NAFMII, including but not limited to determining the timing of the issue; form of issue; underwriter; size of issue; tranches of issue; interest rate; actual use of proceeds; signing necessary documents if required; appointing intermediaries such as underwriters, credit rating agencies, accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required.

17. PROPOSED ISSUE OF MEDIUM-TERM NOTES

In order to improve the debt structure, broaden financing channels and reduce finance costs, the Company proposes to apply for and register the issue of the Medium-term Notes in an aggregate amount of not more than RMB5 billion with the NAFMII in accordance with the requirements under the relevant laws and regulations (including the Company Law and the Administrative Rules on Debt Financing Instruments of Non-Financial Enterprises in the Interbank Bond Market), particulars of which are as follows:

I. Proposed issue of the Medium-term Notes

(1) *Issue size*

The size of the proposed issue of the Medium-term Notes will not exceed RMB5 billion. Subject to the market conditions and the actual capital requirements of the Company, the Medium-term Notes will be issued in one or multiple tranches during the effective term of the registration as and when appropriate.

(2) *Term of issue*

The term of the Medium-term Notes under the proposed issue will not exceed 5 years (inclusive).

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(3) *Interest rate*

The actual offer price will be determined with reference to the then prevailing guided pricing and market conditions at the time of issuance.

(4) *Target of issue*

The issue will be targeted at institutional investors in the national interbank bond market.

(5) *Use of proceeds*

The proceeds will be used mainly for replenishment of the Company's working capital, repayment of borrowings from financial institutions and any other purpose as approved by other trader associations.

(6) *Effective period of the resolution*

The resolution approving the proposed issue of the Medium-term Notes will be effective for 36 months from the date on which it is passed by the Shareholders at the AGM.

II. Authorisation

Approval will be sought from the Shareholders at the AGM to grant authorisation to the Chairman of the Board or his authorised persons to determine and deal with, at his sole discretion, all matters in connection with the issue of the medium-term notes financing, including but not limited to determining the timing of the issue; form of issue; lead underwriter; size of issue; tranches of issue; interest rate; actual use of proceeds of the Medium-term Notes; signing necessary documents if required; appointing intermediaries such as underwriters, credit rating agencies, certified public accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required under the proposed issue.

18. FULFILMENT OF CONDITIONS TO ISSUE BONDS BY THE COMPANY

In order to improve its debt structure and reduce finance costs, the Company proposes to apply for the issue of bonds with an amount of not more than RMB5 billion (inclusive) by way of public offering to Professional Investors who satisfy the requirements of the Administrative Measures.

Having regard to the requirements of the relevant laws, regulations and regulatory documents (including the Company Law, the Securities Law and the Administrative Measures) relating to the qualifications and conditions for issuing bonds to Professional Investors, and after prudent assessment, the Company is qualified to issue the Bonds to Professional Investors by way of public offering in compliance with such conditions and requirements of the aforementioned laws, regulations and regulatory documents.

19. PROPOSED ISSUE OF BONDS BY WAY OF PUBLIC OFFERING TO PROFESSIONAL INVESTORS

In order to improve its debt structure and reduce finance costs, the Company proposes to issue bonds by way of public offering to Professional Investors who satisfy the requirements of the Administrative Measures. Details are as follows:

I. Issue size

The principal amount of the bonds in aggregate will not exceed RMB5 billion (inclusive). The actual size of the issue will be determined by the Board and its authorised persons according to the actual position of the Company and the then prevailing market conditions at the time of issuance under the authorisation of the Shareholders to be granted at the AGM, subject to the maximum limit on corporate bond issuance as prescribed by the relevant laws and regulations. Application for the registration of the bond issue by way of public offering within the aforementioned issue size will be made by the Board and its authorised persons to the CSRC, whether on one or several occasions, under the authorisation to be granted by the Shareholders at the AGM.

II. Placing of bonds to the Shareholders

No bonds will be placed to the Shareholders.

III. Nominal value and issue price

The bonds will be issued at par value of RMB100 each.

IV. Types and term

The bonds will have a term of not more than 5 years (inclusive), either bearing a single fixed term or a combination of terms with different maturities. The structure of such term and the respective issue size will be determined by the Board and its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM, and will be disclosed in the prospectus.

V. Interest rate

Interest rate of the bonds and the basis of determination will be determined by the Board and its authorised persons jointly with the lead underwriter prior to the issue according to market conditions, under the authorisation to be granted by the Shareholders at the AGM, and will be disclosed in the prospectus.

VI. Method of guarantee

Whether or not a form of guarantee will be adopted in respect of the bonds and the specific form of such guarantee will be determined by the Board and its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM.

VII. Target of the issue

The bonds will be issued by way of public offering to Professional Investors in accordance with the Administrative Measures.

VIII. Redemption or repurchase clauses

Whether or not redemption or repurchase clauses will be included in the bonds and the specific requirements of such clauses will be determined by the Board and its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM.

IX. Use of proceeds

It is proposed that the proceeds from the issue of the bonds will be used for such purposes as are approved by the regulatory authorities, such as replenishment of the Company's working capital and replacement of interest bearing debts (including but not limited to repayment and redemption of bonds already issued by the Company). The actual use of proceeds will be determined by the Board and its authorised persons according to the capital requirements of the Company, under the authorisation to be granted by the Shareholders at the AGM.

X. Effective period of the resolution

The resolution approving the bonds issue by way of public offering will be effective for 36 months from the date on which it is passed by the Shareholders at the AGM.

If, during the effective period of the authorisation, the Company decides to issue the bonds and obtains approval and permit from, and registration with, the regulatory authorities in respect of the bonds issue, it may complete the issue during the validity period of such approval, permit and registration.

XI. Listing of the bonds

The Company will proceed with the listing of the Bonds according to the relevant requirements of the Shenzhen Stock Exchange after completion of the issue.

XII. Protection measures on repayment:

If the Company foresees that it may not be able to repay the principal of the bonds or the interest accrued thereon according to the payment schedule or as and when they fall due and payable, the Company will adopt the relevant measures required by the laws and regulations of the PRC and the requirements of the relevant regulatory authorities. Such measures include, without limitation:

- (1) no profit distribution to the Shareholders;
- (2) suspension of implementation of capital expenditure projects, such as material external investments, or mergers and acquisitions;
- (3) reduction in or suspension of payment of remuneration/salaries and bonus to the Directors and senior management of the Company; and
- (4) no transfer or resignation of key persons-in-charge.

The above proposal is subject to the registration with the CSRC.

20. PROPOSED GRANT OF AUTHORISATION TO THE BOARD AND ITS AUTHORISED PERSONS TO DEAL WITH MATTERS IN CONNECTION WITH THE BONDS ISSUE

To improve the efficiency of the bonds issue and subject to the works required in connection with such issue, approval will be sought from the Shareholders at the AGM to grant authorisation to the Board and its authorised persons to deal with, at their sole discretion, all matters in connection with the bonds issue according to the relevant laws, regulations and regulatory documents (including the Company Law, the Securities Law and the Administrative Measures) and with reference to the then prevailing market conditions and actual position of the Company, acting in the best interests of the Shareholders. Such matters include, without limitation:

- (1) formulating and adjusting any specific proposal for the bonds according to the actual conditions of both the market and the Company, including but not limited to all matters in connection with the application for issue of and the issuance and listing of the bonds, such as the timing for making an application; whether an application shall be made on one or several occasions; specific issue size; term of the bonds; interest rate of the bonds and basis of its determination; timing for the issue (including whether in tranches and the number of tranches); whether a guarantee is required and the guarantee arrangement; whether any innovative clauses are required, such as repurchase clauses and redemption clauses; arrangement for credit rating; actual means of subscription; specific placing arrangements; schedule for and method of repayment of principal and interest; listing of the bonds; termination of the issue; and use of proceeds;
- (2) dealing with matters relating to the application for issue of, and the issuance and listing of the bonds, including but not limited to authorising, signing, implementing, amending and completing all documents, contracts, agreements, covenants, announcements of all kinds, and other legal documents necessary for the application for the issue of, and the issuance and listing of the bonds, and disclosing relevant information as required under the laws, regulations and regulatory documents;
- (3) selecting a bond trustee; signing a trustee agreement and formulating the rules of meeting of bond holders;
- (4) if the Company foresees that it may not be able to repay the principal of the bonds and the interest accrued thereon according to the payment schedule or when they fall due and payable, adopting the relevant measures as required under the laws and regulations of the PRC and the requirements of the relevant regulatory departments. Such measures include, without limitation:
 - a. no profit distribution to the Shareholders;
 - b. suspension of implementation of capital expenditure projects, such as material external investments, or mergers and acquisitions;
 - c. reduction in or suspension of payment of remuneration/salaries and bonus to the Directors and senior management of the Company; and
 - d. no transfer or resignation of key persons-in-charge;

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- (5) making appropriate adjustments to matters relating to the specific proposal for the Bonds issue according to the views of regulatory authorities, if any, or deciding whether to proceed with the issue of the Bonds according to the actual situation, in the event of change in policy of regulatory authorities or market conditions, save and except matters that require voting on at a general meeting under the relevant laws and regulations and the Articles; and
- (6) dealing with other specific matters in connection with the application for issue of, and the issuance and listing of the bonds.

The authorisation will be effective from the date on which the relevant resolution is passed at the AGM until the date of completion of all matters in connection with the bonds under such authorisation.

Subject to the approval and granting of the above authorisation by the Shareholders at the AGM, the Board proposes to authorise its Chairman or his authorised persons to exercise such rights as conferred under the authorisation to deal with the above matters and any other matters which may be authorised by the Board in relation to the bonds.

21. PROPOSED AMENDMENTS TO THE ARTICLES

Due to reasons such as the business development needs of the Company, the new issue of Shares, the exercise of options, the amendments to the Guidelines for the Articles of Association of Listed Companies by the CSRC, the Company proposes to accordingly amend the Articles as follows:

I. Changes to the scope of business of the Company

The Company proposes to include “emergency rescue equipment, mining machinery, coal mining machinery and equipment, material conveying equipment, sale of lubricating oils, lubricating greases and hydraulic oils; sale of refined oils” in its scope of business due to its business development needs, and accordingly proposes to amend the Articles.

The scope of business before amendment: development, manufacturing and sale of construction machinery, agricultural machinery, environmental and sanitary machinery, crane machinery and their specialised chassis, fire engines and their specialised chassis, aerial work machinery, other machinery and equipment, metal and non-metal materials and photo-mechanical electronic integrated high and new technology products and the provision of leasing and after-sale services; sale of construction and decoration materials, construction vehicles, metals and chemicals and petrochemical products (except hazardous chemicals and controlled goods); engage in the import and export business of commercial products and technology; property investment with self-owned assets (not allowed to be engaged in business under national financial regulation and financial credit business such as deposit taking, fund raising and collecting, entrusted loans, issuing notes and granting loans); sale of second-hand cars; and dismantling and recycling of obsolete machinery and equipment. (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments)

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The scope of business after amendment: development, manufacturing and sale of construction machinery, agricultural machinery, environmental and sanitary machinery, crane machinery and their specialised chassis, fire engines and their specialised chassis, aerial work machinery, emergency rescue equipment, mining machinery, coal mining machinery and equipment, material conveying equipment, other machinery and equipment, metal and non-metal materials and photo-mechanical electronic integrated high and new technology products and the provision of leasing and after-sale services; sale of construction and decoration materials, construction vehicles, metals and chemicals and petrochemical products (except hazardous chemicals and controlled goods); sale of lubricating oils, lubricating greases and hydraulic oils (except sale of hazardous chemicals); retail sale of refined oils (may only be operated by branches with licences); engage in the import and export business of commercial products and technology; property investment with self-owned assets (not allowed to be engaged in business under national financial regulation and financial credit business such as deposit taking, fund raising and collecting, entrusted loans, issuing notes and granting loans); sale of second-hand cars; and dismantling and recycling of obsolete machinery and equipment. (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments)

The above changes to the scope of business are subject to the approval of the industrial and commercial authorities.

II. Changes to the total number of Shares and registered capital

Due to reasons such as the completion of the non-public issuance of A Shares, new issuance of H Shares under general mandate, exercise of options held by participants of 2017 share option scheme and restricted A share incentive scheme and repurchase and cancellation of restricted A Shares held by certain participants who changed employment, the total number of Shares has changed to 8,666,612,984 Shares, the total number of A Shares has changed to 7,084,648,436 A Shares and the total number of H Shares has changed to 1,581,964,548 H Shares. The registered capital of the Company has changed to RMB8,666,612,984.

The above changes to the total number of Shares and registered capital are subject to the approval of the industrial and commercial authorities.

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III. Proposed amendments to the Articles

Further to the above changes to the scope of business and the registered capital of the Company, and in accordance with the Guidelines for the Articles of Association of Listed Companies (as amended in 2019), the Company proposes to make the following amendments to the relevant Articles:

No.	Articles before amendment	Articles after amendment
1	<p>Article 1 These Articles of Association (hereinafter referred to as the “Articles” or “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the State Council’s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares (hereinafter referred to as the “Special Regulations”), Mandatory Provisions for the Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), Circular Regarding Comments on the Amendments to the Articles of Association of Companies Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (hereinafter referred to as the “Circular Regarding Comments on Amendments”), Guidelines for the Articles of Association of Listed Companies (as amended in 2006) (上市公司章程指引 (2006年修訂) and other relevant provisions to safeguard the legal interests of Zoomlion Heavy Industry Science and Technology Co., Ltd. (hereinafter referred to as the “Company”) and its shareholders and creditors, and to regulate the organisation and conducts of the Company.</p>	<p>Article 1 These Articles of Association (hereinafter referred to as the “Articles” or “Articles of Association”) are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the State Council’s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Shares (hereinafter referred to as the “Special Regulations”), Mandatory Provisions for the Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), Circular Regarding Comments on the Amendments to the Articles of Association of Companies Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (hereinafter referred to as the “Circular Regarding Comments on Amendments”), Guidelines for the Articles of Association of Listed Companies (as amended in 2019) (上市公司章程指引 (2019年修訂) and other relevant provisions to safeguard the legal interests of Zoomlion Heavy Industry Science and Technology Co., Ltd. (hereinafter referred to as the “Company”) and its shareholders and creditors, and to regulate the organisation and conducts of the Company.</p>
2	<p>Article 3 On 10 September 2000, pursuant to an Approval by China Securities Regulatory Commission (hereinafter referred as to “CSRC”) (Zheng Jian Fa Xing Zi [2000] No.128), the Company issued 50,000,000 RMB-denominated ordinary shares for initial public offering. The shares were listed on the Shenzhen Stock Exchange on 12 October 2000. The shares issued by the Company for public offering are domestic shares for subscription in RMB by domestic investors.</p>	<p>Article 3 On 10 September 2000, pursuant to an Approval by China Securities Regulatory Commission (hereinafter referred as to “CSRC”) (Zheng Jian Fa Xing Zi [2000] No.128), the Company issued 50,000,000 RMB-denominated ordinary shares for initial public offering. The shares were listed on the Shenzhen Stock Exchange on 12 October 2000. The shares issued by the Company for public offering are domestic shares for subscription in RMB by domestic investors.</p>

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No.	Articles before amendment	Articles after amendment
3	<p>Article 13 According to the registration of the Company, the scope of business of the Company includes: development, manufacturing and sale of construction machinery, agricultural machinery, environmental and sanitary machinery, crane machinery and their specialised chassis, fire engines and their specialised chassis, aerial work machinery, other machinery and equipment, metal and non-metal materials and photo-mechanical electronic integrated high and new technology products and the provision of leasing and after-sale services; sale of construction and decoration materials, construction vehicles, metals and chemicals and petrochemical products (except hazardous chemicals and controlled goods); engage in the import and export business of commercial products and technology; property investment with self-owned assets (not allowed to be engaged in business under national financial regulation and financial credit business such as deposit taking, fund raising and collecting, entrusted loans, issuing notes and granting loans); sale of second-hand cars; and dismantling and recycling of obsolete machinery and equipment. (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments)</p>	<p>Article 13 According to the registration of the Company, the scope of business of the Company includes: development, manufacturing and sale of construction machinery, agricultural machinery, environmental and sanitary machinery, crane machinery and their specialised chassis, fire engines and their specialised chassis, aerial work machinery, <u>emergency rescue equipment, mining machinery, coal mining machinery and equipment, material conveying equipment</u>, other machinery and equipment, metal and non-metal materials and photo-mechanical electronic integrated high and new technology products and the provision of leasing and after-sale services; sale of construction and decoration materials, construction vehicles, metals and chemicals and petrochemical products (except hazardous chemicals and controlled goods); <u>sale of lubricating oils, lubricating greases and hydraulic oils (except sale of hazardous chemicals); retail sale of refined oils (may only be operated by branches with licences)</u>; engage in the import and export business of commercial products and technology; property investment with self-owned assets (not allowed to be engaged in business under national financial regulation and financial credit business such as deposit taking, fund raising and collecting, entrusted loans, issuing notes and granting loans); sale of second-hand cars; and dismantling and recycling of obsolete machinery and equipment. (Items subject to approval in accordance with the law shall only be conducted upon the approval by relevant departments)</p>
4	<p>Article 21 After completion of the issue of overseas listed foreign shares (H shares) and before the exercise of the over-allotment options, the Company had 5,797,219,562 ordinary shares in issue, including 4,840,678,482 domestic listed ordinary shares and 956,541,080 H shares (including 86,958,280 H shares held by the National Social Security Fund), representing 83.5% and 16.5% of the total issuable ordinary shares of the Company respectively.</p>	<p>Article 21 <u>The total number of shares of the Company is 8,666,612,984 shares. The share capital structure of the Company comprises: 8,666,612,984 ordinary shares in issue, including 7,084,648,436 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,581,964,548 H shares, representing 81.75% and 18.25% of the total issued ordinary shares of the Company respectively.</u></p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
	<p>After completion of the issue of the overseas listed foreign shares (H shares) and the exercise of the over-allotment options, the Company had 5,927,656,962 ordinary shares in issue, including 4,827,634,742 domestic listed ordinary shares and 1,100,022,220 H shares (including 100,002,020 H shares held by the National Social Security Fund), representing 81.4% and 18.6% of the total issuable ordinary shares of the Company respectively.</p> <p>After the implementation of the profits distribution plan of 2010 passed at the annual general meeting and class general meeting of 2010 both held on 3 June 2011, the Company shall have 7,705,954,050 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,430,028,886 H shares, representing 81.4% and 18.6% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the repurchase of a portion of H Shares passed at the annual general meeting and class general meeting of 2014 both held on 29 June 2015, the Company shall have 7,664,132,250 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.9% and 18.1% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the repurchase of a portion of A Shares passed at the annual general meeting and class general meeting of 2015 both held on 29 June 2016, the Company shall have 7,625,287,164 ordinary shares in issue, including 6,237,080,078 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.8% and 18.2% of the total issued ordinary shares of the Company respectively.</p>	

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
	<p>After the implementation of the first grants of the share option scheme and the restricted A share incentive scheme of 2017 approved at the first extraordinary general meeting, A shares class meeting and H shares class meeting of 2017 each held on 1 November 2017, the Company has 7,794,048,075 ordinary shares in issue, including 6,405,840,989 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 82.2% and 17.8% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the repurchase and cancellation of options and restricted A shares held by certain participants according to the mandate granted at the first extraordinary general meeting, A shares class meeting and H shares class meeting of 2017 each held on 1 November 2017 and also approved at the eighth meeting of the fifth session of the Board held on 30 August 2018, the Company has 7,792,023,575 ordinary shares in issue, including 6,403,816,459 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 82.2% and 17.8% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the grant of reserved options and restricted A shares under the share option scheme and restricted A share scheme of 2017 according to the mandate granted at the first extraordinary general meeting, A shares class meeting and H shares class meeting of 2017 each held on 1 November 2017 and also approved at the sixth extraordinary meeting of the fifth session of the Board of 2018 held on 10 September 2018, the Company has 7,810,578,433 ordinary shares in issue, including 6,422,371,317 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 82.2% and 17.8% of the total issued ordinary shares of the Company respectively.</p>	

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
	<p>After the implementation of the repurchase and cancellation of options and restricted A shares held by certain participants according to the mandate granted at the first extraordinary general meeting, A shares class meeting and H shares class meeting of 2017 each held on 1 November 2017 and also approved at the eighth extraordinary meeting of the fifth session of the Board of 2018 held on 6 November 2018, the Company has 7,808,536,633 ordinary shares in issue, including 6,420,329,547 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 82.2% and 17.8% of the total issued ordinary shares of the Company respectively.</p>	
5	<p>Article 24 The registered capital of the Company is RMB7,808,536,633.</p>	<p>Article 24 The registered capital of the Company is RMB8,666,612,984.</p>
6	<p>Article 28 Subject to approval of the relevant competent authority of the PRC, the Company may repurchase shares in one of the following ways:</p> <ul style="list-style-type: none"> (1) making a general offer to its shareholders for the repurchase of shares on a pro rata basis; (2) repurchasing shares in open market on a stock exchange; (3) repurchasing shares over the counter by agreement; (4) other ways allowed by the laws and administrative regulations, the relevant competent authority and securities regulatory authority where the shares of the Company are listed. 	<p>Article 28 Subject to approval of the relevant competent authority of the PRC, the Company may repurchase shares in one of the following ways:</p> <ul style="list-style-type: none"> (1) making a general offer to its shareholders for the repurchase of shares on a pro rata basis; (2) repurchasing shares in open market on a stock exchange; (3) repurchasing shares over the counter by agreement; (4) other ways allowed by the laws and administrative regulations, the relevant competent authority and securities regulatory authority where the shares of the Company are listed. <p><u>Where the repurchase of shares of the Company by the Company falls under the circumstances stipulated in (3), (5) and (6) of the first paragraph of Article 27, the share repurchase shall be conducted via centralised public trading.</u></p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
7	<p>Article 59 The controlling shareholder and the actual controlling person shall not take advantage of their connected relationship to harm the interest of the Company. Any violation of such provision which results in losses to the Company shall be liable for compensation.</p>	<p>Article 59 The controlling shareholder and the actual controlling person shall not take advantage of their related relationship to harm the interest of the Company. Any violation of such provision which results in losses to the Company shall be liable for compensation.</p> <p><u>Actual controller or actual controlling person shall mean a person who, although is not a shareholder of the Company, is able to exert actual control over the conduct of the Company by virtue of investment or through agreements or any other arrangements.</u></p>
8	<p>Article 62 The shareholders' general meeting is the body of authority of the Company and shall exercise the following powers in accordance with the laws:</p> <p>...</p> <p>(18) to consider other matters which, according to the laws, regulations, the Articles of Association and requirements of listing rules of the place where the Company is listed, need to be approved at the shareholders' general meeting.</p> <p>The abovementioned powers of the shareholders' general meeting may not be exercised by the board of directors or other bodies and individuals on its behalf by delegation.</p>	<p>Article 62 The shareholders' general meeting is the body of authority of the Company and shall exercise the following powers in accordance with the laws:</p> <p>...</p> <p>(18) <u>to consider share incentive schemes;</u></p> <p><u>(19)</u> to consider other matters which, according to the laws, <u>administrative</u> regulations, <u>departmental rules</u>, the Articles of Association and requirements of listing rules of the place where the Company is listed, need to be approved at the shareholders' general meeting.</p> <p>The abovementioned powers of the shareholders' general meeting may not be exercised by the board of directors or other bodies and individuals on its behalf by delegation.</p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
9	<p>Article 63 The following external guarantees of the Company must be considered and approved by the shareholders' general meeting:</p> <ol style="list-style-type: none"> (1) any guarantee provided by the Company and its controlling subsidiary with a total amount reaching or exceeding 50% of the audited net assets in the latest period; (2) any guarantee provided by the Company with a total amount reaching or exceeding 30% of the audited total assets in the latest period; (3) guarantees provided to any guaranteed party whose gearing ratio exceeds 70%; (4) guarantees of which a single guarantee amount exceeds 10% of the audited net assets of the period most recently audited; (5) guarantees provided to the shareholders, actual controlling person and their related parties. <p>A shareholder and other shareholders under the common control of a controlling person shall abstain from voting on a resolution for the provision of guarantee to such shareholders or controlling person or related parties and the resolution shall be passed by more than half of the voting shares represented by other shareholders presented at the shareholders' general meeting.</p>	<p>Article 63 The following external guarantees of the Company must be considered and approved by the shareholders' general meeting:</p> <ol style="list-style-type: none"> (1) any guarantee provided by the Company and its controlling subsidiary with a total amount reaching or exceeding 50% of the audited net assets as of the latest period; (2) <u>guarantees provided in the preceding 12 months of which the cumulative amount exceeds 30% of the audited total assets of the Company as of the latest period;</u> (3) guarantees provided to any guaranteed party whose gearing ratio exceeds 70%; (4) guarantees of which a single guarantee amount exceeds 10% of the audited net assets of the period most recently audited; (5) guarantees provided to the shareholders, actual controlling person and their related parties. (6) <u>guarantees provided in the preceding 12 months of which the cumulative amount exceeds 50% of the audited net assets of the Company as of the latest period and exceeds RMB50 million in absolute amount;</u> (7) <u>other guarantees as prescribed under the listing rules of the place(s) where the Company is listed or the Articles of Association.</u> <p>Where a resolution for the provision of guarantee to a shareholder or an actual controlling person and its related parties is considered at the shareholders' general meeting, such shareholder or each shareholder under the control of such actual controlling person shall abstain from voting on the resolution, and the resolution shall be passed by more than half of the voting shares represented by other shareholders presented at the shareholders' general meeting. <u>A resolution approving any guarantee specified in (2) above shall be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.</u></p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
10	<p>Article 89 The proxy form that a shareholder issues to appoint another party to attend a general meeting on his behalf shall contain the following contents:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the general meeting for consideration;</p> <p>(4) the date of issuance and effective period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer.</p>	<p>Article 89 The proxy form that a shareholder issues to appoint another party to attend a general meeting on his behalf shall contain the following contents:</p> <p>(1) the name of the proxy;</p> <p>(2) whether the proxy has voting right;</p> <p>(3) the instruction on voting for or against or abstaining from voting for each of the matters listed on the agenda of the general meeting for consideration;</p> <p>(4) the date of issuance and effective period of the proxy form;</p> <p>(5) the signature (or seal) of the appointer. <u>The corporate seal shall be affixed if the appointer is a corporate shareholder.</u></p>
11	<p>Article 121 Shareholders present at the general meeting shall cast their votes in favour of or against the proposed resolutions, or abstain from voting.</p> <p>...</p>	<p>Article 121 Shareholders present at the general meeting shall do one of the following: cast their votes in favour of or against the proposed resolutions, or abstain from voting. <u>This Article does not apply to securities registration and clearing houses which, as nominee holders of shares subject to the Mainland-Hong Kong Stock Connect, cast their votes in accordance with the intentions of the actual holders.</u></p> <p>...</p>
12	<p>Article 149 The board of directors exercises the following duties and powers:</p> <p>...</p> <p>(vii) to formulate plans for major acquisition, merger, division, dissolution and changing the form of the Company;</p>	<p>Article 149 The board of directors exercises the following duties and powers:</p> <p>...</p> <p>(vii) to formulate plans for major acquisition, <u>repurchase of shares of the Company or</u> merger, division, dissolution and changing the form of the Company;</p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
13	<p>Article 152</p> <p>...</p> <p>(iii) Connected Transactions</p> <p>(1) Shareholders' general meeting: transaction between the Company and a connected party exceeding RMB30 million and representing more than 5% of the latest audited net asset value of the Company shall be disclosed in a timely manner, the subject matter of which shall be reviewed or evaluated by an external firm with relevant qualifications of securities and futures dealing appointed for such purpose and shall be put forward to the shareholders' general meeting for decision;</p> <p>(2) Board of directors: connected transaction between the Company and a connected party of RMB3 million (RMB3 million inclusive) to RMB30 million (RMB30 million exclusive) and representing 0.5% (0.5% inclusive) to 5% (5% exclusive) of the latest audited net asset value of the Company shall be decided by the board of directors;</p> <p>(3) In addition to (1) and (2) above, the Company shall also confirm the definition and scope of connected transactions based on the Hong Kong Listing Rules, and make relevant announcements and/or submit to the shareholders' general meeting for decision.</p> <p>...</p>	<p>Article 152</p> <p>...</p> <p>(iii) Related party transactions</p> <p>(1) Shareholders' general meeting: related party transaction between the Company and a related party <u>(except the acceptance of gift of cash assets or provision of guarantee by the Company)</u> exceeding RMB30 million and representing more than 5% of the audited net asset value of the Company as of the latest period shall be disclosed in a timely manner, the subject matter of which shall be reviewed or evaluated by an external firm with relevant qualifications of securities and futures dealing appointed for such purpose and shall be put forward to the shareholders' general meeting for decision;</p> <p>(2) Board of directors: <u>related party transaction between the Company and a related party who is a legal person exceeding RMB3 million and representing more than 0.5% of the audited net asset value of the Company as of the latest period, or related party transaction between the Company and a related party who is a natural person exceeding RMB300,000 shall be put forward to the board of directors for approval. If the transaction also falls under (1) above, it shall also be put forward to the shareholders' general meeting for approval;</u></p> <p>(3) In addition to (1) and (2) above, the Company shall also confirm the definition and scope of related party transactions based on the Hong Kong Listing Rules, and make relevant announcements and/or submit such transactions to the shareholders' general meeting for decision.</p> <p>...</p>

LETTER FROM THE BOARD

No.	Articles before amendment	Articles after amendment
14	<p>Article 168 The Company shall have one general manager who shall be appointed or dismissed by the board of directors.</p> <p>Senior management of the Company shall include general manager, deputy general manager, chief financial officer and the secretary to the board of directors.</p>	<p>Article 168 The Company shall have one general manager who shall be appointed or dismissed by the board of directors. <u>The Company shall have several deputy general managers who shall be appointed or dismissed by the board of directors.</u></p> <p>Senior management of the Company shall include general manager, deputy general manager, chief financial officer and the secretary to the board of directors of the Company.</p>
15	<p>Article 170 Persons holding positions other than directors in controlling shareholders or actual controller of the Company may not serve as senior management of the Company.</p>	<p>Article 170 Persons holding <u>administrative positions other than directors or supervisors</u> in controlling shareholders or actual controller of the Company may not serve as senior management of the Company.</p>
16	<p>Article 172 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>...</p> <p>(2) to carry out the annual business plan of the Company;</p> <p>...</p>	<p>Article 172 The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>...</p> <p>(2) to carry out the annual business <u>and investment plans</u> of the Company;</p> <p>...</p>
17	<p>Article 190 The supervisory committee shall be accountable to the shareholders' general meeting and shall perform the following duties:</p> <p>...</p> <p>(8) to take legal actions against directors and senior management personnel in accordance with Section 152 of the Company Law;</p> <p>...</p>	<p>Article 190 The supervisory committee shall be accountable to the shareholders' general meeting and shall perform the following duties:</p> <p>...</p> <p>(8) to take legal actions against directors and senior management personnel in accordance with Section <u>151</u> of the Company Law;</p> <p>...</p>

IV. Authorisation

To authorise the chairman of the Board and his authorised persons to proceed with the registration of the changes to the total number of Shares, registered capital and the Articles with the industrial and commercial authorities, and to authorise the chairman of the Board and his authorised persons to make amendments as are necessary to the relevant provisions of the Articles as amended according to the comments from or requirements of the industrial and commercial authorities or other relevant government departments, and such amendments will be legally binding on the Company.

LETTER FROM THE BOARD

22. AGM AND H SHARES CLASS MEETING

A notice convening the AGM to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC on Friday, 28 May 2021 at 2:30 p.m. is set out on pages 77 to 81 of this circular. A notice convening the H Shares Class Meeting to be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC on Friday, 28 May 2021 at 4:00 p.m. is set out on pages 82 to 83 of this circular.

If you intend to appoint a proxy to attend and vote at the AGM and/or the H Shares Class Meeting, you are required to complete and return the accompanied proxy forms in accordance with the instructions printed thereon to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong in person or by post not less than 24 hours before the time appointed for holding the AGM and the H Shares Class Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM and/or the H Shares Class Meeting or at any adjourned meeting should you so wish.

23. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM and the H Shares Class Meeting will demand a poll in relation to all the proposed resolutions at the AGM and the H Shares Class Meeting in accordance with the Articles.

24. RECOMMENDATIONS

The Board considers that all resolutions to be proposed at the AGM and the H Shares Class Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the proposed resolutions to be proposed at the AGM and the H Shares Class Meeting.

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

Changsha, the PRC, 23 April 2021

** For identification purpose only*

NOTICE OF AGM



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

中联重科股份有限公司

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

(Stock Code: 1157)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN by the board (the “**Board**”) of directors (the “**Directors**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd. (the “**Company**”) that the annual general meeting of the Company (the “**AGM**”) will be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC at 2:30 p.m. on Friday, 28 May 2021 by way of physical meeting. Details of the AGM are as follows:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the Board for the year 2020.
2. To consider and approve the report of the Company's supervisory board for the year 2020.
3. To consider and approve the report of the Company's settlement accounts for the year 2020.
4. To consider and approve the full text and the summary of the annual report of the Company's A shares for the year 2020.
5. To consider and approve the annual report of the Company's H shares for the year 2020.
6. To consider and approve the Company's profit distribution plan for the year 2020, and to approve the declaration and distribution of a final dividend in the amount of RMB0.32 per share (inclusive of tax).
7. To consider and approve the making of provisions for asset impairment in the aggregate amount of RMB1,775 million for the year of 2020.
8. To consider and approve the re-appointment of the Company's auditors for the year 2021.
 - (1) To consider and approve the re-appointment of Baker Tilly China Certified Public Accountants Co., Ltd. as the Company's domestic auditor and internal control auditor for the year ending 31 December 2021.
 - (2) To consider and approve the re-appointment of KPMG as the Company's international auditor for the year ending 31 December 2021.
 - (3) To authorise the audit committee of the Board to determine the principles of fixing the remuneration of the Company's domestic and international auditors, and to authorise the Company's management to determine their actual remuneration based on the agreed principles.

NOTICE OF AGM

9. To consider and approve the application by the Company to financial institutions for general credit facilities and financing with a total credit limit not exceeding RMB150 billion and to authorise the chairman of the Board to execute on behalf of the Company the facility contracts and other relevant finance documents with financial institutions, and to allocate the credit limit available to the Company to its branches or subsidiaries for their respective uses within the effective term.
10. To consider and approve the authorisation to Zoomlion Heavy Industry Science and Technology Anhui Industrial Vehicles Co. Ltd. (“**Zoomlion Industrial Vehicles**”), a subsidiary of the Company, to engage in business with its distributors supported by financial institutions through banker’s acceptance secured by goods, and to authorise the management of Zoomlion Industrial Vehicles to execute on behalf of Zoomlion Industrial Vehicles the relevant cooperation agreements in respect of the such business within the effective term.
11. To consider and approve the authorisation to Zoomlion Agricultural Machinery Co., Ltd. (“**Zoomlion Agricultural Machinery**”), a subsidiary of the Company, to engage in financial business with relevant financial institutions and downstream customers and provide external guarantees, and to authorise Zoomlion Agricultural Machinery’s management to execute on behalf of Zoomlion Agricultural Machinery the relevant cooperation agreements in respect of such business within the effective term.
12. To consider and approve the provision of guarantees up to a maximum aggregate amount of RMB18.425 billion by the Company in favour of 46 subsidiaries, and to authorise the Board or any person authorised by the Board to adjust the available guarantee amount between the guaranteed parties.
13. To consider and approve the carrying out of low risk investments and financial management by the Company up to a maximum amount of RMB12 billion, and to authorise the chairman of the Board to make all investment decisions (subject to the aforesaid limit) and to execute relevant contracts and agreements within the effective term.
14. To consider and approve the Company’s investment in financial derivatives with a principal amount of not more than RMB6 billion, and to authorise the chairman of the Board and his authorised persons to make all investment decisions (subject to the aforesaid limit) and to execute relevant contracts and agreements within the effective term.
15. To consider and approve the authorisation to Hunan Zhicheng Financing and Guarantee Co., Ltd. to engage in the financing guarantee business up to a maximum outstanding balance of RMB2 billion within the effective term.
16. To consider and approve (i) the registration of asset-backed securities products in the amount of RMB5 billion by Zoomlion Finance and Leasing (China) Co., Ltd. (“**Zoomlion Finance and Leasing (China)**”); (ii) the undertaking of obligations to top up the shortfall in relation to such products in the amount of RMB 5 billion by Zoomlion Finance and Leasing (China); and (iii) the provision of guarantee by the Company in favour of Zoomlion Finance and Leasing (China) up to a maximum amount of RMB5.5 billion, and to authorise the Board or its authorised persons to determine and deal with matters in connection with the issue of such products.

NOTICE OF AGM

17. To consider and approve (i) the registration of supply chain asset-backed securities products in the amount of RMB6 billion by Zoomlion Business Factoring (China) Co., Ltd. (“**Zoomlion Business Factoring (China)**”) and (ii) the issue of necessary documents by the Company as joint debtor, and to authorise the Board or its authorised persons to determine and deal with matters in connection with the issue of such products.
18. To consider and approve the disposal by the Company of 81% equity interest in Zoomlion Finance and Leasing (Beijing) Co., Ltd. (the “**Target Company**”), a wholly-owned subsidiary of the Company, which is a related party transaction of the Company.
 - (1) To consider and approve the disposal by the Company of 81% equity interest in the Target Company, which is a related party transaction of the Company.
 - (2) To consider and approve the continuing provision of guarantees by the Company in favour of the Target Company after completion of the transaction.

SPECIAL RESOLUTIONS

19. To consider and approve the continuing development by the Company of its mortgage-funded sales business and finance leasing and sales business, establish buyer’s credit and sales business and provide buy-back guarantees up to a maximum amount of RMB47 billion in respect of such businesses within the effective term.
20. To consider and approve the registration of debt financing instruments, and to authorise the Board or its authorised persons to determine all matters in connection with such registration and the related issue of bonds within the limited approved by the National Association of Financial Market Institutional Investors.
21. To consider and approve the issue of medium-term notes by the Company with a principal amount of not more than RMB5 billion, and to authorise the chairman of the Board or his authorised persons to determine and deal with all matters in connection with such issue.
22. To consider, approve and confirm compliance by the Company with the conditions for the issue of bonds.
23. To consider and approve the issue of bonds by the Company to professional investors by way of public offering with a principal amount of not more than RMB5 billion (the “**Bond Issue**”).
24. To authorise the Board and its authorised persons to deal with all matters in connection with the Bond Issue.

NOTICE OF AGM

25. To consider and approve amendments to the Company's articles of association set out in the Company's circular dated 23 April 2021 (the "Articles").

Note: The English version of this announcement is an unofficial translation and is for reference only. In case of inconsistency between the English and Chinese versions, the Chinese version shall prevail.

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

Changsha, the PRC, 23 April 2021

As at the date of this notice, the executive Director is Dr. Zhan Chunxin; the non-executive Directors are Mr. He Liu and Mr. Zhao John Huan; and the independent non-executive Directors are Mr. Zhao Songzheng, Mr. Lai Kin Keung, Ms. Liu Guiliang and Mr. Yang Changbo.

* For identification purpose only

Notes:

(1) Eligibility for attending the AGM and closure of H share register of members

The H share register of members of the Company will be closed for the purpose of determining entitlement of holders of H shares to attend and vote at the AGM, from Tuesday, 25 May 2021 to Friday, 28 May 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the AGM, holders of H shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 24 May 2021.

(2) Recommendation of final dividend distribution, withholding and payment of corporate income tax for non-resident enterprise shareholders, and closure of H share register of members

The Company intends to distribute a final dividend of RMB0.32 per share (inclusive of tax), amounting to in aggregate approximately RMB2,773 million. If the dividend is declared to be distributed upon the approval of ordinary resolution no. 6 by the shareholders at the AGM, the final dividend is expected to be paid and issued on or about Tuesday, 27 July 2021 to the holders of H shares whose names appear on the Company's H share register of members at the close of business on Tuesday, 8 June 2021.

According to the Law on Corporate Income Tax of the People's Republic of China and its implementing rules which came into effect on 1 January 2008 and other relevant rules, the Company is required to withhold 10% corporate income tax before distributing the final dividend to non-resident enterprise shareholders as appearing on the Company's H share register of members. Any shares registered in the name of the non-individual shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations, will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax. Cash dividend payable to H share non-resident enterprise shareholders after the deduction of the said corporate income tax is RMB0.288 per share (for reference only). Cash dividend payable to the holders of H shares will be paid in Hong Kong dollars. The Company assumes no responsibility and will not entertain any claims arising from any delay in, or inaccurate determination of, the status of the shareholders or any dispute over the mechanism of withholding. Shareholders are recommended to consult their taxation advisors regarding their holding and disposing of H shares for

NOTICE OF AGM

the PRC, Hong Kong and other tax effects involved. The Company's H share register of members will be closed from Thursday, 3 June 2021 to Tuesday, 8 June 2021 (both days inclusive) for the purpose of determining entitlement of holders of H shares to the final dividend, during which period no transfer of shares will be registered. In order to be entitled to the dividend, holders of H shares should ensure that all transfer documents, accompanied by the relevant share certificates are lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 2 June 2021.

(3) Proxy

- a. Each shareholder entitled to attend and vote at the AGM may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- b. The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
- c. To be valid, for holders of H shares, the proxy form and notarised power of attorney or other authorisation document must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the AGM (proxy form for use at the AGM is attached herewith). If a shareholder appoints more than one proxy, such proxies shall only exercise the right to vote by poll.

(4) Registration procedures for attending the AGM

A shareholder or his proxy should produce proof of identity when attending the AGM. If a shareholder is a legal entity, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the AGM by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

(5) Voting by poll

According to Rule 13.39(4) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will demand a poll in relation to all the proposed resolutions at the AGM in accordance with the Articles.

(6) Miscellaneous

- a. The AGM is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting in person are responsible for their own transportation and accommodation expenses.
- b. The address of Computershare Hong Kong Investor Services Limited is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- c. The registered office of the Company is: No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC. Telephone: (86 731) 88788432. Fax: (86 731) 85651157. Email: 157@zoomlion.com.

NOTICE OF H SHARES CLASS MEETING



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)

NOTICE OF H SHARES CLASS MEETING

NOTICE IS HEREBY GIVEN by the board (the “**Board**”) of directors (the “**Directors**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd. (the “**Company**”) that a class meeting of the holders of the Company’s H shares (the “**Class Meeting**”) will be held at Multi-function Conference Room, Company Office Building, No. 361, Yin Pen South Road, Changsha City, Hunan Province, the PRC at 4:00 p.m. on Friday, 28 May 2021 by way of physical meeting. Details of the Class Meeting are as follows:

SPECIAL RESOLUTION

1. To consider and approve amendments to the Company’s articles of association set out in the Company’s circular dated 23 April 2021 (the “**Articles**”).

Note: The English version of this announcement is an unofficial translation and is for reference only. In case of inconsistency between the English and Chinese versions, the Chinese version shall prevail.

By order of the Board

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

Zhan Chunxin

Chairman

Changsha, the PRC, 23 April 2021

As at the date of this notice, the executive Director is Dr. Zhan Chunxin; the non-executive Directors are Mr. He Liu and Mr. Zhao John Huan; and the independent non-executive Directors are Mr. Zhao Songzheng, Mr. Lai Kin Keung, Ms. Liu Guiliang and Mr. Yang Changbo.

* For identification purpose only

Notes:

(1) Eligibility for attending the Class Meeting and closure of H share register of members

The H share register of members of the Company will be closed for the purpose of determining entitlement of holders of H shares to attend and vote at the Class Meeting, from Tuesday, 25 May 2021 to Friday, 28 May 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the Class Meeting, holders of H shares should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company’s H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Monday, 24 May 2021.

NOTICE OF H SHARES CLASS MEETING

(2) Proxy

- a. Each shareholder entitled to attend and vote at the Class Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- b. The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
- c. To be valid, for holders of H shares, the proxy form and notarised power of attorney or other authorisation document must be delivered to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 24 hours before the time appointed for the Class Meeting (proxy form for use at the Class Meeting is attached herewith). If a shareholder appoints more than one proxy, such proxies shall only exercise the right to vote by poll.

(3) Registration procedures for attending the Class Meeting

A shareholder or his proxy should produce proof of identity when attending the Class Meeting. If a shareholder is a legal entity, its legal representative or other person authorised by the board of directors or other governing body of such shareholder may attend the Class Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

(4) Voting by poll

According to Rule 13.39(4) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the Class Meeting will demand a poll in relation to the proposed resolution at the Class Meeting in accordance with the Articles.

(5) Miscellaneous

- a. The Class Meeting is expected to last for no more than half a day. Shareholders (or their proxies) attending the meeting in person are responsible for their own transportation and accommodation expenses.
- b. The address of Computershare Hong Kong Investor Services Limited is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
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