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**ZMJ**

**Zhengzhou Coal Mining Machinery Group Company Limited**  
**鄭州煤礦機械集團股份有限公司**

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

**(Stock code: 00564)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

**FINANCIAL HIGHLIGHTS**

The revenue of the Group for 2024 was RMB37,052.04 million representing an increase of RMB628.81 million (i.e. 1.73%) as compared with 2023.

Profit for the year attributable to owners of the Company for 2024 was RMB3,943.89 million, representing an increase of RMB642.16 million (i.e. 19.45%) as compared with 2023.

Earnings per share for 2024 were RMB221.62 cents.

The Board proposed a final dividend of RMB11.20 (tax inclusive) per 10 shares for 2024.

The board of directors (the “**Board**”) of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”) together with the comparative figures of the corresponding period in 2023 as follows:

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

*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>	3	<b>37,052,042</b>	36,423,236
Cost of sales		<u>(28,198,869)</u>	<u>(28,821,178)</u>
<b>Gross profit</b>		<b>8,853,173</b>	7,602,058
Other income	5	<b>724,885</b>	492,117
Other gains and losses	6	<b>113,978</b>	(13,204)
Selling and distribution expenses		<b>(1,069,410)</b>	(910,381)
Administrative expenses		<b>(1,493,708)</b>	(1,199,587)
Research and development expenses		<b>(1,516,437)</b>	(1,568,223)
Impairment losses under expected credit loss model, net of reversal		<b>(157,718)</b>	51,226
Share of profit of associates		<b>48,320</b>	46,966
Share of profit of joint ventures		<b>6,336</b>	5,891
Finance costs	7	<u>(297,947)</u>	<u>(388,601)</u>
<b>Profit before income tax</b>		<b>5,211,472</b>	4,118,262
Income tax expense	8	<u>(980,574)</u>	<u>(616,668)</u>
<b>Profit for the year</b>		<u><b>4,230,898</b></u>	<u>3,501,594</u>
Profit for the year attributable to:			
Owners of the Company		<b>3,943,489</b>	3,301,334
Non-controlling interests		<u><b>287,409</b></u>	<u>200,260</u>
		<u><b>4,230,898</b></u>	<u>3,501,594</u>

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 RMB'000
<b>Other comprehensive (expense) income:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of post-employment benefit obligations		<b>4,861</b>	16,329
Changes in the fair value of equity instruments at fair value through other comprehensive income (“FVTOCI”)		<b>8,381</b>	3,202
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(119,771)</b>	27,667
Fair value loss on hedging instruments designated in cash flow hedges		<b>(3,635)</b>	(773)
Other comprehensive (expense) income for the year, net of income tax		<b>(110,164)</b>	46,425
<b>Total comprehensive income for the year</b>		<b><u>4,120,734</u></b>	<b><u>3,548,019</u></b>
Total comprehensive income for the year attributable to:			
Owners of the Company		<b>3,833,186</b>	3,348,618
Non-controlling interests		<b>287,548</b>	199,401
		<b><u>4,120,734</u></b>	<b><u>3,548,019</u></b>
<b>EARNINGS PER SHARE</b>			
	<i>10</i>		
– Basic (RMB cents)		<b>221.62</b>	187.22
– Diluted (RMB cents)		<b>221.06</b>	186.09

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		7,389,243	6,295,147
Right-of-use assets		2,101,338	1,828,283
Investment properties		260,671	314,605
Goodwill		88,283	88,283
Intangible assets		804,801	813,309
Investments in associates		658,067	677,520
Investments in joint ventures		65,330	99,664
Financial assets at fair value through profit or loss		7,050	6,872
Equity instruments at FVTOCI		419,334	408,159
Deferred income tax assets		372,486	382,679
Finance lease receivables		62,404	78,998
Long-term receivables		319,202	213,498
Bank deposits		980,022	1,468,712
		<hr/>	<hr/>
Total non-current assets		13,528,231	12,675,729
<b>CURRENT ASSETS</b>			
Finance lease receivables, current portion		20,662	21,825
Long-term receivables, current portion		248,237	216,230
Inventories		9,453,770	9,296,608
Trade and other receivables, contract assets	<i>11</i>	11,920,546	10,353,472
Transferred trade receivables		431,851	198,861
Financial assets at fair value through profit or loss		5,821,562	5,944,162
Financial assets at FVTOCI		2,502,853	3,848,095
Derivative financial instruments		36,386	33,867
Tax recoverable		38,663	31,969
Assets classified as held for sale		91,072	91,072
Bank deposits		1,934,565	1,945,896
Cash and cash equivalents		2,987,585	4,729,233
		<hr/>	<hr/>
Total current assets		35,487,752	36,711,290
		<hr/>	<hr/>
<b>Total assets</b>		<b>49,015,983</b>	<b>49,387,019</b>

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		<b>2,631,415</b>	6,159,723
Lease liabilities		<b>1,050,013</b>	1,202,523
Deferred income tax liabilities		<b>111,843</b>	152,475
Contract liabilities		<b>48,118</b>	37,491
Provisions		<b>12,686</b>	26,283
Employee benefit obligations		<b>297,377</b>	298,132
Other non-current liabilities		<b>366,641</b>	248,653
		<hr/>	<hr/>
Total non-current liabilities		<b>4,518,093</b>	8,125,280
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>12</i>	<b>13,932,210</b>	12,916,362
Contract liabilities		<b>3,070,926</b>	4,174,250
Income tax liabilities		<b>396,718</b>	244,606
Borrowings		<b>3,404,232</b>	1,143,514
Lease liabilities		<b>144,702</b>	145,305
Provisions		<b>273,033</b>	532,108
Liabilities associated with transferred trade receivables		<b>445,802</b>	212,812
Derivative financial instruments		<b>84,558</b>	11,453
		<hr/>	<hr/>
Total current liabilities		<b>21,752,181</b>	19,380,410
<b>Total liabilities</b>		<b>26,270,274</b>	27,505,690
<b>CAPITAL AND RESERVES</b>			
Share capital	<i>13</i>	<b>1,785,400</b>	1,781,409
Share premium		<b>4,548,778</b>	4,533,431
Reserves		<b>15,616,621</b>	14,063,372
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>21,950,799</b>	20,378,212
Non-controlling interests		<b>794,910</b>	1,503,117
		<hr/>	<hr/>
<b>Total equity</b>		<b>22,745,709</b>	21,881,329
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>49,015,983</b>	49,387,019
		<hr/>	<hr/>

# **NOTES TO THE FINANCIAL INFORMATION**

## **FOR THE YEAR ENDED 31 DECEMBER 2024**

### **1 GENERAL INFORMATION**

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

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

#### **2.1 Basis of preparation**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) and disclosure requirements of the Hong Kong Companies Ordinance (“**HKCO**”) Cap. 622. The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

## 2.2 Changes in accounting policies

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

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

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

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

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

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

Except for the new IFRS 18 Presentation and Disclosure in Financial Statements, the directors of the Company anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### 3 REVENUE

	Year ended 31 December 2024		
	Manufacture of coal mining machinery <i>RMB'000</i>	Manufacture of auto parts <i>RMB'000</i>	Total <i>RMB'000</i>
Sales of auto parts	–	17,467,175	17,467,175
Sales of hydraulic roof supports	12,547,762	–	12,547,762
Revenue from steel and other materials trading	3,034,576	50,336	3,084,912
Sales of spare parts for coal mining machinery	2,907,175	–	2,907,175
Sales of other coal mining equipment	823,727	–	823,727
Other revenue	156,419	64,872	221,291
	<b>19,469,659</b>	<b>17,582,383</b>	<b>37,052,042</b>

  

	Year ended 31 December 2023		
	Manufacture of coal mining machinery <i>RMB'000</i>	Manufacture of auto parts <i>RMB'000</i>	Total <i>RMB'000</i>
Sales of auto parts	–	17,462,835	17,462,835
Sales of hydraulic roof supports	11,727,518	–	11,727,518
Revenue from steel and other materials trading	3,746,353	67,281	3,813,634
Sales of spare parts for coal mining machinery	2,536,593	–	2,536,593
Sales of other coal mining equipment	593,642	–	593,642
Other revenue	249,699	39,315	289,014
	<b>18,853,805</b>	<b>17,569,431</b>	<b>36,423,236</b>

All revenues from contract with customers are recognised at a point in time.

### 4 SEGMENT INFORMATION

Information reported to the chief executive of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. Specifically, the Group’s reportable segments under IFRS 8 are (i) manufacture of coal mining machinery; and (ii) manufacture of auto parts. No operating segments have been aggregated in arriving at the reportable segments of the Group.

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



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

	<b>Manufacture of coal mining machinery</b> <i>RMB'000</i>	<b>Manufacture of auto parts</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Year ended 31 December 2024</b>			
Segment revenue	<b>19,469,659</b>	<b>17,582,383</b>	<b>37,052,042</b>
Segment net profit excluding unallocated expense	<b>4,167,466</b>	<b>265,535</b>	<b>4,433,001</b>
<b>Year ended 31 December 2023</b>			
Segment revenue	18,853,805	17,569,431	36,423,236
Segment net profit excluding impairment of goodwill	3,262,067	283,149	3,545,216
		<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
Segment revenue and consolidated revenue		<b>37,052,042</b>	36,423,236
Segment net profit excluding impairment of goodwill, unallocated expense		<b>4,433,001</b>	3,545,216
Unallocated expense		<b>(202,103)</b>	–
Impairment of goodwill		–	(43,622)
Consolidated profit for the year		<b>4,230,898</b>	3,501,594
		<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>SEGMENT ASSETS</b>			
Manufacture of coal mining machinery		<b>30,363,698</b>	33,365,207
Manufacture of auto parts		<b>18,564,002</b>	15,933,529
Total segment assets		<b>48,927,700</b>	49,298,736
Goodwill		<b>88,283</b>	88,283
Consolidated assets		<b>49,015,983</b>	49,387,019
<b>SEGMENT LIABILITIES</b>			
Manufacture of coal mining machinery		<b>15,752,519</b>	18,136,449
Manufacture of auto parts		<b>10,517,755</b>	9,369,241
Consolidated liabilities		<b>26,270,274</b>	27,505,690

## Geographical information

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The PRC	24,939,246	23,562,860
Germany	5,330,446	4,343,077
Other countries	6,782,350	8,517,299
	<u>37,052,042</u>	<u>36,423,236</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
The PRC	8,288,099	7,113,662
Germany	1,061,601	1,139,927
Other countries	1,929,750	1,774,939
	<u>11,279,450</u>	<u>10,028,528</u>

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

## Information about major customers

No customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2024 and 2023.

## 5 OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<i>Government grants (Note)</i>	236,208	259,367
Gain from additional input value-added tax credit	246,141	31,431
Interest income on bank deposits, long-term receivables and finance lease receivables	242,536	201,319
	<u>724,885</u>	<u>492,117</u>

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

## 6 OTHER GAINS AND LOSSES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Net fair value loss on derivative financial instruments	(96,980)	(86,556)
Impairment loss recognised in respect of the interest in an associate	(93,315)	–
Net fair value gains on financial assets at fair value through profit or loss	235,889	43,179
Impairment of goodwill	–	(43,622)
Net foreign exchange gain or loss	32,524	84,138
Net gains on disposal of property, plant and equipment, and intangible assets	1,476	3,701
Dividend from financial assets at fair value through profit or loss	–	89
Impairment of property, plant and equipment and intangible assets	(1,457)	(403)
Others	35,841	(13,730)
	<u>113,978</u>	<u>(13,204)</u>

## 7 FINANCE COSTS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interests on bank borrowings	259,835	350,493
Interests on lease liabilities	38,112	38,108
	<u>297,947</u>	<u>388,601</u>

## 8 INCOME TAX EXPENSE

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current income tax	960,643	658,195
PRC Enterprise Income Tax	767,625	481,723
Other jurisdictions	193,018	176,472
Under/Over provision in prior years:	48,635	13,050
PRC Enterprise	43,141	9,759
Other jurisdictions	5,494	3,291
Deferred income tax – current year	(28,704)	(54,577)
	<u>980,574</u>	<u>616,668</u>

### (a) PRC corporate income tax

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

In accordance with the PRC tax laws, standard corporate income tax rate is 25%. The Company and certain subsidiaries are qualified for High technology enterprises status and enjoyed preferential income tax rate of 15% during 2024 and 2023.

**(b) Germany profits tax**

Applicable profits tax rate of Germany is 29% (2023: 29%). During the year of 2024, no profits tax has been provided due to no assessable profit (2023: Nil).

**(c) Others**

Applicable profits tax rates of the Group's other subsidiaries are between 9% and 34.01% for the year of 2024 (2023: between 9% to 34.01%).

**(d) Pillar Two Rules**

The Group is subject to the global minimum top-up tax Global Anti-base Erosion Rules (“**Pillar Two Rules**”). Pillar Two Rules has become effective in Germany in which the Company's subsidiary, namely SEG Automotive Germany GmbH subgroup (“**SEG Group**”), is incorporated. The top-up tax relates to operation of SEG Automotive Products (China) Co., Ltd. (a subsidiary of SEG Group) in the PRC, where the annual effective income tax rate is estimated to be slightly below 15%. Therefore, a top-up tax is accrued in the current period using the tax rate based on the estimated adjusted covered taxes and net globe income for the year. The Group has recognised a current tax expense of RMB4,698,000 related to the top-up tax for the year ended 31 December 2024 which is expected to be levied on New Neckar Autoparts Holdings and Operations GmbH & Co. KG.

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

**9 DIVIDENDS**

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Dividends recognised as distribution during the year		
– 2023 Final (RMB0.84 per share)	<b>1,499,153</b>	–
– 2022 Final (RMB0.56 per share)	–	998,058
	<b><u>1,499,153</u></b>	<u>998,058</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of RMB1.12 per share (2023: final dividend in respect of the year ended 31 December 2023 of RMB0.84 per share) in an aggregated amount of RMB1,956,059,000 has been proposed by the directors of the Company on 28 March 2025 and is subject to approval by the shareholders in the forthcoming annual general meeting.

## 10 EARNINGS PER SHARE

### (a) Basic earnings per share

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

	2024	2023
Earning for the purpose of basic earnings per share (profit for the year attributable to owners of the Company) (RMB'000)	<u>3,943,489</u>	<u>3,301,334</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,779,357,575</u>	<u>1,763,366,008</u>
Earnings per share (RMB cents)	<u>221.62</u>	<u>187.22</u>

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	2024	2023
<b>Earnings:</b>		
Profit attributable to owners of the Company used in the diluted earnings per share calculation (RMB'000)	<u>3,943,489</u>	<u>3,301,334</u>
<b>Number of shares:</b>		
Weighted average number of ordinary shares in issue during the year per share calculation	1,779,357,575	1,763,366,008
Add: share options	238,475	4,332,960
restricted share incentive	<u>4,281,237</u>	<u>6,375,701</u>
Weighted average number of ordinary shares in issue and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>1,783,877,287</u>	<u>1,774,074,669</u>
Diluted earnings per share (RMB cents)	<u>221.06</u>	<u>186.09</u>

## 11 TRADE AND OTHER RECEIVABLES, CONTRACT ASSETS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Financial assets		
Trade receivables	9,656,275	7,661,570
Less: loss allowance of trade receivables	<u>(664,267)</u>	<u>(506,328)</u>
	<b>8,992,008</b>	<b>7,155,242</b>
Financial asset receivables ( <i>Note a</i> )		
Deposits	145,899	83,867
Receivable from disposal of investment	65,519	65,519
Staff advances	57,743	30,361
Tax expense to be collected from customers	522,959	645,012
Others	130,756	153,536
Less: loss allowance	<u>(102,794)</u>	<u>(99,575)</u>
	<b>922,245</b>	<b>1,378,898</b>
	<b>9,914,253</b>	<b>8,534,140</b>
Non-financial assets		
Contract assets ( <i>Note a</i> )	886,436	643,730
Less: loss allowance of contract assets	<u>(25,315)</u>	<u>(11,946)</u>
	<b>861,121</b>	<b>631,784</b>
Prepayments to suppliers	661,460	625,721
Other tax recoverable	<u>483,712</u>	<u>561,827</u>
	<b>2,006,293</b>	<b>1,819,332</b>
Total trade and other receivables, contract assets	<b><u>11,920,546</u></b>	<b><u>10,353,472</u></b>

*Note:*

- (a) As at 31 December 2024, the Group holds financial asset receivables amounting to RMB102 million (2023: RMB500 million) purchased from a third party securities company. The estimated annual yield rate is 2.85% (2023: 3.6% and 3.1% of two products, respectively) and the financial asset receivables will be due in March 2025 (2023: March 2024 and September 2024, respectively).

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Within 180 days	7,121,402	5,564,404
Over 180 days but within 1 year	1,126,972	943,325
Over 1 year but within 2 years	594,099	586,469
Over 2 years within 3 years	149,535	56,697
Over 3 years	–	4,347
	<u>8,992,008</u>	<u>7,155,242</u>

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

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Opening balance	617,849	676,166
Provided/(Reversed) during the year	171,180	(57,197)
Write off	(1,767)	(3,656)
Acquisition of a subsidiary	7,537	–
Currency exchange differences	(2,423)	2,536
	<u>792,376</u>	<u>617,849</u>

**12 TRADE AND OTHER PAYABLES**

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Notes payable	3,029,775	3,521,748
Trade payable ( <i>Note a</i> )	8,274,732	7,047,194
	<u>11,304,507</u>	<u>10,568,942</u>
Salary and bonus payables	627,274	499,136
Deposits ( <i>Note b</i> )	132,918	88,963
Interest payable	28,546	35,450
Other taxes payable	706,758	927,921
Restrictive shares payable	–	52,427
Factoring payable ( <i>Note c</i> )	47,803	68,546
Accruals	503,075	245,412
Other payables ( <i>Note d</i> )	581,329	429,565
	<u>2,627,703</u>	<u>2,347,420</u>
	<u>13,932,210</u>	<u>12,916,362</u>

Notes:

- (a) The following is an ageing analysis of notes payable and trade payables presented based on issuance date/invoice date as at 31 December 2024 and 2023:

	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Within 1 year	<b>7,946,772</b>	6,729,748
Over 1 year	<b>327,960</b>	317,446
	<b><u>8,274,732</u></b>	<u>7,047,194</u>

- (b) Deposits represent the deposits received from suppliers for transportation and other services.
- (c) The Group has continued to recognised trade receivables that have been forward to financial institution and corresponding liability due to the resource provision in the factoring contracts.
- (d) Other payables mainly consist of payables for the acquisition of property, plant and equipment, rental payables, variable consideration and payables for other services.
- (e) The average credit period on purchases of goods is 30-90 days (2023: 30-90 days).

### 13 SHARE CAPITAL

	<u>Listed A Shares</u>		<u>Listed H Shares</u>		<u>Total</u>	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
<b>Authorised, issued and fully paid</b>						
At 1 January 2024						
– Ordinary shares of RMB1 each	1,538,175	1,538,175	243,234	243,234	1,781,409	1,781,409
Forfeited restricted shares	(342)	(342)	–	–	(342)	(342)
Exercise of share options	4,333	4,333	–	–	4,333	4,333
At 31 December 2024						
– Ordinary shares of RMB1 each	<b>1,542,166</b>	<b>1,542,166</b>	<b>243,234</b>	<b>243,234</b>	<b>1,785,400</b>	<b>1,785,400</b>
	<u>Listed A Shares</u>		<u>Listed H Shares</u>		<u>Total</u>	
	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000	Number of shares '000	Amount RMB'000
<b>Authorised, issued and fully paid</b>						
At 1 January 2023						
– Ordinary shares of RMB1 each	1,535,411	1,535,411	243,234	243,234	1,778,645	1,778,645
Forfeited restricted shares	(1,728)	(1,728)	–	–	(1,728)	(1,728)
Exercise of share options	4,492	4,492	–	–	4,492	4,492
At 31 December 2023						
– Ordinary shares of RMB1 each	<b>1,538,175</b>	<b>1,538,175</b>	<b>243,234</b>	<b>243,234</b>	<b>1,781,409</b>	<b>1,781,409</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue

Our revenue increased by 1.73% from RMB36,423.24 million for the year ended 31 December 2023 to RMB37,052.04 million for the year ended 31 December 2024, mainly due to the increase in sales for the year.

### Cost of Sales

As the result of lower material cost and higher producing efficiency, our cost of sales decreased by 2.16% from RMB28,821.18 million for the year ended 31 December 2023 to RMB28,198.87 million for the year ended 31 December 2024.

### Gross Profit

Driven by the above factors, our gross profit increased by 16.46% from RMB7,602.06 million for the year ended 31 December 2023 to RMB8,853.17 million for the year ended 31 December 2024.

The increase in gross profit during the year was primarily benefited from the fact that the price of major raw material has dropped throughout the year and the increase in producing efficiency as well as larger portion of high margin products of overall revenue. The gross profit margin of the coal mining machinery segment increased from 27.01% for the year ended 31 December 2023 to 32.38% for the year ended 31 December 2024. As of 31 December 2024, the gross profit margin of the auto parts segment of the Group decreased from 16.75% for the year ended 31 December 2023 to 14.49% for the year ended 31 December 2024.

Therefore, the overall gross profit margin of the Group increased from 20.87% for the year ended 31 December 2023 to 23.89% for the year ended 31 December 2024.

### Other Income

Our other income increased by 47.30% from RMB492.12 million for the year ended 31 December 2023 to RMB724.89 million for the year ended 31 December 2024, mainly because the Group gained more additional input value-added tax credit.

### Other Gains and Losses

Our other gains and losses increased by RMB127.18 million from a loss of RMB13.20 million for the year ended 31 December 2023 to a gain of RMB113.98 million for the year ended 31 December 2024, primarily as a result of net fair value gains on financial assets at fair value through profit or loss.

## **Selling and Distribution Expenses**

Our selling and distribution expenses increased by 17.47% from RMB910.38 million for the year ended 31 December 2023 to RMB1,069.41 million for the year ended 31 December 2024, which aligned with the increase in revenue.

## **Administrative Expenses**

Our administrative expenses increased by 24.52% from RMB1,199.59 million for the year ended 31 December 2023 to RMB1,493.71 million for the year ended 31 December 2024, mainly due to the additional costs arising from the final settlement of employee severance compensation under the SEG restructuring plan.

## **Research and Development Expenses**

Our research and development expenses remain basically flat for the year ended 31 December 2023 and the year ended 31 December 2024. The group is deeply committed to substantial investment in its research and development initiatives, reflecting a strong dedication to innovation and growth.

## **Share of Profit of Associates**

Share of profit of associates increased by 2.88% from RMB46.97 million for the year ended 31 December 2023 to a gain of RMB48.32 million for the year ended 31 December 2024, mainly due to the better performance of associates in the coal mining machinery segment during the year.

## **Finance Costs**

Our finance costs decreased by 23.33% from RMB388.60 million for the year ended 31 December 2023 to RMB297.95 million for the year ended 31 December 2024, mainly due to the decrease in interest on bank borrowings this year.

## **Profit before Tax**

Affected by the factors referred to above in aggregate, our profit before tax increased by 26.55% from RMB4,118.26 million for the year ended 31 December 2023 to RMB5,211.47 million for the year ended 31 December 2024.

## **Income Tax Expense**

Our income tax expense increased by 59.01% from RMB616.67 million for the year ended 31 December 2023 to RMB980.57 million for the year ended 31 December 2024, primarily as a result of the increase in production and sales. Our effective tax rate increased to 18.82% for the year ended 31 December 2024 from 14.97% for the year ended 31 December 2023.

## **Profit Attributable to Owners of the Company**

Based on the factors referred to above, profit attributable to owners of the Company increased by 19.45% from RMB3,301.33 million for the year ended 31 December 2023 to RMB3,943.49 million for the year ended 31 December 2024.

## **Trade and Other Receivables, Contract Assets**

As of 31 December 2024, trade and other receivables, contract assets amounted to approximately RMB11,920.55 million, representing an increase of approximately RMB1,567.07 million as compared to RMB10,353.47 million as at the end of 2023, the increase in trade and other receivables was mainly due to the increase in revenue.

## **Liquidity**

The Group's net current assets were approximately RMB13,735.57 million (31 December 2023: RMB17,330.88 million) and the current ratio was 1.63 as at 31 December 2024 (31 December 2023: 1.89). The current ratio equals current assets divided by current liabilities. The decrease in current ratio was mainly attributable to the increase in borrowings in current portion.

## **Material Events after the Reporting Period**

On 12 March 2025, the Board agreed for the Company to use its own funds and self-raised funds to repurchase some of its issued ordinary shares in A-shares market through centralized bidding trading on the Shanghai Stock Exchange trading system, and will use the repurchased shares for future share-based payment scheme. The total funds for the Company's share repurchase shall be between RMB500 million and RMB600 million. The repurchase price of the shares shall not exceed RMB17.00 per share, and the specific repurchase price shall be determined during the implementation period based on the Company's stock price, financial condition, and operating conditions. The deadline for this share repurchase plan is within 6 months from the date of approval by the Board.

## 2024 BUSINESS REVIEW

In 2024, global economy experienced a moderate recovery, but the international situation remained complex and volatile, and geopolitical conflicts intensified. The adverse effects brought by changes in the external environment increased, while domestic effective demand was insufficient, leading to a divergence in economic operations. The industry in which the Company operates faced intensified “involution”, and the challenges of volatility increased. Confronting the severe and complex external environment, the Company centred around the brand new vision of “becoming a globally leading and sustainable provider of intelligent industrial solutions”, focusing on strategic objectives, closely tracking market dynamics, adhering to innovation-driven approaches, sparing no efforts in promoting digital transformation, strengthening market leadership externally and enhancing capacity building internally, and steadily and orderly advancing various company operations to achieve stable growth in business performance.

### **(I) The Group’s overall performance and the performance of each business segment have again reached a new historical high**

In 2024, ZMJ Group recorded total revenue of RMB37,052.04 million, representing a year-on-year increase of 1.73%. Net profit attributable to shareholders of the listed company amounted to RMB3,943.49 million, representing a year-on-year increase of 19.45%. The performance of major industry segments such as the coal mining machinery segment, ASIMCO, and Hengda Intelligent Control reached historic highs.

### **(II) Continuous advancement of digital transformation to cultivate new quality productivity development**

Fully launched the Group’s digital transformation planning and business governance reform and enhanced the Group’s operational efficiency and market competitiveness. Conducted in-depth interviews and research on global businesses, completed blueprint design of the SAP project, and formulated a preliminary digital transformation plan and business governance reform proposal, laying a solid foundation for the Group’s realization of digital global governance in the future.

The smart park was successfully included in the list of Global Lighthouse Network, becoming the first “Lighthouse Factory” in the coal machinery industry. Hengda Smart Control’s new digital factory has commenced operations, with production capacity increasing by 12%, efficiency improving by 33%, and delivery time reduced by 11%, achieving intelligent production processes and product intelligence, establishing core competitiveness in the field of intelligent manufacturing, and it will become a demonstration base for intelligent manufacturing of comprehensive control systems and valves for use with high-end supports, an industrial Internet platform base and a research and development testing base, empowering high-quality development for clients in the coal industry through digitization and intelligence.

Adhering to the principle of “digital-driven transformation of the entire business process”, we have established a promotion mechanism integrating IT and OT, deeply advanced digital construction, and cultivated and developed new quality productivity. We have promoted the construction or completion and put into operation systems such as the service big data platform, integrated design and manufacturing technology, ZMOM 2.0 (Manufacturing Operations Management System), APS (Advanced Planning and Scheduling System), developed interactive artificial intelligence application scenarios, and officially operated the digital human for exhibition hall. We promoted the digital operation platform of the coal mining machinery segment, completed the deployment of core functions, and achieved unified management of the 1+6 management cockpit and 68 business statements.

**(III) Integrated and optimized minority equity of subsidiaries to enhance industry synergy of the Group and parent company profitability**

According to the development strategy of the Group company for each industry segment, reclaiming minority equity in subsidiaries and increasing the shareholding ratio are important strategic deployments for the Company to strengthen group management and industry coordination, enhance the profitability attributable to the parent, and strengthen resource integration. In 2024, the Company increased its shareholding in core business subsidiaries (Hengda Intelligent Control, Intelligent Working Face Company, Longwall Company, ASIMCO Nanjing, ASIMCO Shuanghuan and Camshaft, etc.) through means such as capital increase and acquisition of minority shareholders' equity in the coal mining machinery segment and ASIMCO, this is conducive to the comprehensive optimization and integration of resources in business, finance, fund and capital operations within the Company, enhancing the development strength of relevant subsidiaries, improving operational decision-making efficiency, and boosting the performance attributable to shareholders of the listed company.

**(IV) The coal mining machinery segment has significant advantages in complete sets and intelligence, creating differentiated advantages**

In 2024, confronting a complex external environment, the coal mining machinery segment actively innovated and sought change, seized opportunities, adjusted its structure, promoted transformation, and implemented refined management. The major indicators showed steady improvement, market development advanced against the trend, the advantages of complete sets and intelligent solutions were significant, and both the quality and efficiency of production and operation increased. During the year, this sector achieved operating income of RMB19,469.66 million and a net profit excluding unallocated expense of RMB4,167.47 million, as always, it played the role of the Group's anchor, continuing the positive momentum of high-quality and sustainable development.

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

Confronting insufficient external market demand and fierce “involution” competition in the industry, the coal mining machinery segment actively responded to market changes by adhering to the principle of “project is king, order is king, transaction is king”, quickly adjusting its sales strategy, focusing on both tapping existing resources and expanding new ones, proactively securing orders, controlling risks and promoting collection of receivables, solidly advancing market development efforts domestically, internationally, and across branches and subsidiaries.

The bid-winning rate and direct order volume in the domestic market grew against the trend, with both the order value and quantity of complete-set projects reaching historic highs. Intelligent development is moving towards practical and in-depth applications, with the market share of intelligent mining systems exceeding 45%, maintaining a leading position in the industry for consecutive years. The successful delivery of the 7.2-meter ultra-mining height comprehensive top coal caving hydraulic roof support has set a new height in the field of comprehensive top coal caving. As for the international market, efforts are made to consolidate traditional business markets while proactively exploring new businesses and new markets. Large-scale projects have been consecutively entered into in Indonesia and Turkey, and we also entered the Kazakhstan market for the first time. We have actively expanded non-coal business, exploring the crane equipment market and opening up new business areas.

## **2. *Technology innovation leads high-quality development***

Adhering to the R&D concept of “comprehensive external leadership and internal value creation”, we continuously improve the scientific research and innovation system, build differentiated product technology and service advantages, and strive to develop new products and new businesses. This aims to maintain the competitive advantages of the enterprise, achieve long-term stable growth in the future, and establish new industry benchmarks.

The initial framework for new business development has emerged, developing new products and exploring new markets with the needs of customers as the centre. The large dip angle support moving equipment, rapid excavation and bolting integrated machine and horizontal axis open-pit continuous mining machine have been successfully applied. Actively promote the research and development efforts in open-pit mining, backfilling systems, intelligent tunnelling and green zero-support, striving to explore new growth points.

Further expand the integrated smart mining business on the basis of our complete sets of intelligent coal mining system, extending the business to tunnelling workforce and comprehensive control of coal mine systems. Additionally, we have introduced new businesses such as intelligent comprehensive tunnelling control systems, workforce pump stations and control systems, centralised control systems for coal mine belt transportation, and smart mine management and control platforms, further enhancing the system landscape of smart mining business.

We have initiated the era of full-scenario intelligent smart mining. Successfully achieved deep integration of Deepseek with systems such as mine pressure monitoring system, full mine control platform, comprehensive mining control platform, AI video analysis, digital twin system, industrial internet and comprehensive disaster prevention in the field of smart mining. We have integrated coal mine production, safety, warning and analysis operations into the DeepSeek industry large model, achieving comprehensive localization adaptation from underlying algorithms to upper-level frameworks and hardware facilities. This not only fortifies the solid defence line for coal mine data security, but also achieves a qualitative leap in response speed, providing more efficient and reliable solutions for the construction of intelligent mines.

### **3. *Adopting multiple measures to vertically increase production capacity***

Guided by user demand, we adhere to high target-driven strategies to enhance all-factor production efficiency, safeguarding market development. Fully tapping internal potential, significantly increasing the proportion of in-house production, shortening the manufacturing cycle, and enhancing production flexibility and market competitiveness. The per capita self-made output of the coal mining machinery segment increased by 4.3% year on year, reaching a historic high. Further strengthen the overall planning of complete set project manufacturing to meet customer delivery needs with high quality and beyond expectations.

### **(V) The automotive parts segment has consolidated its core advantageous position and accelerated the transition to new energy**

During the reporting period, the Company's automotive parts segment seized market trends, optimized business structure, and continuously consolidated its advantageous position in core components. Significant progress was made in new energy vehicle components, focusing on chassis and electric drive. Overall operational efficiency and profitability continued to improve, achieving annual revenue of RMB17,582.38 million and net profit excluding unallocated expense of RMB265.54 million, providing strong support for the Company's sustainable development.

ASIMCO's operational performance in 2024 was outstanding, with both operating revenue and net profit reaching historic highs. ASIMCO continues to advance strategic transformation, committed to the development of product platforms, creating a diverse product line. The business in the passenger vehicle and new energy sectors has advanced rapidly, with the revenue share of the passenger vehicle business increasing to 47% in 2024 (as compared to 30% in 2022). In 2025, such revenue share will surpass that of the commercial vehicles for the first time, transforming ASIMCO from a commercial vehicle-focused business layout into a new pattern where both commercial and passenger vehicle businesses thrive, and from parts to components. The air suspension system components business has made breakthrough progress and has reached cooperation with several leading OEMs; the battery cooling plate and chassis rod business has secured multiple project appointments, achieving a breakthrough from zero to one. As regards the commercial vehicle business, the piston ring products have been continuously innovated and optimized. With their reliable performance under high temperature, high explosion pressure and high power per litre conditions, as well as advantages in low emissions and high fuel economy, they have broken the monopoly of international giants and provided innovative solutions to enhance the international competitive advantage of the engine industry. The "zero defects" philosophy is continuously practiced, and casting technology is upgraded to meet the stringent requirements of customers for product performance, precision and reliability with high-quality engine block and cylinder head casting products. Keeping pace with customers, we actively cooperate with the market development of new products such as methanol engines and have been awarded the Excellent Supplier Award by our customer. Continuously advancing the construction of capacity enhancement projects, we have achieved mass production at the Yuncheng factory, vibration damping components business, and battery cooling plate business, accelerating the digital upgrade of factories to lay a solid foundation for business expansion and increasing market share.

SEG focuses on profitability and growth, continued to optimise its global layout, and achieved good operational performance in 2024, with a continuous increase in market share; the 12V starter and 48V BRM businesses showed a good growth trend, and the aftermarket business grew significantly. The Spanish plant has launched a newly independently developed inverter production line, effectively improving the cost of the 48V BRM business. The high-voltage motor business in India has achieved a new breakthrough, swiftly capturing the rapidly developing Indian market with its localization advantage.



SEG Automotive E-Drive System Co., Ltd. (SES) accelerated the expansion of its new energy vehicle business, leveraging its accumulation and breakthroughs in key process technologies of parts and components for high-voltage drive motors to assist in acquiring new projects. It has secured multiple stator and rotor projects from leading customers, with certain projects ramping up mass production. Successfully obtained the EMB brake motor project, achieving breakthrough in the chassis domain motor business. While expanding the market, we are committed to the development of advanced processes, steadily advancing the construction of new production capacities, laying a solid foundation for long-term development.

**(VI) Achieving new breakthroughs by empowering discrete manufacturing industries with digitisation and intelligence**

ZMJ Shuyun Company is committed to building a complete digital factory ecosystem, cultivating the capability of creating a “smart factory turnkey” solution, and enhancing product quality and factory efficiency through digital empowerment. Based on the “Lighthouse Factory and Lighthouse Network”, it successfully delivered its first external project to a client in 2024 and received multiple external project orders, once again proving its strong capabilities in intelligent factory solutions for the discrete manufacturing industry. In the future, it is expected to become an important business support for the Group’s digital transformation.

**(VII) New developments have been made in investment business, with capital empowering industrial transformation and upgrading**

During the reporting period, Suda Corporation, one of the Company’s investee companies, successfully launched its initial public offering, becoming the first A-share company specializing in full lifecycle management of industrial machinery. Luoyang Bearings Group Co., Ltd. (洛陽軸承集團股份有限公司), one of the Company’s investee companies, completed its shareholding reform and has commenced IPO counselling, laying the foundation for entering the capital market, and achieved new breakthroughs in the fields of high-speed rail, aerospace, wind power and extra-large and heavy-duty bearing sectors. While managing the existing business segments well, we will optimise the industry layout, explore opportunities in emerging fields, and empower the Company’s high-quality development with capital.

## FUTURE PROSPECTS

2025 is the concluding year of the 14th Five-Year Plan and also a critical year for planning and laying out the new development under the 15th Five-Year Plan. The complex and ever-changing macroeconomic environment, increasingly fierce market competition and rapid technological innovation have brought opportunities for transformational development, but also pose even more severe challenges. The Company will focus on strategic goals, adhere to the guidance of technology innovation, continuously strengthen innovation-driven efforts, and achieve breakthroughs in cognitive ability, group governance capability, system and mechanism innovation and digital transformation. With high work enthusiasm, we will promote overall improvement in various tasks, so as to achieve sustainable high-quality corporate development.

### **1. Continue to deepen reform and transformation, solidifying the foundation for high-quality development**

#### ***(1) Continuously advance business governance reform and strengthen group control***

Taking strategy, finance, IT, human resources, and investment as key levers, promoting the transformation of the Group headquarters from a “small headquarters” to a “functional” headquarters focused on strategic control. The Group headquarters will concentrate on strategic guidance, professional support and business synergy, promoting adjustments in the Group’s internal industry segments and organizational structure, enhancing the global compliance system to ensure consistency and efficiency in overall development direction.

#### ***(2) Continue to advance digital transformation, cultivate and develop new quality productivity***

Led by intelligence, globalisation and digitisation, continuously promote reform and innovation, and enhance overall digitalisation and intelligent manufacturing levels. Complete the Group’s digital transformation strategic planning, clarify the global IT architecture under the new situation, integrate IT and AI to transform traditional industries, promote innovation in products and services, continuously enhance business efficiency, improve customer experience and innovate business models, empowering high-quality development with digital and intelligent technology.

#### ***(3) Promote the Group’s new industry layout to drive development through investment***

Grasp new industrial opportunities in the context of “dual-carbon”, streamline transformation businesses, incubate businesses and potential M&A businesses, invest in directions within existing businesses that have market and incremental potential, and plan for new industries facing the future. Empower industrial development through investment, with fixed asset investment expanding production to aid endogenous growth and equity investment supporting exogenous growth, driving high-quality development of the Group.

## **2. Continue to drive business segment reform and innovation to achieve stable and healthy development**

### ***(1) Taking intelligence as guidance, maintaining leading position for the coal mining machinery business***

The coal mining machinery segment continues to deepen the “four strategies” supported by digitalization and intelligence, firmly advancing intelligent-driven product complete-set development, digitally-driven business whole process transformation, and establishing the technical system for coal mining robots, ensuring its leading position in the global coal mining machinery market.

First, enhance market competitiveness. Deepen global layout, enhance international market development and service support capabilities, further expand our international reputation; innovate business models, taking integrated sales of complete sets of equipment as a lever and the industrial internet platform as the basis, leveraging diversified intelligent sensing hardware to build a remote intelligent operation and maintenance platform encompassing data, model and scenario, achieving real-time monitoring of equipment health status throughout the lifecycle and preventive intelligent maintenance, exploring new marketing models for professional lifecycle services, establishing barriers for competition, achieving differentiated competition and market leadership.

Second, adhere to the driving effect of innovation. Focus on the construction of high-end complete set benchmark demonstration projects, achieve breakthroughs in more coal mining equipment products through various methods beyond the “two machines and one rack”, create competitive advantages in one-stop solution; enhance mining efficiency, focus on the R&D of various types of mining auxiliary operation robots, and develop ZMJ complete-set solutions with core competitiveness aimed at “fewer manpower, increased safety and improved efficiency”; strengthen the leadership of intelligence, focus on artificial intelligence-powered coal mining equipment and more application scenarios, carry out research on the core issues of unmanned, intelligent and robotic coal mining, lead the industry in the development of intelligent technology and realise the transition from “coal mining while sitting on the ground” to “coal mining while sitting in the office.”

Third, comprehensively advance digital and intelligent construction. Taking the resolution of customer on-site and management issues as a lever, we will integrate digital intelligence construction into scenarios such as enterprise marketing, R&D, manufacturing, service and operation, taking “process reengineering, data governance, index standardization and report unification” as the starting point, to achieve the digital transformation of the coal mining machinery segment; adhere to the principles of overall planning and phased implementation, relying on intelligent factory construction and production line layout adjustments to deepen the integration of design and process, promote the MBD model of smart parks, and build a lean intelligent manufacturing production and operation system with unique ZMJ characteristics. To transform the entire manufacturing base of the coal mining machinery segment into an intelligent factory in all aspects; embrace artificial intelligence, deepen the application practices of ZMJ interactive artificial intelligence, creating value and new intelligent application experiences for customers.

**(2) *ASIMCO to accelerate new energy transformation and be prepared for production capacity reserves***

First, focus on vigorously developing the new energy vehicle market around the chassis, seizing opportunities in localization and new energy. The chassis shock absorption business segment will continue to expand its market share; new businesses such as air suspension systems, cold plates, rods and subframes are moving from breaking the ice to expanding market share; rapidly advance the layout of new products and new businesses. Secondly, continue to consolidate and enhance the dominant position of core businesses, intensify efforts in exploring international markets, and explore overseas factory construction to meet global customer demands, expanding the advantages of core businesses from domestic to global; thirdly, prepare capacity reserves for continuous business growth, and plan capacity layout for the growth of shock absorption sealing, powder metallurgy and new businesses; fourthly, promote digital construction, promote digital planning of factories and the automated upgrade of bottleneck processes/units to enhance core competitiveness.

**(3) *SEG to solidify its global market share, SES to accelerate the development of new energy business***

SEG will continue to reduce costs and increase efficiency, streamline hierarchies, and enhance headquarters empowerment to stimulate internal motivation; advance the mass production of self-developed 48V BRM motors, promote motor products for light electric vehicle, further increase market share in the 12V and 48V BRM sectors, and enhance profitability with the support of the Chinese supply chain; expand aftermarket business to achieve rapid growth in developing countries.

SES will leverage the advantages of the global system and the benchmarking effect of projects in hand, increase product promotion and sales efforts, be customer-centric, leverage the advantages of large-scale production, enhance competitiveness through scale, and ensure high-quality delivery. Focusing on the needs of strategic customer, taking existing business as the entry point, and utilising existing core R&D capabilities (motors, electronic controls, software and hardware) and resources to carry out joint development, and explore new opportunities in electric motor-related intelligent driving businesses such as drive, braking, steering and suspension. Increase revenue and reduce expenditure, continuously improve, and enhance profitability through operational excellence.

**(4) *Focusing on industrial intelligence, cultivate and build the industrial intelligent segment***

Under the policy background of vigorous promotion of new industrialization, strengthening and expanding advanced manufacturing and facilitating the renewal and upgrading of traditional industries by the State, the Company takes the “Lighthouse Factory” experience as guidance, advances the application of “Artificial Intelligence + Manufacturing”. By integrating digital technology with manufacturing advantages, we will focus on cultivating the industrial intelligence sector through various methods such as restructuring, strategic cooperation and joint ventures, create the ability to deliver intelligent industrial solutions that integrate overall hardware and software with solution services, and form the ability to deliver ‘smart factory turnkey’ solutions. We will empower thousands of industries and provide overall solutions for the digitalisation and intelligentisation of discrete manufacturing, as well as empowering the construction of original digital factories and the digital transformation of traditional factories.

**(5) *Steadily progress of Zhima Street Phase II construction project***

The Group will promote the development of Phase II of Zhima Street Innovation and Entrepreneurship Park, complete the relocation of production functions in the park, explore investment models for Phase II development, advance the construction of Phase II project, enhance the commercial support model, and strive to develop into a demonstration model of China’s “industrial heritage + dual creation industry”.

## **OTHER INFORMATION**

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

In January 2024, pursuant to the 2019 Share Option Incentive Scheme, the Company processed the exercise of share options and the related registration procedures of the exercised share options for 280 participants and issued 4,128,960 A shares at an exercise price of RMB4.5901 per A share. Registration for the exercise was completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 17 January 2024.

In July 2024, pursuant to the 2019 Share Option Incentive Scheme, the Company processed the exercise of share options and the related registration procedures of the exercised share options for 3 participants and issued 204,000 A shares at an exercise price of RMB3.7501 per A share. Registration for the exercise was completed at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 15 July 2024.

In September 2024, the Company repurchased 342,000 Restricted A Shares from 13 participants under the 2021 Restricted Share Incentive Scheme at an average price of RMB3.9478 per A Share and completed the repurchase and cancellation procedures at the Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 15 September 2024.

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

### **Corporate Governance**

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

### **Model Code for Securities Transactions by Directors and Supervisors**

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

## Final Dividend

A relevant resolution was passed at a meeting of the Board held on 28 March 2025, and the Board proposed the payment of a final dividend (the “**Dividend**”) of RMB11.20 (tax inclusive) per 10 shares for the year ended 31 December 2024. Based on the 1,746,481,400 shares representing the Company’s total share capital of 1,785,537,930 shares as at 28 March 2025 less the 38,918,530 treasury shares in the A-share repurchase dedicated securities account, the total proposed dividend is RMB1,956,059,168.00.

The Dividend is expected to be paid on or before 18 July 2025. The proposal in relation to profit distribution is subject to approval at the 2024 annual general meeting. The convening time of the 2024 annual general meeting and the relevant arrangements will be announced by the Company in due course.

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

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

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

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

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

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

### **Profit Distribution to Investors of Northbound Trading**

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

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

### **Profit Distribution to Investors of Southbound Trading**

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



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

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

#### **Review by the Audit Committee**

The Audit and Risk Management Committee has reviewed the accounting principles and policies adopted by the Group and the audited annual consolidated financial statements for the year ended 31 December 2024.

#### **Scope of Work of Messrs. Deloitte Touche Tohmatsu**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 28 March 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

#### **Forward-looking Statements**

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

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

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

This results announcement is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.zmj.com](http://www.zmj.com)), respectively.

The 2024 Annual Report which is prepared in accordance with the International Financial Reporting Standards and the PRC Accounting Standards will be published on the websites of the Stock Exchange, the Shanghai Stock Exchange and the Company in due course. The annual report of the Company for the year ended 31 December 2024 will be dispatched to the shareholders of the Company (if appropriate) and posted on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Zhengzhou Coal Mining Machinery Group Company Limited**  
**Jiao Chengyao**  
*Chairman*

Zhengzhou, PRC, 28 March 2025

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