

Enlightenment of Chinese Agricultural Mechanization Development to Southeast Asia

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OVERSEAS DIVISION

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Zoomlion shall create a new future for the Agricultural Machinery in Asia together with you



01

Successful experience of Chinese agricultural Mechanization Development



1. Products for small and medium farms

Individual farmers



Low labor efficiency
High labor costs
Low farm machinery costs
Low economic efficiency

Small and medium sized farms



Low labor efficiency
Low labor costs
Low farm machinery costs
High economic efficiency

Big farms



High labor efficiency
Low labor costs
High cost of farm machinery
High economic efficiency

Considering in general for labor efficiency, labor costs, machinery costs, the economic capacity of farmers and economic factors etc, the main promotion products are the ones in line with **small and medium sized farms**, during the development of Chinese agricultural mechanization.

2. Starting from plowing and harvesting

Plowing Mechanization



Tractor, rotary tiller, plows, rakes, etc.



Harvesting Mechanization



Combine Harvester

Chinese Agricultural Mechanization, firstly from plowing and harvesting mechanization, and then will gradually developed to including tillage, planting, field management, harvesting, post-harvest processing and other aspects of full-process crop mechanization.

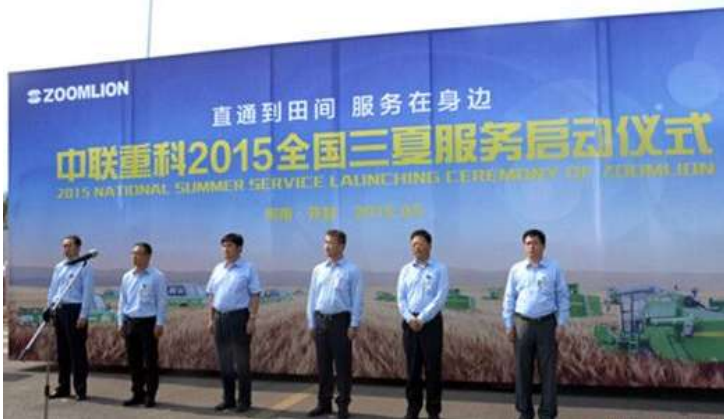
3. Good income for the machine owner

- During the development of Chinese agricultural mechanization, the farm machinery owners help other farmers to do field works and charge corresponding service fees, by their purchased tractors or harvesters and other agricultural machinery;
- Take corn harvesting operations as an example, the service fee is 80 Yuan / Mu(One Mu=0.16 acre), if one season can harvest 1,500 Mus, net profit is up to 80 000 after deducting fuel and other costs.
- On average, a tractor or a harvester can recover the costs only by 1--3 years.



In summer 2015, ZOOMLION's harvesters are in the field service operating.

4. Strong local parts and service support



中联重科2015全国三夏服务启动仪式
Zoomlion 2015 summer national service launch



中联重科全国“三夏”信息服务中心为用户提供全时信息服务
Zoomlion national summer information service center to provide users with a full-time information services



中联重科“三夏”机收服务队服务到田间
Zoomlion summer machine service teams to field



服务人员在认真的保养机器
Service personnel is in the maintenance for the machine



02

Bottleneck of agricultural machinery in Southeast Asian countries

1. Japanese equipment—too expensive

- Most farmers can not accept the expensive price of Japan Agricultural Machinery.
- Price factors severely restricted the development and promotion of Japanese agricultural machinery in Southeast Asian countries and regions.



2. Chinese equipment has weak parts and service support

- Relatively about Japanese agricultural machinery , China farm equipment with lower price has a great advantage
- Most Chinese farm equipment , its strong local parts and service capabilities are difficult to expand to Southeast Asia , then that will have large influence to the agricultural working man during the busy season



How to balance the relationship between the price , quality, spare parts and services of agricultural machinery, has become a key factor to break the bottleneck in agricultural development of Southeast Asia



03

Agricultural machinery opportunities in Southeast Asia Countries

1. Agricultural Operation Service have good profit

- For example, in Indonesia agricultural operations services, agricultural working man purchased a zoomlion tractor (with rotary tiller) The first annual net income is about \$ 16,000, which can cost recovery; first annual net income of rice harvesters and rice transplanters were also reached \$ 11,000 and \$ 6,000.

Indonesia's first year of Agricultural Machinery use input-output						
Units:USD / year						
Category	sigle unit operation income	sigle unit operation cost	Single operation gains	Remark	Single procurement costs	The first annual net profit
tractor +rotary tiller	41,600	8,022	33,578	Machine loss calculated by 5% of machine maintenance by 3% per year, or 8% included	17,000	16,578
harvester	33,920	7,022	26,898		15,300	11,598
Transplanter	25,440	3,555	21,885		15,500	6,385
in total	100,960	18,599	82,361		47,800	34,561

NOTE: financing costs and other operating costs not included

Annex I: "The Indonesian agricultural operations and services input-output calculations"



2. Advantages of Chinese products have not established

- On the development of agricultural machinery of southeast Asia region , Chinese products advantages have not been established.
- Combined with the successful experience of China's agricultural machinery , do the the combination of products, quality, parts and services in Southeast Asia, Chinese agricultural products will be quickly establish superiority.





04

Thinking on sustainable development way of agricultural machinery in Southeast Asian Countries

Solution No.1

Supported by the Chinese main manufacturers, agents establish spare parts and service support capability

Chinese Manufacturer



Overseas Agents



Solution No.2

Agents to Establish Self-supporting Operation of Agricultural Machinery Service Organization

Demonstation/ Promotion

- Establishing agricultural machinery demonstration base
- Demonstrating farm machinery operation presentation
- Product promotion: Based on agricultural machinery operation demonstration, promote agricultural machinery products

Repurchase Guarantee

By repurchase guarantee, establish the confidence of cooperation

Self-supporting spare parts, service center

With the support of manufacturers, the agent through self-supporting parts, service center to strengthen the spare parts and service support capability

Solution No.3

Agricultural Machinery Driver Vocational Training Promotion













05

**Zoomlion Shall Create a New
Future for Agricultural
Machinery in Asia
Together With you**



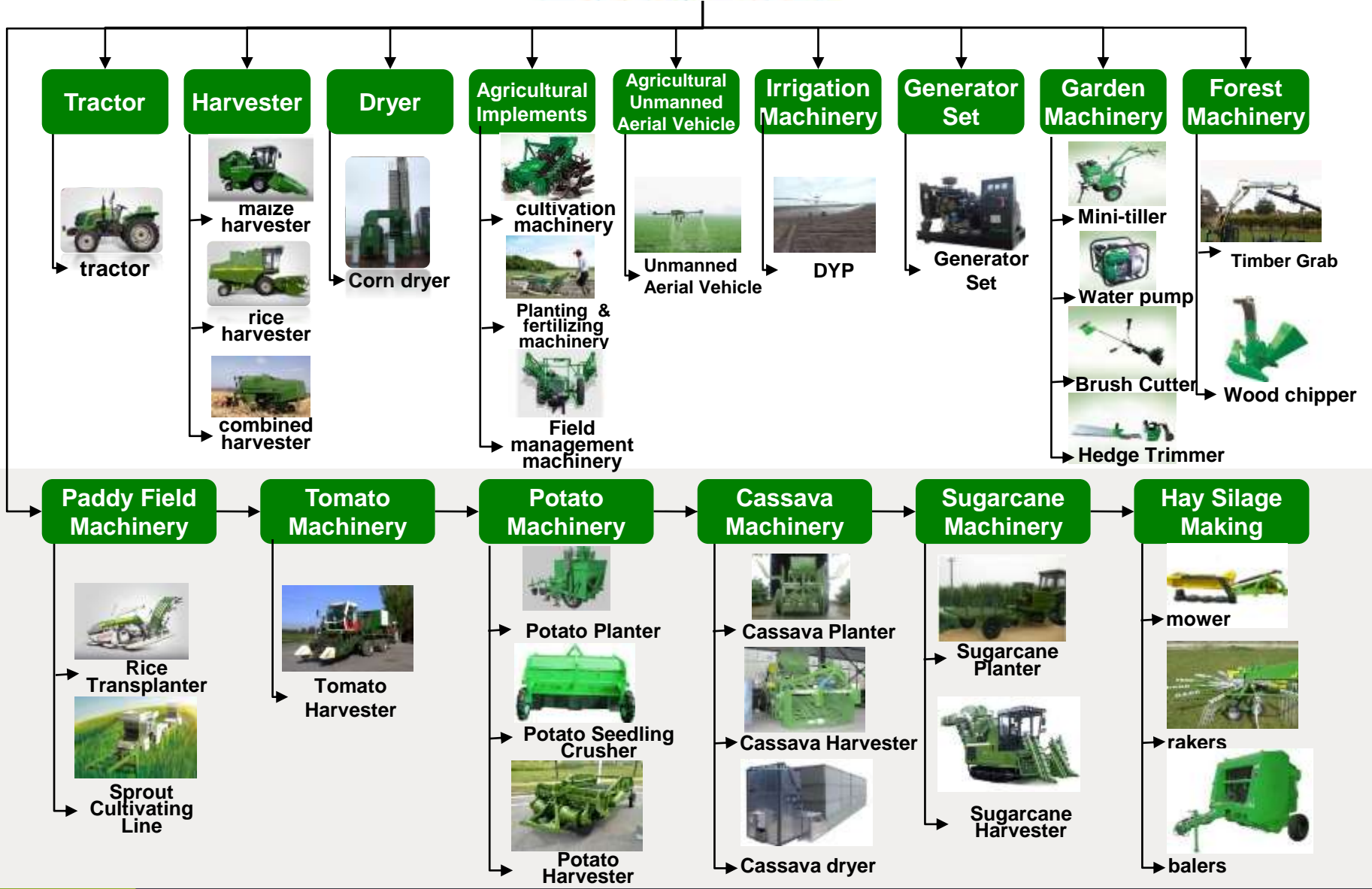
1. Products

With The most optimal Chinese support platform of engineering machinery, agricultural machinery, food machinery and combination products

Product portfolio of the whole process of the agricultural production mechanization	Forest soil preparation	Excavator, bulldozer, grader, rollers, loaders and other earth-moving equipment is complete	
	Cultivation	12-210 horsepower tractor , covering meshing sets, synchronizer, power shift, and other technology platform	
	Irrigation	Provide a variety of equipment for irrigation network construction, realize full coverage of the various terrain and the planting of crops and agronomic requirements	
	Field management	Meet the row, spreader, spray insecticide, etc all kinds of field management requirements	
	Planting	Complete product series, meet rice, wheat, corn, sugar cane, cassava, etc growing demand	
	Harvest	"GUWANG" wheat harvester, rice harvester, with its superior performance, sales ranked top three in China	
	Drying	Circulation at low temperature, high temperature continuous and mobile dryer, meet the rice, corn, soybeans, wheat and other crops drying requirements	
	Warehousing and shallow processing	Meet the demand of grain post-harvest storage and raw processing	

1. Products

ZOOMLION



2. Spare parts and Service

Zoomlion has more than 100 senior service engineer team and perfect accessories network, can provide guarantee services for global customers.



3.Global Strength

Global leader in construction machinery manufacturing - No.7 in 2014 global construction machinery yellow pages

● *779th in the 2013 Forbes Global*



● *Annual revenue of nearly US\$ 12.7 billion in 2013*



● *The company ranks among the world's best in two business segments: concrete machinery & hoisting machinery*



● *Ranked seventh largest construction machinery company in the world and largest in China*



Global manufacturing



- 13 China industrial parks + 4 overseas industries = Localized manufacturing clusters
- Total area: More than 3 million m²

Global network



- 88 dealership networks + over 40 self-owned subsidiaries = Global marketing trade platform.

Global service



- 45 self- supporting service centers + 88 dealer services centers + 6 logistics platforms = Hierarchical global parts supply service system

Global finance



- 6 financial subsidiaries + 4 financing cooperation agencies = Financial support for market in key areas

4. Globalization advantage

Stand on domestic market, deploy oversea market, and integrate with global resources, to build the worldwide agricultural equipment provider.

- Foster **global class dealer network**.
- Create the **global leading parts and services**.
- Develop the **global star product platform**.
- Provide the **global convenient financial services**.
- Develop the **global VIP project cooperation**.
- Agglomerate the **global business elite team**.



THANK YOU !



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