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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)

FIRST QUARTERLY REPORT OF 2018

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the First Quarterly Report of 2018 of the Company. The financial data contained in the Report has been prepared in accordance with PRC GAAP and is unaudited.

This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) hereby announces the unaudited results of the Company for the three months ended 31 March 2018 (the “**First Quarterly Report of 2018**”, the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises (“**PRC GAAP**”) and is unaudited. This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The First Quarterly Report of 2018 is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Report shall prevail.

FIRST QUARTERLY REPORT OF 2018 OF ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO., LTD.*

1. IMPORTANT

- 1.1 The Board, the Supervisory Board of the Company and its directors, supervisors and senior management warrant that there are no mis-representations, misleading statements or material omissions in the Report, and they shall, individually and jointly, accept full responsibility for the truthfulness, accuracy and completeness of the contents of the Report.
- 1.2 None of the directors, supervisors and senior management declared to be unable to confirm or held objection to the truthfulness, accuracy and completeness of the Report.
- 1.3 All members of the Board attended the Board meeting in person for the review of the Report.
- 1.4 The first quarterly financial statements of the Company are unaudited.
- 1.5 Dr. Zhan Chunxin, Chairman of the Board, Ms. Du Yigang, Vice-president, and Mr. Jiang Yuan, the person in charge of the accounting affairs, warrant the truthfulness, accuracy and completeness of the financial report contained in this report.

2. CORPORATE INFORMATION

2.1 Principal Financial Data and Indicators prepared in accordance with PRC GAAP

			Unit: RMB
	The Reporting Period	Corresponding period of last year	Increase/decrease over corresponding period of last year
Operating income	6,360,464,384.08	5,274,912,307.44	20.58%
Net profit attributable to equity shareholders of the Company	376,763,940.50	84,568,429.35	345.51%
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company	280,705,184.23	66,117,177.59	324.56%
Net cash flow from operating activities	453,706,176.88	100,127,256.61	353.13%
Basic earnings per share	0.05	0.01	400.00%
Diluted earnings per share	0.05	0.01	400.00%
Weighted average return on net assets	1.00%	0.23%	Increased by 0.77 percentage points
			Change in the end of the reporting period as compared with the end of last year
	As at the end of the reporting period	As at the end of last year	
Total assets	85,673,771,587.94	83,149,067,653.62	3.04%
Net assets attributable to the equity shareholders of the Company	38,068,262,508.41	37,578,261,818.00	1.30%
			Unit: RMB
			Amount for the period from the beginning of the year to the end of the reporting period
Profit/loss from the disposal of non-current assets (including write-off of provision for asset impairment)			1,485,553.86
Government subsidies recorded under current profit and loss (excluding those closely related to the business of the Company and entitled to a fixed amount or fixed quantity under the standard of the State)			7,606,800.00
Profit/loss from debt restructuring			-2,481,409.24
Change in fair value of financial assets and liabilities held-for-trading and investment income from disposal of financial assets and liabilities held-for trading and financial assets held-for-sale other than financial assets and liabilities held under hedging arrangement in relation to normal business			101,522,702.48
Non-operating income and expenses other than those set out above			5,399,230.56
Less: Income tax effect			16,925,360.94
Minority interests after tax			548,760.45
Total			<u>96,058,756.27</u>

2.2 Total number of shareholders and top ten holders of shares not subject to sales restriction as at the end of the reporting period

Unit: Share

Total number of the shareholders as at the end of the Reporting Period

373,065

Top ten shareholders

Name of shareholders	Nature of shareholders	Shareholding percentage	Number of shares held
HKSCC NOMINEES LIMITED	Overseas legal person	17.78%	1,385,820,359
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	16.08%	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	4.96%	386,517,443
China Securities Finance Co., Ltd.	State-owned legal person	3.17%	246,815,576
GOOD EXCEL GROUP LIMITED	Overseas legal person	2.16%	168,635,680
Real Smart International	Overseas legal person	2.16%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	2.01%	156,864,942
Central Huijin Asset Management Ltd.	State-owned legal person	1.49%	115,849,400
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	0.83%	64,600,000
National Social Insurance Fund 412 Package	State-owned legal person	0.44%	34,041,100

3. Significant changes in major items of the financial statements and financial indicators and reasons (based on statements reported under PRC GAAP)

Unit: RMB

Item	Amount at the end of the reporting period	Amount at the beginning of the previous period	Percentage of changes	Reason of changes
Financial assets at fair value through profit or loss	8,623,472,885.59	6,322,873,585.85	36.39%	Mainly attributable to the purchase of wealth management products with idle fund
Other non-current assets	719,899.47	1,112,809.96	-35.31%	Mainly attributable to the decrease in the deferred tax assets available for set-off
Accrued payroll	185,171,941.60	357,141,240.24	-48.15%	Mainly attributable to the payment of payroll for the previous year
Interest payable	284,310,655.86	117,102,022.09	142.79%	Mainly attributable to the provision of interest for United States Bonds and medium-term notes
Other current liabilities	510,123,521.62	289,263,837.00	76.35%	Mainly attributable to the increase in output VAT carried forward
Losses on assets impairment	29,607,279.87	95,271,372.61	-68.92%	Mainly attributable to the decrease in provision made
Gains from changes of fair value	50,599,299.74	-129,388,436.26		Mainly attributable to the effect of due settlement of forward foreign exchange
Other gains	39,519,366.25	—	—	Mainly attributable to the changes in presentation of items of the “Accounting Standards for Business Enterprises No. 16 — Government Grant”
Gains from asset disposal	1,485,553.86	-692,819.20		Mainly attributable to the increase in the gain from asset disposal
Non-operating profits	23,074,532.87	75,301,075.41	-69.36%	Mainly attributable to the separate presentation of certain government subsidies under new standard
Income tax expenses	78,092,554.25	6,082,995.59	1,183.78%	Mainly attributable to the increase in taxable profits
Net profits attributable to minority interests	-5,666,135.41	16,739,351.41		Mainly attributable to the decrease in profits from non-wholly-owned subsidiaries
Net cash flow from operating activities	453,706,176.88	100,127,256.61	353.13%	Mainly attributable to the increase in operating receipts
Net cash flow from investing activities	-2,531,181,301.13	-371,733,644.70	580.91%	Mainly attributable to the increase in the purchase of wealth management products
Net cash flow generated from financing activities	1,152,883,251.36	3,330,703,186.25	-65.39%	Mainly attributable to the decrease in new loans

4. APPENDIX

4.1 Consolidated Balance Sheet

Item	Unit: RMB	
	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	7,355,734,269.56	8,255,915,910.61
Balance with clearing companies		
Placements with other financial institutions		
Financial assets at fair value through profit or loss	8,623,472,885.59	6,322,873,585.85
Derivative financial assets		
Bill receivables	2,614,917,747.78	2,236,987,727.11
Account receivables	22,687,429,013.66	21,631,335,419.02
Prepayments	393,382,194.25	347,200,175.21
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Interest receivable		
Dividends receivable		
Other receivables	1,330,107,091.56	1,326,138,785.15
Purchases of resold financial assets		
Inventories	8,548,800,263.29	8,885,788,940.46
Held-for-sale assets		
Non-current assets due within one year	10,645,848,945.69	10,931,697,413.80
Other current assets	2,260,202,387.27	2,103,623,462.81
Total current assets	64,459,894,798.65	62,041,561,420.02

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets		2,153,553,813.77
Financial assets at fair value through other comprehensive income	2,354,116,192.03	
Held-to-maturity investments		
Long-term receivables	1,979,812,427.08	1,872,704,512.93
Long-term equity investment	3,151,436,732.23	3,122,629,837.12
Investment property		
Fixed assets	5,718,543,321.62	5,871,066,249.20
Construction in progress	506,558,667.70	402,840,276.11
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	4,039,589,732.67	4,100,283,103.22
Development expenses	72,241,935.34	84,417,256.21
Goodwill	2,109,325,198.47	2,124,813,228.84
Long-term deferred expenditures	15,768,970.12	16,015,233.49
Deferred income tax assets	1,265,763,712.56	1,358,069,912.75
Other non-current assets	719,899.47	1,112,809.96
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Total non-current assets	21,213,876,789.29	21,107,506,233.60
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Total assets	85,673,771,587.94	83,149,067,653.62
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Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	5,566,832,695.57	5,417,347,146.79
Short-term factoring borrowings	6,402,701.97	6,086,160.71
Borrowings from the Central Bank		
Deposit received and inter-bank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	3,677,345,064.11	3,394,150,475.07
Account payable	5,873,160,213.46	5,728,294,503.87
Advances from customers	1,367,692,052.76	1,330,419,911.71
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	185,171,941.60	357,141,240.24
Taxes payable	359,811,801.02	469,601,093.09
Interest payable	284,310,655.86	117,102,022.09
Dividends payable		
Other payables	3,423,556,445.96	3,557,400,348.39
Reinsurance account payable		
Deposits for insurance contract		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Held-for-sale liabilities		
Non-current liabilities due within one year	4,404,802,523.91	3,803,268,098.45
Other current liabilities	510,123,521.62	289,263,837.00
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Total current liabilities	<u>25,659,209,617.84</u>	<u>24,470,074,837.41</u>

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current liabilities:		
Long-term borrowings	7,529,853,900.52	6,535,170,995.47
Bonds payable	12,620,360,267.87	12,760,323,381.00
Including: Preference shares		
Perpetual liabilities		
Long-term payables	251,957,209.42	229,273,548.30
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	437,336,825.14	441,740,634.39
Deferred income tax liabilities	463,425,564.36	485,190,609.26
Other non-current liabilities		
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Total non-current liabilities	<u>21,302,933,767.31</u>	<u>20,451,699,168.42</u>
Total liabilities	<u>46,962,143,385.15</u>	<u>44,921,774,005.83</u>
Owners' equity:		
Share capital	7,794,048,075.00	7,794,048,075.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,153,536,781.37	13,092,947,307.50
Less: Treasury shares	386,462,486.19	386,462,486.19
Other comprehensive income	-984,464,439.93	-1,036,203,239.03
Special reserves	22,217,448.32	21,308,971.38
Surplus reserve	2,964,042,041.95	2,964,042,041.95
General risk provisions		
Undistributed profit	15,505,345,087.89	15,128,581,147.39
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Total owner's equity attributable to the equity holders of the parent company	<u>38,068,262,508.41</u>	<u>37,578,261,818.00</u>
Minority interests	643,365,694.38	649,031,829.79
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Total owners' equity	<u>38,711,628,202.79</u>	<u>38,227,293,647.79</u>
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Total liabilities and owners' equity	<u>85,673,771,587.94</u>	<u>83,149,067,653.62</u>

4.2 Balance Sheet of the Parent Company

Unit: RMB

Item	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	5,335,860,625.18	3,936,194,641.00
Financial assets at fair value through profit or loss	8,623,472,885.59	6,322,873,585.85
Derivative financial assets		
Bill receivables	2,141,966,088.36	1,673,690,042.86
Account receivables	29,236,599,839.50	28,248,468,818.95
Prepayments	852,700,361.64	854,663,864.40
Interest receivable		
Dividends receivable	205,240,533.20	205,240,533.20
Other receivables	8,131,638,876.79	9,023,104,012.62
Inventories	3,906,021,453.31	4,095,130,280.45
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,325,056,109.90	1,192,397,495.04
Total current assets	<u>59,758,556,773.47</u>	<u>55,551,763,274.37</u>
Non-current assets:		
Available-for-sale financial assets		413,738,554.03
Financial assets at fair value through other comprehensive income	596,888,060.60	
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	15,238,024,887.40	15,208,607,403.34
Investment property		
Fixed assets	2,744,987,108.98	2,834,381,932.97
Construction in progress	382,076,595.78	297,470,225.08
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	988,794,147.10	1,006,652,940.33
Development expenses	8,006,029.70	8,044,220.16
Goodwill		
Long-term deferred expenditures	5,047,980.73	5,218,849.66
Deferred income tax assets	621,230,896.60	663,972,450.68
Other non-current assets		
Total non-current assets	<u>20,585,055,706.89</u>	<u>20,438,086,576.25</u>
Total assets	<u>80,343,612,480.36</u>	<u>75,989,849,850.62</u>

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	8,405,798,700.00	6,690,440,700.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	2,482,298,979.30	2,474,810,950.80
Account payable	7,167,851,028.77	6,559,154,783.45
Advances from customers	1,144,078,728.80	903,321,776.46
Accrued payroll	83,726,690.82	188,743,906.36
Taxes payable	179,107,995.26	206,951,375.97
Interest payable	226,145,815.91	113,259,122.14
Dividends payable		
Other payables	3,469,923,157.40	3,530,347,444.96
Held-for-sale liabilities		
Non-current liabilities due within one year	4,397,000,000.00	3,795,540,250.00
Other current liabilities	252,922,043.63	94,404,921.30
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Total current liabilities	27,808,853,139.89	24,556,975,231.44
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Non-current liabilities:		
Long-term borrowings	5,894,000,000.00	4,961,000,000.00
Bonds payable	8,996,966,276.10	8,996,491,614.63
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	355,967,846.00	362,277,971.00
Deferred income tax liabilities	9,505,517.97	9,573,960.01
Other non-current liabilities		
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Total non-current liabilities	15,256,439,640.07	14,329,343,545.64
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Total liabilities	43,065,292,779.96	38,886,318,777.08
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Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,794,048,075.00	7,794,048,075.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,706,190,992.28	14,645,601,518.41
Less: Treasury shares	386,462,486.19	386,462,486.19
Other comprehensive income	4,365,867.47	4,695,644.86
Special reserves	4,268,193.94	4,268,193.94
Surplus reserve	2,963,042,796.43	2,963,042,796.43
Undistributed profit	12,192,866,261.47	12,078,337,331.09
	<u>37,278,319,700.40</u>	<u>37,103,531,073.54</u>
Total owners' equity	<u>37,278,319,700.40</u>	<u>37,103,531,073.54</u>
Total liabilities and owners' equity	<u>80,343,612,480.36</u>	<u>75,989,849,850.62</u>

4.3 Consolidated Income Statement

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Total operating income	6,360,464,384.08	5,274,912,307.44
Including: Operating income	6,360,464,384.08	5,274,912,307.44
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	6,089,697,928.20	5,195,703,129.74
Including: Operation cost	4,749,408,662.64	3,871,607,399.67
Interest expenses		
Handling fee and commission expenses		
Payment on surrenders		
Net compensation expenses		
Net provision drawn for insurance contract		
Policy dividend expenses		
Reinsurance expenses		
Taxes and surcharges	48,327,355.40	61,737,846.90
Selling expenses	504,140,155.86	409,200,297.53
Administrative expenses	497,395,644.29	407,825,876.33
Financial expenses	260,818,830.14	350,060,336.70
Losses on assets impairment	29,607,279.87	95,271,372.61
Add: Gains from changes of fair value (“-” refers to loss)	50,599,299.74	-129,388,436.26
Income from investment (“-” refers to loss)	76,295,062.29	97,167,605.09
Including: Investment income from associates and joint ventures	25,272,594.81	272,740.74
Exchange gains (“-” refers to loss)		
Gains from asset disposal (“-” refers to loss)	1,485,553.86	-692,819.20
Other gains	39,519,366.25	
III. Operating profits (“-” refers to loss)	438,665,738.02	46,295,527.33
Add: Non-operating profits	23,074,532.87	75,301,075.41
Less: Non-operating expenses	12,549,911.55	14,205,826.39
IV. Total profits (“-” refers to total loss)	449,190,359.34	107,390,776.35
Less: Income tax expenses	78,092,554.25	6,082,995.59
V. Net profits (“-” refers to net loss)	371,097,805.09	101,307,780.76
(I) Net profits from continuing activities (“-” refers to net loss)	371,097,805.09	27,257,103.13
(II) Net profits from discontinuing activities (“-” refers to net loss)		74,050,677.63
Net profits attributable to owners of the parent company	376,763,940.50	84,568,429.35
Net profits attributable to minority interests	-5,666,135.41	16,739,351.41

Item	Amount during the reporting period	Amount during the previous period
VI. Net amount of other comprehensive income after tax	46,072,663.69	64,564,273.38
Net amount of other comprehensive income after tax attributable to owners of the parent company	51,738,799.10	64,564,273.38
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-329,777.39	
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
3. Others	-329,777.39	
(II) Other comprehensive income to be reclassified into profit or loss subsequently	52,068,576.49	64,564,273.38
1. Share of other comprehensive income of the investees which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets		177,228.06
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements	52,068,576.49	64,387,045.32
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	-5,666,135.41	
VII. Total comprehensive income	417,170,468.78	165,872,054.14
Total comprehensive income attributable to owners of the parent company	422,836,604.19	149,132,702.73
Total comprehensive income attributable to minority shareholders	-5,666,135.41	16,739,351.41
VIII. Earnings per share:		
(1) Basic earnings per share	0.05	0.01
(2) Diluted earnings per share	0.05	0.01

4.4 Income Statement of the Parent Company

Item	Unit: RMB	
	Amount during the reporting period	Amount during the previous period
I. Operating income	4,318,213,266.21	3,403,358,839.73
Less: Operating cost	3,247,602,076.91	2,538,426,975.61
Taxes and surcharges	24,084,513.41	36,926,131.72
Selling expenses	341,460,735.76	255,836,176.07
Administrative expenses	357,692,219.41	238,252,288.90
Financial expenses	586,525,034.80	258,152,527.73
Losses on assets impairment	66,765,172.39	84,966,613.55
Add: Gains from changes of fair value (“-” refers to loss)	50,599,299.74	-129,388,436.26
Income from investment (“-” refers to loss)	329,540,886.80	94,954,280.52
Including: Investment income from associates and joint ventures	28,617,484.06	599,236.70
Gains from asset disposal (“-” refers to loss)	1,733,608.87	679,971.40
Other gains	3,133,125.00	-42,956,058.19
II. Operating profits (“-” refers to loss)	79,090,433.94	17,636,907.93
Add: Non-operating profits	14,199,413.69	12,187,640.67
Less: Non-operating expenses	6,807,468.21	-37,506,790.93
III. Total profits (“-” refers to total loss)	86,482,379.42	-9,218,583.62
Less: Income tax expenses	-28,046,550.96	-28,288,207.31
IV. Net profits (“-” refers to net loss)	114,528,930.38	-28,288,207.31
(I) Net profits from continuing activities (“-” refers to net loss)	114,528,930.38	
(II) Net profits from discontinuing activities (“-” refers to net loss)		
V. Net amount of other comprehensive income after tax	-329,777.39	177,228.06
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-329,777.39	
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
3. Others	-329,777.39	
(II) Other comprehensive income to be reclassified into profit or loss subsequently		177,228.06
1. Share of other comprehensive income of the investees which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets		177,228.06
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements		
6. Others		

Item	Amount during the reporting period	Amount during the previous period
VII. Total comprehensive income	114,199,152.99	-28,110,979.25
VIII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

4.5 Consolidated Cash Flow Statement

Item	Unit: RMB	
	Amount during the reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	4,968,999,306.30	4,710,627,132.86
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in policy holder deposits and investments funds		
Net increase in the disposal of financial assets at fair value through profit or loss		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Refunds of taxes received	92,221,869.45	48,871,496.80
Cash received relating to other operating activities	235,621,851.51	113,998,245.14
Sub-total of cash inflow from operating activities	5,296,843,027.26	4,873,496,874.80
Cash paid for purchasing goods and receiving services	3,239,761,471.76	3,149,367,038.85
Net increase in customer loans and advances to customers		
Net increase in deposit in central bank and due to banks and other financial institutions		
Cash paid for original insurance contract claimed		
Cash paid for interest, fees and commissions		
Cash paid for policy holder dividend		
Cash paid to and for employees	480,988,708.49	581,570,749.66
Cash paid for taxes and surcharges	238,631,203.45	341,771,840.08
Cash paid relating to other operating activities	883,755,466.68	700,659,989.60
Sub-total of cash outflow from operating activities	4,843,136,850.38	4,773,369,618.19
Net cash flow from operating activities	453,706,176.88	100,127,256.61

Item	Amount during the reporting period	Amount during the previous period
II. Cash flow from investing activities:		
Cash received from disposal of investments	3,455,000,000.00	
Cash received from returns on investments	51,037,415.75	21,561,523.94
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,800,435.11	1,805,612.56
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	3,509,837,850.86	23,367,136.50
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	159,344,939.16	143,791,003.44
Cash paid for investment	5,879,894,212.83	171,953,419.97
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units		16,668,920.77
Cash paid relating to other investing activities	1,780,000.00	62,687,437.02
Sub-total of cash outflow from investing activities	6,041,019,151.99	395,100,781.20
Net cash flow from investing activities	-2,531,181,301.13	-371,733,644.70
III. Cash flow generated from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from the investment of minority shareholders		
Cash received from borrowings	3,526,327,041.55	4,174,356,062.07
Cash received from issuing bonds		
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	3,526,327,041.55	4,174,356,062.07
Cash paid for repaying debts	2,183,748,019.91	684,572,848.29
Cash paid for distributing dividends and profits and interest repayment	189,695,770.28	159,080,027.53
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Cash paid related to other financing activities		
Sub-total of cash outflow from financing activities	2,373,443,790.19	843,652,875.82
Net cash flow generated from financing activities	1,152,883,251.36	3,330,703,186.25
IV. Effect of foreign exchange rate changes to cash and cash equivalents	22,632,257.58	28,154,808.92
V. Net increase in cash and cash equivalents	-901,959,615.31	3,087,251,607.08
Add: Balance of cash and cash equivalents at the beginning of period	7,148,136,173.38	6,574,662,778.31
VI. Balance of cash and cash equivalents at the end of period	6,246,176,558.07	9,661,914,385.39

4.6 Cash Flow Statement of Parent Company

Item	Unit: RMB	
	Amount during the reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	3,260,105,235.39	2,939,386,426.05
Refunds of taxes received	52,161,758.22	30,149,379.94
Cash received relating to other operating activities	958,819,894.71	161,982,584.46
Sub-total of cash inflow from operating activities	4,271,086,888.32	3,131,518,390.45
Cash paid for purchasing goods and receiving services	2,972,599,028.33	1,543,291,469.40
Cash paid to and for employees	359,635,150.51	428,925,329.26
Cash paid for taxes and surcharges	71,073,057.44	224,496,163.50
Cash paid relating to other operating activities	170,966,821.94	2,826,828,218.13
Sub-total of cash outflow from operating activities	3,574,274,058.22	5,023,541,180.29
Net cash flow from operating activities	696,812,830.10	-1,892,022,789.84
II. Cash flow from investing activities:		
Cash received from disposal of investments	3,455,000,000.00	
Cash received from returns on investments	51,037,415.75	21,561,523.94
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,563,313.09	1,579,525.80
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities		
Sub-total of cash inflow from investing activities	3,509,600,728.84	23,141,049.74
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	15,528,825.85	13,311,138.73
Cash paid for investment	5,875,413,217.00	4,696,000.00
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities	55,868,412.22	113,722,949.87
Sub-total of cash outflow from investing activities	5,946,810,455.07	131,730,088.60
Net cash flow from investing activities	-2,437,209,726.23	-108,589,038.86
III. Cash flow generated from financing activities:		
Cash received from investment		
Cash received from borrowings	6,550,000,000.00	4,139,000,000.00
Cash received from issuing bonds		
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	6,550,000,000.00	4,139,000,000.00
Cash paid for repaying debts	3,279,676,537.50	1,550,000,000.00
Cash paid for distributing dividends and profits and interest repayment	196,081,804.02	149,895,486.73
Cash paid related to other financing activities		
Sub-total of cash outflow from financing activities	3,475,758,341.52	1,699,895,486.73
Net cash flow generated from financing activities	3,074,241,658.48	2,439,104,513.27
IV. Effect of foreign exchange rate changes to cash and cash equivalents	9,952,809.61	-3,867,894.34
V. Net increase in cash and cash equivalents	1,343,797,571.96	434,624,790.23
Add: Balance of cash and cash equivalents at the beginning of period	3,466,818,542.94	4,676,917,358.00
VI. Balance of cash and cash equivalents at the end of period	4,810,616,114.90	5,111,542,148.23

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

Changsha, the PRC, 27 April 2018

As at the date of this announcement, the executive director of the Company is Dr. Zhan Chunxin; the non-executive directors are Mr. Hu Xinbao 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*