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ZOOMLION 中 联 重 科

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

中聯重科股份有限公司

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

(Stock Code: 1157)

FIRST QUARTERLY REPORT OF 2020

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the First Quarterly Report of 2020 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 2020 (the “**First Quarterly Report of 2020**”, 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 2020 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 2020 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.

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	9,066,682,073.67	9,016,755,410.05	0.55%
Net profit attributable to equity shareholders of the Company	1,026,091,689.50	1,002,111,619.87	2.39%
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company	870,193,948.68	820,439,604.39	6.06%
Net cash flow from operating activities	319,110,827.46	1,867,280,129.19	-82.91%
Basic earnings per share	0.14	0.13	7.69%
Diluted earnings per share	0.14	0.13	7.69%
Weighted average return on net assets	2.61%	2.59%	0.02%
			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	100,517,125,088.43	92,068,028,637.66	9.18%
Net assets attributable to the equity shareholders of the Company	40,058,451,444.88	38,863,231,588.26	3.08%

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

268,959

Name of shareholders	Top ten shareholders		Number of shares held
	Nature of shareholders	Shareholding percentage	
HKSCC NOMINEES LIMITED	Overseas legal person	17.60%	1,385,274,279
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	15.92%	1,253,314,876
Hong Kong Securities Clearing Company Limited	Overseas legal person	7.10%	559,332,388
Securities account designated for share repurchase of Zoomlion Heavy Industry Science and Technology Co., Ltd.	Other	4.96%	390,449,924
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	4.91%	386,517,443
China Securities Finance Co., Ltd.	State-owned legal person	2.96%	233,042,928
Real Smart International	Overseas legal person	2.14%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	1.99%	156,864,942
AVIC Trust Co., Ltd. — AVIC Trust Tianshun [2018] No. 220 Zoomlion Single Capital Trust	Other	1.76%	138,819,479
Central Huijin Asset Management Ltd.	State-owned legal person	1.47%	115,849,400

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
Cash and cash equivalents	9,198,671,014.98	6,572,220,749.35	39.96%	Mainly attributable to the increase in cash received from financing
Other receivables	1,448,071,169.64	1,076,558,841.06	34.51%	Mainly attributable to the increase in receivables from transactions
Other non-current financial assets	172,285,659.74	277,005,171.09	-37.80%	Mainly attributable to the settlement of stock for investment purpose
Bills payable	13,071,436,833.66	9,760,368,286.93	33.92%	Mainly attributable to the increase in notes payment due to an increase in purchase
Accrued payroll	466,288,773.67	682,922,173.09	-31.72%	Mainly attributable to payment for employees' performance-based remuneration last year
Non-current liabilities due within one year	1,613,385,151.85	2,441,552,997.78	-33.92%	Mainly attributable to repayment of bonds as they fall due
Other non-current liabilities	2,222,839,702.41	1,535,255,939.02	44.79%	Mainly attributable to the increase in other payables
Minority interests	990,795,731.91	669,938,153.79	47.89%	Mainly attributable to the increased capital contribution by minority shareholders to non-wholly owned subsidiaries
Financial expenses	279,973,313.67	404,528,449.41	-30.79%	Mainly attributable to the decrease in interest expenses due to an decrease in interest-bearing liabilities
Research and development expenses	241,732,169.23	115,699,487.16	108.93%	Mainly attributable to the increase in both the number of research and development projects, and the investment in research and development
Gain on change in fair value (“-” refers to loss)	-27,589,427.35	209,203,293.66	-113.19%	Mainly attributable to the change in fair value of financial assets
Income from investment	161,347,574.00	62,864,631.67	156.66%	Mainly attributable to the gain from investment in associates and financial assets
Other gains	39,724,960.68	20,349,306.59	95.22%	Mainly attributable to the increase in government grants received

Item	Amount at the end of the reporting period	Amount at the beginning of the previous period	Percentage of changes	Reason of changes
Gains from asset disposal	56,272,547.03	1,464,989.99	3741.16%	Mainly attributable to the gain from asset disposal
Income tax expenses	235,672,732.18	162,240,147.80	45.26%	Mainly attributable to the increase in taxable income for the current period
Net profits attributable to minority interests	24,319,466.97	-20,679,341.47		Mainly attributable to the growth of profitability of non-wholly owned subsidiaries
Net cash flow from operating activities	319,110,827.46	1,867,280,129.19	-82.91%	Mainly attributable to the delay in sales return affected by COVID-19 epidemic
Net cash flow from investing activities	39,692,640.27	-4,438,455,751.56		Mainly attributable to the decrease of wealth management products purchased

4. APPENDIX

4.1 Consolidated Balance Sheet

Item	Unit: RMB	
	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	9,198,671,014.98	6,572,220,749.35
Balance with clearing companies		
Placements with other financial institutions		
Financial assets held-for-trading	5,099,548,681.91	4,310,511,351.89
Derivative financial assets		
Bill receivables		
Account receivables	25,805,663,338.06	25,403,952,986.58
Account receivable financing	2,273,083,201.09	1,749,976,581.89
Prepayments	1,000,526,325.74	879,868,459.86
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Other receivables	1,448,071,169.64	1,076,558,841.06
Including: Interest receivable	38,578,088.57	30,855,871.87
Dividends receivable		
Purchases of resold financial assets		
Inventories	13,421,011,035.50	11,771,581,258.08
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	10,134,027,755.07	9,230,959,214.35
Other current assets	2,294,333,186.47	2,186,489,744.91
Total current assets	<u>70,674,935,708.46</u>	<u>63,182,119,187.97</u>

Item	31 March 2020	31 December 2019
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	8,947,787,739.39	7,783,194,581.81
Long-term equity investment	3,960,074,782.84	3,907,839,063.55
Investments in other equity instruments	2,372,400,761.93	2,367,478,747.59
Other non-current financial assets	172,285,659.74	277,005,171.09
Investment property		
Fixed assets	5,639,003,619.05	5,802,580,571.78
Construction in progress	999,414,077.74	932,766,268.02
Biological assets for production		
Oil and gas assets		
Right-of-use assets	402,261,152.35	413,793,399.36
Intangible assets	4,001,280,511.07	4,047,921,280.51
Development expenses	15,157,627.45	15,157,627.45
Goodwill	2,051,925,067.71	2,053,135,092.70
Long-term deferred expenditures	11,336,985.11	13,234,868.91
Deferred income tax assets	1,268,307,573.64	1,270,865,454.99
Other non-current assets	953,821.95	937,321.93
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Total non-current assets	29,842,189,379.97	28,885,909,449.69
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Total assets	100,517,125,088.43	92,068,028,637.66
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Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	6,212,280,230.99	5,042,879,849.76
Borrowings from the Central Bank		
Capital borrowed		
Financial liabilities held-for-trading		36,637,266.83
Derivative financial liabilities		
Bills payable	13,071,436,833.66	9,760,368,286.93
Account payable	9,715,405,815.91	9,300,711,951.63
Advances from customers		
Contract liabilities	2,390,759,857.58	1,933,825,099.60
Funds from disposal of repurchased financial assets		
Deposit received and inter-bank deposit		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Accrued payroll	466,288,773.67	682,922,173.09
Taxes payable	577,828,295.45	468,031,462.75
Other payables	4,021,187,418.11	4,433,738,885.46
Including: Interest payable	223,776,427.26	76,089,334.67
Dividends payable		313,328,718.99
Handling charges and commissions payable		
Reinsurance account payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	1,613,385,151.85	2,441,552,997.78
Other current liabilities	624,224,877.58	482,774,403.69
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Total current liabilities	<u><u>38,692,797,254.80</u></u>	<u><u>34,583,442,377.52</u></u>

Item	31 March 2020	31 December 2019
Non-current liabilities:		
Deposits for insurance contract		
Long-term borrowings	2,815,816,392.40	2,842,053,921.11
Bonds payable	13,728,737,396.11	11,672,794,823.16
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	322,200,634.43	329,020,765.91
Long-term payables	560,927,801.58	446,191,069.78
Long-term accrued payroll		
Accrued liabilities		
Deferred income	681,531,319.94	670,819,153.91
Deferred income tax liabilities	443,027,409.97	455,280,845.20
Other non-current liabilities	2,222,839,702.41	1,535,255,939.02
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Total non-current liabilities	20,775,080,656.84	17,951,416,518.09
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Total liabilities	59,467,877,911.64	52,534,858,895.61
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Owners' equity:		
Share capital	7,873,274,641.00	7,874,974,858.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,679,942,128.50	13,466,666,039.15
Less: Treasury shares	2,250,487,926.13	2,253,738,351.58
Other comprehensive income	-1,307,032,238.23	-1,253,154,115.33
Special reserves	50,934,555.41	42,754,563.19
Surplus reserve	3,555,367,355.45	3,555,367,355.45
General risk provisions		
Undistributed profit	18,456,452,928.88	17,430,361,239.38
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Total owners' equity attributable to the equity holders of the parent company	40,058,451,444.88	38,863,231,588.26
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Minority interests	990,795,731.91	669,938,153.79
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Total owners' equity	41,049,247,176.79	39,533,169,742.05
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Total liabilities and owners' equity	100,517,125,088.43	92,068,028,637.66
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4.2 Balance Sheet of the Parent Company

Unit: RMB

Item	31 March 2020	31 December 2019
Current assets:		
Cash and cash equivalents	6,216,675,659.88	3,479,055,468.21
Financial assets held-for-trading	4,583,370,101.21	3,949,702,743.53
Derivative financial assets		
Bill receivables		
Account receivables	41,216,406,810.33	39,730,135,331.52
Account receivable financing	1,559,475,196.69	1,113,506,021.34
Prepayments	2,035,700,016.18	1,946,541,936.66
Other receivables	24,342,024,759.60	17,557,866,998.03
Including: Interest receivable	40,851,801.79	31,101,260.29
Dividends receivable	205,240,533.20	205,240,533.20
Inventories	7,878,682,294.76	6,778,856,041.67
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,720,489,702.36	1,648,968,501.39
Total current assets	<u>89,552,824,541.01</u>	<u>76,204,633,042.35</u>
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investment	21,317,010,385.67	21,134,175,320.67
Investments in other equity instruments	623,660,506.50	624,560,506.50
Other non-current financial assets	17,358,420.92	121,209,188.84
Investment property		
Fixed assets	2,217,119,023.36	2,320,700,710.89
Construction in progress	209,043,638.62	169,463,256.66
Biological assets for production		
Oil and gas assets		
Right-of-use assets	52,211,916.59	57,819,747.92
Intangible assets	764,188,092.93	799,213,088.87
Development expenses		
Goodwill		
Long-term deferred expenditures	4,059,106.42	4,174,268.63
Deferred income tax assets	414,143,788.67	428,175,377.15
Other non-current assets		
Total non-current assets	<u>25,618,794,879.68</u>	<u>25,659,491,466.13</u>
Total assets	<u>115,171,619,420.69</u>	<u>101,864,124,508.48</u>

Item	31 March 2020	31 December 2019
Current liabilities:		
Short-term borrowings	9,720,908,746.40	9,688,412,831.67
Financial liabilities held-for-trading		36,637,266.83
Derivative financial liabilities		
Bills payable	12,883,886,261.04	8,190,866,815.15
Account payable	29,443,589,247.10	18,124,873,503.90
Advances from customers		
Contract liabilities	2,226,111,749.48	7,960,859,180.30
Accrued payroll	253,261,881.30	316,009,575.09
Taxes payable	343,255,763.90	175,371,227.86
Other payables	3,850,692,565.62	3,836,001,023.16
Including: Interest payable	164,307,415.62	82,477,475.59
Dividends payable		313,328,718.99
Held-for-sale liabilities		
Non-current liabilities due within one year	1,450,878,981.58	2,258,349,100.86
Other current liabilities	481,230,847.09	118,914,893.86
	<u>60,653,816,043.51</u>	<u>50,706,295,418.68</u>
Total current liabilities		
Non-current liabilities:		
Long-term borrowings	2,599,410,784.00	2,596,508,265.00
Bonds payable	9,977,816,192.67	7,981,185,964.30
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	32,949,712.66	37,332,035.47
Long-term payables		
Long-term accrued payroll		
Accrued liabilities		
Deferred income	532,555,405.59	534,216,779.67
Deferred income tax liabilities	13,537,006.67	23,851,627.80
Other non-current liabilities	2,212,686,808.57	1,525,186,808.57
	<u>15,368,955,910.16</u>	<u>12,698,281,480.81</u>
Total non-current liabilities		
	<u>76,022,771,953.67</u>	<u>63,404,576,899.49</u>
Total liabilities		

Item	31 March 2020	31 December 2019
Owners' equity:		
Share capital	7,873,274,641.00	7,874,974,858.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	15,302,360,615.54	15,292,546,415.04
Less: Treasury shares	2,250,487,926.13	2,253,738,351.58
Other comprehensive income	3,885,752.81	3,885,752.81
Special reserves	19,997,349.73	13,169,772.45
Surplus reserve	3,554,368,109.93	3,554,368,109.93
Undistributed profit	14,645,448,924.14	13,974,341,052.34
	<u>39,148,847,467.02</u>	<u>38,459,547,608.99</u>
Total owners' equity	<u><u>39,148,847,467.02</u></u>	<u><u>38,459,547,608.99</u></u>
Total liabilities and owners' equity	<u><u>115,171,619,420.69</u></u>	<u><u>101,864,124,508.48</u></u>

4.3 Consolidated Income Statement

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Total operating income	9,066,682,073.67	9,016,755,410.05
Including: Operating income	9,066,682,073.67	9,016,755,410.05
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	7,883,253,761.73	8,056,026,681.43
Including: Operation cost	6,296,309,383.02	6,310,895,956.89
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	55,931,618.82	75,902,168.98
Selling expenses	704,133,951.63	714,871,584.83
Administrative expenses	305,173,325.36	434,129,034.16
Research and development expenses	241,732,169.23	115,699,487.16
Financial expenses	279,973,313.67	404,528,449.41
Including: Interest expenses	261,066,425.21	395,291,383.90
Interest income	50,871,181.80	37,436,315.80
Add: Other gains	39,724,960.68	20,349,306.59
Income from investment (“-” refers to loss)	161,347,574.00	62,864,631.67
Including: Investment income from associates and joint ventures	47,188,850.87	33,539,018.42
Derecognition of income from financial assets at amortized cost		
Exchange gains (“-” refers to loss)		
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	-27,589,427.35	209,203,293.66
Losses on credit impairment (“-” refers to loss)	-125,945,289.15	-110,256,721.78
Losses on assets impairment (“-” refers to loss)	-1,380,904.89	-3,810,023.89
Gains from asset disposal (“-” refers to loss)	56,272,547.03	1,464,989.99
III. Operating profits (“-” refers to loss)	1,285,857,772.26	1,140,544,204.86
Add: Non-operating profits	14,101,888.23	16,496,910.21
Less: Non-operating expenses	13,875,771.84	13,368,688.87

Item	Amount during the current period	Amount during the previous period
IV. Total profits (“-” refers to total loss)	1,286,083,888.65	1,143,672,426.20
Less: Income tax expenses	235,672,732.18	162,240,147.80
V. Net profits (“-” refers to net loss)	1,050,411,156.47	981,432,278.40
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	1,050,411,156.47	981,432,278.40
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company	1,026,091,689.50	1,002,111,619.87
2. Net profits attributable to minority interests	24,319,466.97	-20,679,341.47
VI. Net amount of other comprehensive income after tax	-53,878,122.90	-55,631,786.65
Net amount of other comprehensive income after tax attributable to owners of the parent company	-53,878,122.90	-55,631,786.65
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-53,878,122.90	-55,631,786.65
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	-53,878,122.90	-55,631,786.65
7. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		

Item	Amount during the current period	Amount during the previous period
VII. Total comprehensive income	996,533,033.57	925,800,491.75
Total comprehensive income attributable to owners of the parent company	972,213,566.60	946,479,833.22
Total comprehensive income attributable to minority shareholders	24,319,466.97	-20,679,341.47
VIII. Earnings per share:		
(1) Basic earnings per share	0.14	0.13
(2) Diluted earnings per share	0.14	0.13

4.4 Income Statement of the Parent Company

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Operating income	8,203,918,204.56	5,339,937,868.71
Less: Operating cost	6,640,684,507.65	3,896,049,496.14
Taxes and surcharges	31,972,429.31	36,467,894.50
Selling expenses	526,972,268.15	364,363,424.20
Administrative expenses	156,112,651.68	298,067,893.00
Research and development expenses	126,218,143.78	66,936,077.19
Financial expenses	6,924,610.79	540,550,591.93
Including: Interest expenses	227,866,926.89	356,231,221.54
Interest income	100,918,030.01	18,541,330.69
Add: Other gains	5,547,292.17	7,695,125.00
Income from investment (“-” refers to loss)	161,339,026.55	63,094,710.18
Including: Investment income from associates and joint ventures	47,188,850.87	33,539,018.42
Derecognition of income from financial assets at amortized cost (“-” refers to loss)		
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	-32,090,653.35	202,985,204.13
Losses on credit impairment (“-” refers to loss)	-96,092,908.96	-139,647,824.74
Losses on assets impairment (“-” refers to loss)		
Gains from asset disposal (“-” refers to loss)	56,644,526.95	1,765,235.30
II. Operating profits (“-” refers to loss)	810,380,876.56	273,394,941.62
Add: Non-operating profits	9,583,201.20	10,499,913.51
Less: Non-operating expenses	6,223,409.26	10,505,821.45
III. Total profits (“-” refers to total loss)	813,740,668.50	273,389,033.68
Less: Income tax expenses	142,632,796.70	33,604,671.64
IV. Net profits (“-” refers to net loss)	671,107,871.80	239,784,362.04
(I) Net profits from continuing activities (“-” refers to net loss)		
(II) Net profits from discontinuing activities (“-” refers to net loss)		
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		

Item	Amount during the current period	Amount during the previous period
(II) Other comprehensive income to be reclassified into profit or loss subsequently		
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements		
7. Others		
VI. Total comprehensive income	671,107,871.80	239,784,362.04
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

4.5 Consolidated Cash Flow Statement

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	7,648,641,220.39	8,172,059,718.40
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		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Net cash received from securities brokerage deposits		
Refunds of taxes received	45,457,226.59	18,626,887.31
Cash received relating to other operating activities	134,440,140.94	599,118,267.71
Sub-total of cash inflow from operating activities	7,828,538,587.92	8,789,804,873.42
Cash paid for purchasing goods and receiving services	4,581,132,647.74	4,180,097,992.60
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		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for policy holder dividend		
Cash paid to and for employees	754,658,951.52	543,860,025.18
Cash paid for taxes and surcharges	393,520,248.48	303,915,492.20
Cash paid relating to other operating activities	1,780,115,912.72	1,894,651,234.25
Sub-total of cash outflow from operating activities	7,509,427,760.46	6,922,524,744.23
Net cash flow from operating activities	319,110,827.46	1,867,280,129.19

Item	Amount during the current period	Amount during the previous period
II. Cash flow from investing activities:		
Cash received from disposal of investments	1,928,848,800.18	2,925,436,019.07
Cash received from returns on investments	87,688,651.42	1,701,329.27
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	56,272,547.03	521,571.58
Net cash received from disposal of subsidiaries and other operating business units		15,090,500.00
Cash received relating to other investing activities	694,091,727.80	190,902,884.77
Sub-total of cash inflow from investing activities	2,766,901,726.43	3,133,652,304.69
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	53,252,683.91	46,364,200.00
Cash paid for investment	2,673,956,402.25	7,525,743,856.25
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow from investing activities	2,727,209,086.16	7,572,108,056.25
Net cash flow from investing activities	39,692,640.27	-4,438,455,751.56
III. Cash flow from financing activities:		
Cash received from investment	500,000,000.00	
Including: Cash received by subsidiaries from the investment of minority shareholders	500,000,000.00	
Cash received from borrowings	10,610,299,670.24	7,527,916,676.64
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	11,110,299,670.24	7,527,916,676.64
Cash paid for repaying debts	8,303,163,331.97	5,190,029,785.22
Cash paid for distributing dividends and profits and interest repayment	385,045,416.28	377,247,480.27
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	8,688,208,748.25	5,567,277,265.49
Net cash flow from financing activities	2,422,090,921.99	1,960,639,411.15
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-23,006,664.93	19,911,932.49
V. Net increase in cash and cash equivalents	2,757,887,724.79	-590,624,278.73
Add: Balance of cash and cash equivalents at the beginning of the period	5,073,252,989.68	8,754,327,845.15
VI. Balance of cash and cash equivalents at the end of the period	7,831,140,714.47	8,163,703,566.42

4.6 Cash Flow Statement of the Parent Company

Item	Unit: RMB	
	Amount during the current period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	6,512,656,323.59	4,608,990,296.25
Refunds of taxes received	15,012,975.68	42,310,982.28
Cash received relating to other operating activities	188,254,332.34	1,228,086,161.67
Sub-total of cash inflow from operating activities	6,715,923,631.61	5,879,387,440.20
Cash paid for purchasing goods and receiving services	4,096,888,098.70	3,074,999,675.42
Cash paid to and for employees	481,587,163.57	291,204,551.79
Cash paid for taxes and surcharges	148,709,440.83	66,558,746.43
Cash paid relating to other operating activities	520,782,747.33	317,520,617.54
Sub-total of cash outflow from operating activities	5,247,967,450.43	3,750,283,591.18
Net cash flow from operating activities	1,467,956,181.18	2,129,103,849.02
II. Cash flow from investing activities:		
Cash received from disposal of investments	2,059,327,887.31	3,799,519,700.00
Cash received from returns on investments	4,121,086.50	28,500,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	44,438,753.81	4,449,077.07
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	1,111,422,927.23	
Sub-total of cash inflow from investing activities	3,219,310,654.85	3,832,468,777.07
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	44,293,296.06	20,484,752.51
Cash paid for investment	2,659,634,402.25	7,016,896,069.06
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities	154,765,837.49	167,122,549.28
Sub-total of cash outflow from investing activities	2,858,693,353.80	7,204,503,370.85
Net cash flow from investing activities	360,617,119.05	-3,372,034,593.78
III. Cash flow from financing activities:		
Cash received from investment	1,149,951.54	
Cash received from borrowings	9,519,282,626.16	7,309,187,185.82
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	9,520,432,577.70	7,309,187,185.82
Cash paid for repaying debts	8,314,060,589.09	4,273,293,151.24
Cash paid for distributing dividends and profits and interest repayment	458,354,149.95	413,950,991.36
Cash paid related to other financing activities	207,304.36	
Sub-total of cash outflow from financing activities	8,772,622,043.40	4,687,244,142.60
Net cash flow from financing activities	747,810,534.30	2,621,943,043.22
IV. Effect of foreign exchange rate changes to cash and cash equivalents	6,470,519.65	8,509,252.99
V. Net increase in cash and cash equivalents	2,582,854,354.18	1,387,521,551.45
Add: Balance of cash and cash equivalents at the beginning of the period	2,405,968,673.42	3,978,679,073.66
VI. Balance of cash and cash equivalents at the end of the period	4,988,823,027.60	5,366,200,625.11

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

Changsha, the PRC, 29 April 2020

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

* *For identification purpose only*