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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 2016

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the First Quarterly Report of 2016 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 2016 (the “**First Quarterly Report of 2016**”, 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 2016 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 2016 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	The corresponding period of last year	Increase/decrease over corresponding period of last year
Operating income	3,023,695,826.80	3,782,836,809.78	-20.07%
Net profit attributable to equity shareholders of the Company	-660,323,718.98	-383,355,266.05	-72.25%
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company	-691,842,917.73	-423,602,025.04	-63.32%
Net cash flow from operating activities	-1,229,944,612.07	-3,725,364,321.54	66.98%
Basic earnings per share (RMB/share)	-0.09	-0.05	-80.00%
Diluted earnings per share (RMB/share)	-0.09	-0.05	-80.00%
Weighted average return on net assets	-1.67%	-0.96%	A decrease of 0.71 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 (RMB)	92,927,610,699.98	93,723,020,007.67	-0.85%
Net assets attributable to the equity shareholders of the Company (RMB)	39,297,937,192.55	39,936,600,440.37	-1.60%
			Unit: RMB
			Amount for the period from the beginning of the year to the end of the reporting period
Item			
Profit/loss from the disposal of non-current assets (including write-off of provision for asset impairment)			-706,388.70
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)			72,828,174.69
Profit/loss from debt restructuring			-3,092,741.64
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			-15,294,270.92
Non-operating income and expenses other than those set out above			6,885,463.35
Less: Income tax effect			9,196,278.94
Minority interests after tax			19,904,759.09
Total			<u>31,519,198.75</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

446,829

Top ten shareholders

Name of shareholders	Nature of shareholders	Shareholding percentage	Number of shares held
HKSCC NOMINEES LIMITED	Overseas legal person	18.08%	1,385,632,703
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	16.35%	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	5.04%	386,517,443
China Securities Finance Co., Ltd.	State-owned legal person	3.01%	230,408,951
GOOD EXCEL GROUP LIMITED	Overseas legal person	2.20%	168,635,680
Real Smart International	Overseas legal person	2.20%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	2.05%	156,864,942
Central Huijin Asset Management Ltd.	State-owned legal person	1.51%	115,849,400
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	0.84%	64,600,000
National Social Insurance Fund 210 Package	State-owned legal person	0.33%	24,999,969

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	As at the end of the period (Current period)	As at the beginning of the period (Previous period)	Percentage of changes	Reasons
Financial assets at fair value through profit or loss	1,888,298.90	15,646,907.05	-87.93%	Mainly attributable to the change in fair value of forward foreign exchange
Other non-current assets	70,000,000.00	—		Mainly attributable to the prepayments for equity acquisition
Short-term factoring borrowings	2,291,133.83	4,353,591.26	-47.37%	Mainly attributable to the payments for short-term factoring borrowings
Financial liabilities at fair value through profit or loss	—	41,268,197.24		Mainly attributable to the change in fair value of forward foreign exchange
Accrued payroll	100,750,362.04	197,962,157.08	-49.11%	Mainly attributable to the payment of remuneration for the previous year
Taxes payable	206,877,122.25	358,104,379.84	-42.23%	Mainly attributable to the payment of taxes for the previous year
Interest payable	462,567,302.84	213,644,945.81	116.51%	Mainly attributable to the effect of provision for the interest accrued on the corporate bonds and medium-term notes
Non-current liabilities due within one year	8,392,851,058.08	5,463,126,881.60	53.63%	Mainly attributable to the effect arising from issuance of super short-term bill notes
Taxes and surcharges for operations	34,058,170.24	17,177,473.78	98.27%	Mainly attributable to the increase in taxes payable
Financial expenses	481,325,294.56	225,335,308.99	113.60%	Mainly attributable to impacts of change in exchange rates
Losses on assets impairment	87,995,623.13	160,951,222.50	-45.33%	Mainly attributable to lower growth in receivables
Gains from changes of fair value	27,642,014.66	10,176,681.83	171.62%	Mainly attributable to the change in fair value of forward foreign exchange
Income from investment	-40,044,309.10	25,423,414.47		Mainly attributable to the effect of settlement of forward foreign exchange
Non-operating profits	91,703,222.69	61,062,613.63	50.18%	Mainly attributable to the increase in subsidy income
Income tax expenses	-134,604,978.34	5,712,638.99		Mainly attributable to the decrease in the income tax payable and the increase in the deferred income tax assets
Net cash flow from operating activities	-1,229,944,612.07	-3,725,364,321.54	66.98%	Mainly attributable to decrease in expenses for operation
Net cash flow from investing activities	-1,017,150,031.82	806,085,869.05	-226.18%	Mainly attributable to the increase in the net cash from subsidiaries
Net cash flow generated from financing activities	482,485,096.87	2,002,132,641.75	-75.90%	Mainly attributable to the increase in Debt repayment

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	12,158,203,112.93	13,535,350,463.53
Balance with clearing companies		
Placements with other financial institutions		
Financial assets at fair value through profit or loss	1,888,298.90	15,646,907.05
Derivative financial assets		
Bill receivables	912,987,176.52	1,186,077,418.79
Account receivables	29,714,297,000.90	29,744,509,323.58
Prepayments	350,206,769.63	347,197,829.82
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Interest receivable		
Dividends receivable	13,175,136.50	13,175,136.50
Other receivables	1,222,753,180.21	1,410,113,763.32
Purchases of resold financial assets		
Inventories	15,064,878,218.49	14,082,903,073.89
Assets classified as held-for-sale		
Non-current assets due within one year	12,796,121,704.21	12,645,266,868.29
Other current assets	1,571,198,024.87	1,604,611,398.62
Total current assets	73,805,708,623.16	74,584,852,183.39
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	179,522,144.46	181,036,417.59
Held-to-maturity investments		
Long-term receivables	2,456,920,189.73	2,593,608,237.17
Long-term equity investment	213,603,149.49	208,454,569.31
Investment property		
Fixed assets	7,642,044,277.96	7,800,033,385.31
Construction in progress	755,663,705.64	720,170,629.72
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	4,618,892,550.40	4,639,934,358.53
Development expenses	106,321,829.56	93,265,323.60
Goodwill	2,073,981,465.46	2,032,523,498.75
Long-term deferred expenditures	14,205,331.39	13,754,719.31
Deferred income tax assets	990,747,432.73	855,386,684.99
Other non-current assets	70,000,000.00	
Total non-current assets	19,121,902,076.82	19,138,167,824.28
Total assets	92,927,610,699.98	93,723,020,007.67

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	6,227,529,891.52	7,818,558,712.56
Short-term factoring borrowings	2,291,133.83	4,353,591.26
Deposit received and inter-bank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss		41,268,197.24
Derivative financial liabilities		
Bills payable	6,150,184,116.44	5,674,402,528.68
Account payable	6,432,801,245.16	6,393,055,129.25
Advances from customers	851,287,184.62	778,751,319.30
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	100,750,362.04	197,962,157.08
Taxes payable	206,877,122.25	358,104,379.84
Interest payable	462,567,302.84	213,644,945.81
Dividends payable	8,431,784.03	8,431,784.03
Other payables	2,535,502,918.65	3,230,997,838.93
Reinsurance account payable		
Deposits for insurance contract		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	8,392,851,058.08	5,463,126,881.60
Other current liabilities		
Total current liabilities	<u><u>31,371,074,119.46</u></u>	<u><u>30,182,657,465.58</u></u>
Non-current liabilities:		
Long-term borrowings	5,218,797,111.95	6,453,054,600.00
Bonds payable	15,400,745,461.37	15,428,255,260.40
Including: Preference shares		
Perpetual liabilities		
Long-term payables	251,543,662.76	355,360,207.08
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	255,797,873.35	255,435,571.86
Deferred income tax liabilities	442,486,955.22	439,151,964.56
Other non-current liabilities		
Total non-current liabilities	<u><u>21,569,371,064.65</u></u>	<u><u>22,931,257,603.90</u></u>
Total liabilities	<u><u>52,940,445,184.11</u></u>	<u><u>53,113,915,069.48</u></u>

Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,664,132,250.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,065,494,649.57	13,065,494,649.57
Less: Treasury shares		
Other comprehensive income	-768,188,311.98	-789,566,258.50
Special reserves	11,527,630.84	11,245,106.20
Surplus reserve	2,917,182,178.98	2,917,182,178.98
General risk provisions		
Undistributed profit	16,407,788,795.14	17,068,112,514.12
Total owner's equity attributable to the equity holders of the parent company	<u><u>39,297,937,192.55</u></u>	<u><u>39,936,600,440.37</u></u>
Minority interests	<u>689,228,323.32</u>	<u>672,504,497.82</u>
Total owners' equity	<u><u>39,987,165,515.87</u></u>	<u><u>40,609,104,938.19</u></u>
Total liabilities and owners' equity	<u><u>92,927,610,699.98</u></u>	<u><u>93,723,020,007.67</u></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	7,410,064,866.29	7,595,637,679.72
Financial assets at fair value through profit or loss	1,888,298.90	15,646,907.05
Derivative financial assets		
Bill receivables	502,416,271.71	890,687,323.58
Account receivables	31,856,981,356.05	31,981,806,709.86
Prepayments	786,394,459.44	840,429,231.81
Interest receivable		
Dividends receivable	13,175,136.50	13,175,136.50
Other receivables	6,636,989,426.47	3,078,406,431.29
Inventories	11,160,594,808.60	10,873,762,983.16
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	633,625,611.64	653,375,172.82
Total current assets	<u>59,002,130,235.60</u>	<u>55,942,927,575.79</u>
Non-current assets:		
Available-for-sale financial assets	176,472,325.63	177,986,417.59
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	16,182,733,299.90	16,216,631,172.48
Investment property		
Fixed assets	4,299,157,266.70	4,398,646,738.00
Construction in progress	538,796,305.14	520,569,468.78
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	1,542,932,230.45	1,560,915,634.89
Development expenses	38,543,240.48	30,680,195.65
Goodwill		
Long-term deferred expenditures	9,068,161.77	9,267,639.48
Deferred income tax assets	456,673,628.28	340,430,258.75
Other non-current assets	30,000,000.00	
Total non-current assets	<u>23,274,376,458.35</u>	<u>23,255,127,525.62</u>
Total assets	<u>82,276,506,693.95</u>	<u>79,198,055,101.41</u>

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	4,114,818,948.38	3,838,410,166.75
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	4,947,302,150.77	4,582,638,586.48
Account payable	8,270,848,142.45	8,506,961,450.48
Advances from customers	1,245,843,508.14	605,548,436.28
Accrued payroll	4,179,803.10	44,732,072.39
Taxes payable	82,316,381.74	149,772,867.24
Interest payable	307,767,718.75	162,372,561.78
Dividends payable	8,431,784.03	8,431,784.03
Other payables	2,116,331,351.77	3,717,833,649.83
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	8,382,801,019.07	3,493,163,824.37
Other current liabilities		
	<hr/>	<hr/>
Total current liabilities	<u><u>29,480,640,808.20</u></u>	<u><u>25,109,865,399.63</u></u>
Non-current liabilities:		
Long-term borrowings	5,147,557,600.00	5,803,564,600.00
Bonds payable	8,993,359,755.85	8,992,935,899.50
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	215,737,865.80	214,870,990.80
Deferred income tax liabilities	643,009.60	2,697,980.83
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u><u>14,357,298,231.25</u></u>	<u><u>15,014,069,471.13</u></u>
Total liabilities	<u><u>43,837,939,039.45</u></u>	<u><u>40,123,934,870.76</u></u>

Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,664,132,250.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,562,774,117.38	14,562,774,117.38
Less: Treasury shares		
Other comprehensive income	719,101.20	2,006,079.37
Special reserves	870,200.00	870,200.00
Surplus reserve	2,916,182,933.46	2,916,182,933.46
Undistributed profit	<u>13,293,889,052.46</u>	<u>13,928,154,650.44</u>
Total owners' equity	<u><u>38,438,567,654.50</u></u>	<u><u>39,074,120,230.65</u></u>
Total liabilities and owners' equity	<u><u>82,276,506,693.95</u></u>	<u><u>79,198,055,101.41</u></u>

4.3 Consolidated Income Statement

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Total operating income	3,023,695,826.80	3,782,836,809.78
Including: Operating income	3,023,695,826.80	3,782,836,809.78
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	3,865,412,911.88	4,246,657,486.65
Including: Operation cost	2,224,634,875.91	2,841,004,786.72
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 for operations	34,058,170.24	17,177,473.78
Selling expenses	540,214,341.32	542,196,772.67
Administrative expenses	497,184,606.72	459,991,921.99
Financial expenses	481,325,294.56	225,335,308.99
Losses on assets impairment	87,995,623.13	160,951,222.50
Add: Gains from changes of fair value (“-” refers to loss)	27,642,014.66	10,176,681.83
Income from investment (“-” refers to loss)	-40,044,309.10	25,423,414.47
Including: Investment income from associates and joint venture companies		
Exchange gains (“-” refers to loss)		
III. Operating profits (“-” refers to loss)	-854,119,379.52	-428,220,580.57
Add: Non-operating profits	91,703,222.69	61,062,613.63
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	15,788,714.99	16,978,391.64
Including: Losses on disposal of non-current assets		
IV. Total profits (“-” refers to total loss)	-778,204,871.82	-384,136,358.58
Less: Income tax expenses	-134,604,978.34	5,712,638.99
V. Net profits (“-” refers to net loss)	-643,599,893.48	-389,848,997.57
Net profits attributable to owners of the parent company	-660,323,718.98	-383,355,266.05
Net profits attributable to minority interests	16,723,825.50	-6,493,731.52

Item	Amount during the reporting period	Amount during the previous period
VI. Net amount of other comprehensive income after tax	21,377,946.52	-84,461,161.95
Net amount of other comprehensive income after tax attributable to owners of the parent company	21,377,946.52	-84,461,161.95
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
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		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	21,377,946.52	-84,461,161.95
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	-1,286,978.17	488,881.85
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	22,664,924.69	-84,950,043.80
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	-622,221,946.96	-474,310,159.52
Total comprehensive income attributable to owners of the parent company	-638,945,772.46	-467,816,428.00
Total comprehensive income attributable to minority shareholders	16,723,825.50	-6,493,731.52
VIII. Earnings per share:		
(1) Basic earnings per share	-0.09	-0.05
(2) Diluted earnings per share	-0.09	-0.05

4.4 Income Statement of the Parent Company

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Operating income	1,628,149,810.92	2,155,237,586.06
Less: Operating cost	1,213,077,991.70	1,702,145,728.91
Taxes and surcharges for operations	30,029,863.75	9,383,016.25
Selling expenses	374,267,641.84	417,398,346.64
Administrative expenses	305,712,313.53	279,998,132.72
Financial expenses	376,002,866.62	-76,132,562.33
Losses on assets impairment	77,413,533.53	156,029,074.53
Add: Gains from changes of fair value (“-” refers to loss)	-13,748,838.15	741,027.35
Income from investment (“-” refers to loss)	8,374,997.31	-119,975.65
Including: Investment income from associates and joint venture companies		
II. Operating profits (“-” refers to loss)	-753,728,240.89	-332,963,098.96
Add: Non-operating profits	13,269,578.24	13,111,303.21
Including: Gain on disposal of non-current assets		
Less: Non-operating expenses	12,023,345.59	11,275,311.16
Including: Losses on disposal of non-current assets		
III. Total profits (“-” refers to total loss)	-752,482,008.24	-331,127,106.91
Less: Income tax expense	-118,216,410.26	-29,879,036.00
IV. Net profits (“-” refers to net loss)	-634,265,597.98	-301,248,070.91
V. Net amount of other comprehensive income after tax	-1,286,978.17	488,881.85
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes of net liabilities or net assets 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		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-1,286,978.17	488,881.85
1. Share of other comprehensive income of the investees company 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	-1,286,978.17	488,881.85
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		
VI. Total comprehensive income	-635,552,576.15	-300,759,189.06
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 reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	3,448,997,435.39	4,740,507,651.87
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	85,456,364.29	21,938,821.09
Cash received relating to other operating activities	208,276,130.72	214,677,862.23
Sub-total of cash inflow from operating activities	3,742,729,930.40	4,977,124,335.19
Cash paid for purchasing goods and receiving services	2,921,911,504.41	5,205,491,714.17
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	602,210,578.43	988,823,990.05
Cash paid for taxes and surcharges	213,182,044.68	266,147,656.74
Cash paid relating to other operating activities	1,235,370,414.95	2,242,025,295.77
Sub-total of cash outflow from operating activities	4,972,674,542.47	8,702,488,656.73
Net cash flow from operating activities	-1,229,944,612.07	-3,725,364,321.54
II. Cash flow from investing activities:		
Cash received from disposal of investments		
Cash received from returns on investments	69,293.58	6,647,534.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	923,941.61	17,993,091.92
Net cash received from subsidiaries and other operating business units		1,409,850,308.95
Cash received relating to other investing activities	390,909,715.87	1,809,460.06
Sub-total of cash inflow from investing activities	391,902,951.06	1,436,300,395.21
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	53,280,950.41	14,423,096.58
Cash paid for investment		
Net increase in pledge loans		0.00
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow investing activities	53,280,950.41	14,423,096.58
Net cash flow from investing activities	338,622,000.65	1,421,877,298.63

Item	Amount during the reporting period	Amount during the previous period
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	10,109,378,744.70	4,441,586,191.50
Cash received from issuing bonds		
Cash received related to other financing activities		0.00
Sub-total of cash inflow from financing activities	10,109,378,744.70	4,441,586,191.50
Cash paid for repaying debts	10,098,829,250.71	1,446,460,131.46
Cash paid for distributing dividends and profits and interest repayment	114,830,012.62	160,129,300.20
Including: Dividends and profits paid by subsidiaries to minority shareholders		
Cash paid related to other financing activities		435,409,550.17
Sub-total of cash outflow from financing activities	10,213,659,263.33	2,041,998,981.83
Net cash flow generated from financing activities	-104,280,518.63	2,399,587,209.67
IV. Effect of foreign exchange rate changes to cash and cash equivalents	9,349,595.32	-96,392,134.13
V. Net increase in cash and cash equivalents	-986,253,534.73	-291,947.37
Add: Balance of cash and cash equivalents at beginning of period	11,486,750,848.39	14,483,416,992.37
VI. Balance of cash and cash equivalents at end of period	10,500,497,313.66	14,483,125,045.00

4.6 Cash Flow Statement of Parent Company

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	2,746,297,954.39	2,025,134,465.21
Refunds of taxes received	28,295,018.25	16,832,300.09
Cash received relating to other operating activities	427,291,306.21	632,719,245.21
Sub-total of cash inflow from operating activities	3,201,884,278.85	2,674,686,010.51
Cash paid for purchasing goods and receiving services	1,436,335,764.13	2,962,923,069.91
Cash paid to and for employees	470,238,701.10	636,272,942.14
Cash paid for taxes and surcharges	115,402,878.52	144,460,878.99
Cash paid relating to other operating activities	5,693,835,746.25	1,802,413,745.11
Sub-total of cash outflow from operating activities	7,715,813,090.00	5,546,070,636.15
Net cash flow from operating activities	-4,513,928,811.15	-2,871,384,625.64
II. Cash flow from investing activities:		
Cash received from disposal of investments		878,093,790.00
Cash received from returns on investments	69,293.58	6,647,534.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	625,883.33	4,220,755.11
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	265,096,555.31	281,150,766.40
Sub-total of cash inflow from investing activities	265,791,732.22	1,170,112,845.79
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	23,388,906.56	73,370,828.74
Cash paid for investment		290,656,148.00
Net cash paid for acquisition of subsidiaries and other operating business units		
Cash paid relating to other investing activities		
Sub-total of cash outflow investing activities	23,388,906.56	364,026,976.74
Net cash flow from investing activities	242,402,825.66	806,085,869.05
III. Cash flow generated from financing activities:		
Cash received from investment		
Cash received from borrowings	10,878,732,108.38	2,863,816,567.28
Cash received from issuing bonds		
Cash received related to other financing activities		
Subtotal of cash inflow from financing activities	10,878,732,108.38	2,863,816,567.28
Cash paid for repaying debts	6,442,915,766.75	758,755,576.42
Cash paid for distributing dividends and profits and interest repayment	79,808,449.64	102,928,349.11
Cash paid related to other financing activities		
Sub-total of cash outflow from financing activities	6,522,724,216.39	861,683,925.53
Net cash flow generated from financing activities	4,356,007,891.99	2,002,132,641.75
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-4,974,064.62	340,308.91
V. Net increase in cash and cash equivalents	79,507,841.88	-62,825,805.93
Add: Balance of cash and cash equivalents at beginning of period	6,309,775,143.79	11,233,634,029.11
VI. Balance of cash and cash equivalents at end of period	6,389,282,985.67	11,170,808,223.18

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

Changsha, the PRC, 22 April 2016

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 and Ms. Liu Guiliang.

** For identification purpose only*