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ZOOMLION

中 聯 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)

ANNOUNCEMENT

(1) Proposed Amendments to the Articles of Association

(2) Proposed Issue of Bonds

(3) Proposed Issue of Medium-term Notes

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to make certain amendments to the Articles as follows:

	Original Article	Article after amendment
Article 21	After completion of the issue of overseas listed foreign shares (H shares) but before the exercise of the over-allotment options, the Company had 5,797,219,562 ordinary shares in issue, including 4,840,678,482 domestic listed ordinary shares and 956,541,080 H shares (including 86,958,280 H shares held by the National Social Security Fund), representing 83.5% and 16.5% of the total issuable ordinary shares of the Company respectively.	After completion of the issue of overseas listed foreign shares (H shares) but before the exercise of the over-allotment options, the Company had 5,797,219,562 ordinary shares in issue, including 4,840,678,482 domestic listed ordinary shares and 956,541,080 H shares (including 86,958,280 H shares held by the National Social Security Fund), representing 83.5% and 16.5% of the total issuable ordinary shares of the Company respectively.

	<p>After completion of the issue of the overseas listed foreign shares (H shares) and the exercise of the over-allotment options, the Company had 5,927,656,962 ordinary shares in issue, including 4,827,634,742 domestic listed ordinary shares and 1,100,022,220 H shares (including 100,002,020 H shares held by the National Social Security Fund), representing 81.4% and 18.6% of the total issuable ordinary shares of the Company respectively.</p> <p>After the implementation of the profits distribution plan of 2010 approved at the annual general meeting and class general meeting of 2010 both held on 3 June 2011, the Company had 7,705,954,050 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,430,028,886 H shares, representing 81.4% and 18.6% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the repurchase of a portion of H Shares approved at the annual general meeting and class general meeting of 2014 both held on 29 June 2015, the Company had 7,664,132,250 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.9% and 18.1% of the total issued ordinary shares of the Company respectively.</p>	<p>After completion of the issue of the overseas listed foreign shares (H shares) and the exercise of the over-allotment options, the Company had 5,927,656,962 ordinary shares in issue, including 4,827,634,742 domestic listed ordinary shares and 1,100,022,220 H shares (including 100,002,020 H shares held by the National Social Security Fund), representing 81.4% and 18.6% of the total issuable ordinary shares of the Company respectively.</p> <p>After the implementation of the profits distribution plan of 2010 approved at the annual general meeting and class general meeting of 2010 both held on 3 June 2011, the Company had 7,705,954,050 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,430,028,886 H shares, representing 81.4% and 18.6% of the total issued ordinary shares of the Company respectively.</p> <p>After the implementation of the repurchase of a portion of H Shares approved at the annual general meeting and class general meeting of 2014 both held on 29 June 2015, the Company had 7,664,132,250 ordinary shares in issue, including 6,275,925,164 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.9% and 18.1% of the total issued ordinary shares of the Company respectively.</p>
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	<p>After the implementation of the repurchase of a portion of A Shares approved at the annual general meeting and class general meeting of 2015 both held on 29 June 2016, the Company had 7,625,287,164 ordinary shares in issue, including 6,237,080,078 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.8% and 18.2% of the total issued ordinary shares of the Company respectively.</p>	<p>After the implementation of the repurchase of a portion of A Shares approved at the annual general meeting and class general meeting of 2015 both held on 29 June 2016, the Company had 7,625,287,164 ordinary shares in issue, including 6,237,080,078 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 81.8% and 18.2% of the total issued ordinary shares of the Company respectively.</p> <p><u>After the implementation of the first grants of the share option scheme and the restricted A share incentive Scheme of 2017 approved at the first extraordinary general meeting, A shares class meeting and H shares class meeting of 2017 each held on 1 November 2017, the Company has 7,794,048,075 ordinary shares in issue, including 6,405,840,989 domestic listed ordinary shares (including shares subscribed by foreign investors and domestic investors in both cases in RMB) and 1,388,207,086 H shares, representing 82.2% and 17.8% of the total issued ordinary shares of the Company respectively.</u></p>
Article 24	The registered capital of the Company is RMB7,625,287,164.	The registered capital of the Company is RMB <u>7,794,048,075</u> .

Note: Amendments to the Articles were originally drafted in Chinese and the English translation is for reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.

The proposed amendments to the Articles are subject to the approval of the Shareholders by way of a special resolution at the AGM and the Class Meetings.

PROPOSED ISSUE OF BONDS

In order to improve its debt structure and reduce finance costs, the Company proposes to issue the Bonds by way of public offering to Qualified Investors who satisfy the requirements of the Administrative Measures, as resolved by the Board during its seventh meeting of the fifth session of the Board.

I. Fulfilment of conditions to issue the Bonds by the Company

Having regard to the requirements of the relevant laws, regulations and regulatory documents (including the Company Law, the Securities Law and the Administrative Measures) relating to the qualifications and conditions for issuing the Bonds to Qualified Investors, and after prudent assessment, the Company is of the view that it is qualified to issue the Bonds to Qualified Investors in compliance with such conditions and requirements.

II. Information of the proposed issue

1. *Issue size*

The principal amount of the Bonds in aggregate will not exceed RMB5 billion. The actual size of the issue will be determined by the Board or its authorised persons according to the actual position of the Company and the then prevailing market conditions at the time of issuance under the authorisation of the Shareholders to be granted at the AGM, subject to the maximum limit on corporate bond issuance as prescribed by the relevant laws and regulations. Application for the Bond issue by way of public offering within the aforementioned issue size will be made by the Board or its authorised persons to the China Securities Regulatory Commission, whether on one or several occasions, under the authorisation to be granted by the Shareholders at the AGM.

2. *Placing to the Shareholders*

No Bonds will be placed to the Shareholders.

3. *Nominal value and issue price*

The Bonds will be issued at par value of RMB100 each.

4. *Types and term of the Bonds*

The Bonds will have a term of not more than 5 years, either bearing a single fixed term or a combination of terms with different maturities. The term structure of the Bonds and their respective issue size will be determined by the Board or its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM, and will be disclosed in the Bonds Prospectus.

5. *Interest rate of the Bonds*

Interest rate of the Bonds and the basis of determination will be determined by the Board or its authorised persons jointly with the lead underwriter prior to the issue according to market conditions, under the authorisation to be granted by the Shareholders at the AGM, and will be disclosed in the Bonds Prospectus.

6. *Method of guarantee*

Whether or not a form of guarantee will be adopted in respect of the Bonds and (if any) the specific form of such guarantee will be determined by the Board or its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM.

7. *Target of the issue*

The Bonds will be issued by way of public offering to Qualified Investors in accordance with the Administrative Measures.

8. *Redemption or repurchase clauses*

Whether or not redemption or repurchase clauses will be included in the Bonds and (if any) the specific requirements of such clauses will be determined by the Board or its authorised persons according to the relevant requirements and market conditions, under the authorisation to be granted by the Shareholders at the AGM.

9. *Use of proceeds*

It is proposed that the proceeds from the issue of the Bonds will be used for replenishment of the Company's working capital and repayment of interest bearing debts. The actual use of proceeds will be determined by the Board or its authorised persons according to the capital requirements of the Company, under the authorisation to be granted by the Shareholders at the AGM.

10. *Effective period of the resolution*

The resolution approving the Bonds issue by way of public offering will be effective for 24 months from the date on which it is passed by the Shareholders at the AGM. If, during the effective period of the authorisation, the Company decides to issue the Bonds and obtains approval and permit from, and registration with, the regulatory authorities in respect of the Bonds issue, it may complete the issue during the validity period of such approval, permit and registration.

11. *Listing of the Bonds*

The Company will proceed with the listing of the Bonds according to the relevant requirements of the Shenzhen Stock Exchange after completion of the Bonds issue.

12. Protection measures on repayment

If the Company foresees that it may not be able to repay the principal of the Bonds or the interest accrued thereon according to the payment schedule or as and when they fall due and payable, the Company will adopt the relevant measures required by the laws and regulations of the PRC and the requirements of the relevant regulatory authorities. Such measures include, without limitation:

- (1) no profit distribution to the Shareholders;
- (2) suspension of implementation of capital expenditure projects, such as material external investments, or mergers and acquisitions;
- (3) reduction in or suspension of payment of remuneration/salaries and bonus to the Directors and senior management of the Company; and
- (4) no transfer or resignation of key persons-in-charge.

III. Authorisation for the Bonds issue by way of public offering

To improve the efficiency of the Bonds issue and subject to the works required in connection with such issue, approval will be sought from the Shareholders at the AGM to grant authorisation to the Board and its authorised persons to deal with, at their sole discretion, all matters in connection with the Bonds issue by way of public offering according to the relevant laws, regulations and regulatory documents (including the Company Law, the Securities Law and the Administrative Measures) and with reference to the then prevailing market conditions and actual position of the Company, acting in the best interests of the Shareholders. Such matters include, without limitation:

1. formulating and adjusting any specific proposal for the Bonds issue according to the actual conditions of both the market and the Company, including but not limited to all matters in connection with the application for issue of and the issuance and listing of the Bonds, such as the timing for making an application; whether an application shall be made on one or several occasions; specific issue size; term of the Bonds; interest rate of the Bonds and basis of its determination; timing for the issue (including whether in tranches and the number of tranches); whether a guarantee is required and the guarantee arrangement; whether any innovative clauses are required, such as repurchase clauses and redemption clauses; arrangement for credit rating; actual means of subscription; specific placing arrangements; schedule for and method of repayment of principal and interest; listing of the Bonds; termination of the issue; and use of proceeds.
2. dealing with matters relating to the application for issue of, and the issuance and listing of the Bonds, including but not limited to authorising, signing, implementing, amending and completing all documents, contracts, agreements, covenants, announcements of all kinds, and other legal documents necessary for the application for the issue of, and the issuance and listing of the Bonds, and disclosing relevant information as required under the laws, regulations and regulatory documents.

3. selecting a Bond trustee; signing a trustee agreement and formulating the rules of meeting of Bond holders.
4. if the Company foresees that it may not be able to repay the principal of the Bonds and the interest accrued thereon according to the payment schedule or when they fall due and payable, adopting the relevant measures as required under the laws and regulations of the PRC and the requirements of the relevant regulatory departments. Such measures include, without limitation:
 - (1) no profit distribution to the Shareholders;
 - (2) suspension of implementation of capital expenditure projects, such as material external investments, or mergers and acquisitions;
 - (3) reduction in or suspension of payment of remuneration/salaries and bonus to the Directors and senior management of the Company; and
 - (4) no transfer or resignation of key persons-in-charge.
5. making appropriate adjustments to matters relating to the specific proposal for the Bonds issue according to the views of regulatory authorities, if any, or deciding whether to proceed with the issue of the Bonds according to the actual situation, in the event of change in policy of regulatory authorities or market conditions, save and except matters that require voting on at a general meeting under the relevant laws and regulations and the Articles.
6. dealing with other specific matters in connection with the application for issue of, and the issuance and listing of the Bonds.

The authorisation will be effective from the date on which the relevant resolution is passed at the AGM until the date of completion of all matters in connection with the Bonds under such authorisation.

Subject to the approval and granting of the above authorisation by the Shareholders at the AGM, the Board proposes to authorise its Chairman or his authorised persons to exercise such rights as conferred under the authorisation to deal with the above matters and any other matters which may be authorised by the Board in relation to the Bonds.

PROPOSED ISSUE OF MEDIUM-TERM NOTES

In order to improve the debt structure, broaden financing channels and reduce finance costs, the Company proposes to apply for and register the issue of the Medium-term Notes in an aggregate amount of not more than RMB5 billion with the National Association of Financial Market Institutional Investors in accordance with the requirements under the relevant laws and regulations (including the Company Law and the Administrative Rules on Debt Financing Instruments of Non-Financial Enterprises in the Interbank Bond Market).

I. Proposed issue of the Medium-term Notes

1. Issue size

The size of the proposed issue of the Medium-term Notes will not exceed RMB5 billion in aggregate. Subject to the market conditions and the actual capital requirements of the Company, the Medium-term Notes will be issued in one or multiple tranches during the effective term of the registration as and when appropriate.

2. Term of issue

The term of the Medium-term Notes under the proposed issue will not exceed 5 years.

3. Interest rate

The actual offer price will be determined with reference to the then prevailing guided pricing and market conditions at the time of issuance.

4. Target of issue

The Medium-term Notes issue will be targeted at institutional investors in the national interbank bond market.

5. Use of proceeds

The proceeds from the issue of the Medium-term Notes will be used mainly for replenishment of the Company's working capital, repayment of borrowings from financial institutions and any other purpose as approved by other trader associations.

6. Effective period of the resolution

The resolution approving the proposed issue of the Medium-term Notes will be effective for 36 months from the date on which it is passed by the Shareholders at the AGM.

II. Authorisation for the Medium-term Notes

Approval will be sought from the Shareholders at the AGM to grant authorisation to the Chairman of the Board or his authorised persons to determine and deal with, at his sole discretion, all matters in connection with the issue of the Medium-term Notes financing, including but not limited to determining the timing of the issue; form of issue; lead underwriter; size of issue; tranches of issue; interest rate; actual use of proceeds of the Medium-term Notes; signing necessary documents if required; appointing intermediaries such as underwriters, credit rating agencies, certified public accounting firms and law firms; and completing necessary formalities and taking such other relevant actions as required under the proposed issue.

III. Approval procedures

1. Implementation of matters relating to the issue of the Medium-term Notes financing is subject to the consideration and approval of the Shareholders at the AGM.
2. The final proposal of the issue is subject to the registration notice to be issued by the National Association of Financial Market Institutional Investors.

The Company will disclose information on the issue of the Medium-term Notes in a timely manner in accordance with the requirements of the relevant laws and regulations.

AGM

The proposed amendments to the Articles, the proposed issue of the Bonds and the proposed issue of the Medium-term Notes will be put forward to the Shareholders for consideration and approval at the forthcoming AGM. The circular in connection therewith and the notice of the AGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Administrative Measures”	the Administrative Measures for the Issuance and Trading of Bonds (《公司債券發行與交易管理辦法》) of the PRC
“AGM”	the forthcoming annual general meeting of the Company to be held in 2018
“Articles”	the articles of association of the Company, as amended from time to time
“A Share(s)”	the domestic share(s) of RMB1.00 each in the share capital of the Company which are listed on the Shenzhen Stock Exchange and traded in RMB
“Board”	the board of Directors
“Bond(s)”	the bonds with a principal amount of not more than RMB5 billion in aggregate proposed to be issued by the Company
“Bonds Prospectus”	the prospectus of the Company in respect of the Bonds issue

“Class Meetings”	the class meetings of the holders of A Shares and H Shares respectively to be held for the purposes of considering and approving, among other things, the amendments to the Articles
“Company”	中聯重科股份有限公司 (Zoomlion Heavy Industry Science and Technology Co., Ltd.)*, a joint stock company incorporated in the PRC with limited liability
“Company Law”	the Company Law of the PRC
“Directors”	the directors of the Company
“H Share(s)”	the overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Medium-term Notes”	the medium-term notes with a principal amount of not more than RMB5 billion in aggregate proposed to be issued by the Company
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region
“Qualified Investors”	the qualified investors satisfying the requirements under the Administrative Measures
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC

“Share(s)”	A Share(s) and H Share(s), or the context requires, either of them
“Shareholder(s)”	the holder(s) of the Shares
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange

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

Changsha, the PRC, 29 March 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*