
OUR HISTORY AND CORPORATE STRUCTURE

Important Milestones

The following are the important milestones in our history to date:

<u>Year</u>	<u>Event</u>
August 1999	Our Company was incorporated in the PRC.
July 2000	We first obtained accreditation of ISO 9001 in respect of our quality management system.
October 2000	We became listed on the SZSE.
July 2003	We received certification from TÜV Rheinland, Germany, for our quality management system.
August 2003	We acquired all the operating assets of Zhongbiao.
November 2003	We acquired the crane machinery business of Hunan Puyuan Construction Machinery Co., Ltd.
December 2004	We manufactured the QUY200 crawler crane, the then largest crawler crane in the PRC.
March 2005	We developed and manufactured a 12-ton high pressure washing vehicle ZLJ520GQX.
July 2005	The Company received CE certification for pumping machines and entered into the European market.
July 2006	We implemented our share reform, where the non-tradable Shares of our Company were converted into tradable Shares.
August 2006	Our Company's tower crane was first exported to Europe.
October 2006	We successfully manufactured and developed the QUY600 crawler crane, the then largest crawler crane in the PRC.
November 2006	Our Company manufactured the YZ27 road roller with the largest vibrating power in the PRC.
September 2008	We acquired CIFA.
August 2009	We manufactured a four-bridge chassis six-joint jibs 56m pump-truck.
September 2009	We manufactured the QUY1000 crawler crane, the first crawler crane with a lifting capacity of over 1,000 tons.
March 2010	We manufactured the D5200 tower crane, which was the first tower crane with a lifting capacity of over 5,200 tons-meters.

Background

The history of our Company traces back to August 1999 when our Company was established pursuant to the "Approval of the Establishment of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd." (關於同意設立長沙中聯重工科技發展股份有限公司的復函) (Guo Jing Mao Qi Gai [1999] No.743) which was issued by State Economic and Trade Commission on August 2, 1999. On August 31, 1999, our Company was jointly established with an initial registered capital of RMB100 million by Research Institute, Zhongbiao, Beijing Ruixinjian Technology Development Co., Ltd. (北京瑞新建技術開發有限公司), Beijing Zhongli Sida Technology Development Co., Ltd. (北京中利四達科技開發有限公司), Guangzhou Huangpu Zoomlion Construction Machinery Co., Ltd. (廣州黃埔中聯建設機械產業有限公司), and Guangzhou Tianhe District Xinyitong Machinery Equipment Co., Ltd. (廣州市天河區新怡通機械設備有限公司), which held approximately 74.7%, 23.7%, 0.4%, 0.4%, 0.4% and 0.4% of the share capital of our Company, respectively.

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As at the Latest Practicable Date, we had a registered share capital of approximately RMB4,927.64 million.

Listing on the SZSE

As approved by an extraordinary general meeting of the Company held on January 16, 2000 and according to the “Notice Regarding the Approval of the Public Offering of Shares by Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd.” (《關於核准長沙中聯重工科技發展股份有限公司公開發行股票的通知》) (Zheng Jian Fa Xing Zi [2000] No.128) issued by CSRC on September 10, 2000, our Company initially offered 50,000,000 A Shares to the public for subscription in the PRC and completed the listing of these A Shares on the SZSE on October 12, 2000. Upon the completion of the A Share offering, the share capital of our Company increased from RMB100 million to RMB150 million.

Major Equity Transfers and Conversion as a Foreign-invested Joint-Stock Limited Company

Major equity transfers were carried out by our promoters and shareholders from June 2004 to July 2006 leading to the change of our Company to a foreign-invested joint-stock limited company on July 5, 2006. These transfers are summarized below:

On June 23, 2004 and June 25, 2004, one of our promoters, Zhongbiao, entered into the Equity Transfer Agreement and the Equity Transfer Supplementary Agreement with Shenzhen Jin Xinan Investment Co., Ltd. (深圳市金信安投資有限公司) (“**Jin Xinan Investment**”), pursuant to which Zhongbiao transferred 80,301,702 Shares in our Company (representing approximately 15.83% equity interest in our Company and Zhongbiao’s entire equity interests in our Company), to Jin Xinan Investment. Jin Xinan Investment is a limited liability company ultimately owned by 2 individuals who were all Independent Third Parties. The total consideration for the above equity transfer was approximately RMB196 million, which was determined with reference to the 2003 audited net assets value of our Company. Zhongbiao ceased to hold any interest in our Company following the registration of the above equity transfer with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on November 1, 2004.

Subsequent to the above transfer, Jin Xinan Investment entered into the Equity Transfer Agreement with Beijing Jiahe Joint Investment Consulting Co., Ltd. (北京佳和聯創投資顧問有限公司) (“**Joint Investment**”) on April 30, 2006, pursuant to which Jin Xinan Investment transferred 80,301,702 Shares in our Company (representing approximately 15.83% equity interest in our Company and Jin Xinan Investment’s entire equity interests in our Company), to Joint Investment. Joint Investment is a limited liability company owned by three individuals who were all Independent Third Parties. The total consideration for the above equity transfer was approximately RMB274 million, which was determined with reference to the 2005 audited net assets value of our Company. Jin Xinan Investment ceased to be our shareholder when the above equity transfer was registered with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited on May 11, 2006.

On May 11, 2006, Joint Investment entered into the Agreement on the Transfer of the Legal Person Shares of Listed Company with Good Excel, pursuant to which Joint Investment

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transferred 80,301,702 shares in our Company (representing approximately 15.83% equity interest in our Company and Joint Investment's entire equity interests in our Company), to Good Excel. Please refer to note 1 of "Our Group Structure Chart" below for the information relating to Good Excel. The total consideration for the above equity transfer was approximately RMB274 million, which was determined with reference to the 2005 audited net assets value of our Company. The above equity transfer was approved by the "Approval of the Equity Transfer of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd. by the Ministry of Commerce" (《商務部關於同意長沙中聯重工科技發展股份有限公司股權轉讓的批復》) (Shang Zi Pi [2006] No.1437) on July 4, 2006. Our Company was changed to a foreign-invested joint-stock limited company following the registration of the above equity transfer on July 5, 2006.

Reform of Non-tradeable Shares

Pursuant to the "Administrative Measures on the Split Share Structure Reform of Listed Companies" (上市公司股權分置改革管理辦法) promulgated by the CSRS on September 4, 2005, we completed the reform of our non-tradable Shares in July 2006.

According to such reform plan announced by our Company on May 18, 2006, the holders of tradable Shares holding every 10 tradable Shares were to be granted 3.2 Shares by the holders of the non-tradable Shares. The plan was approved by Hunan SASAC on May 26, 2006, by the extraordinary general meeting of our Company held on June 6, 2006, and by the MOFCOM on July 4, 2006, respectively. Upon the completion of such reform, the non-tradable Shares of our Company were converted into tradable Shares subject to certain lock-up undertakings of the relevant shareholders. Under the lock-up undertakings, (i) all previous holders of non-tradable Shares (namely, the Research Institute, Good Excel, Beijing RuiXinjian Technology Development Co., Limited, Beijing Zhongli Sida Technology Development Co., Ltd., Guangzhou Huangpu Zoomlion Construction Machinery Co., Ltd., and Guangzhou Tianhe District Xinyitong Machinery Equipment Co., Ltd.) are subject to trading and transfer restrictions for a period of 12 months ("**Lock-up Period**") from July 13, 2006; and (ii) in respect of each of the previous holders of non-tradable Shares which held more than 5% of the share capital of our Company (namely of Research Institute and Good Excel), following the expiry of the said Lock-up Period, it shall not transfer its Shares (which were converted from non-tradable Shares) through the stock exchange in aggregate exceeding 5% of the total number of Shares of the Company within 12 months, and shall not transfer its Shares (which were converted from non-tradable Shares) in aggregate exceeding 10% of the total number of Shares of the Company within 24 months.

Issue of Corporate Bonds

Under the "Approval for the Public Issue of the Corporate Bonds by Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd." (《關於核准長沙中聯重工科技發展股份有限公司公開發行公司債券的批復》) (Zheng Jian Xu Ke [2008] No 373) issued by CSRC, the Company issued unsecured corporate bonds at a par value of RMB100 each during the period from April 21, 2008 to April 25, 2008. Such corporate bonds are for a term of 8 years at a fixed coupon rate of 6.5% per annum, and the bondholders are entitled to re-sell to the Company all or part of the bonds at par value on the fifth year's interest payment day during the term of the corporate bonds. The corporate bonds became listed on the SZSE on May 9, 2008, and we raised approximately RMB1,100 million from the issue of the bonds.

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Issue of Bonus Shares

Our Company had issued bonus shares in various occasions during the Track Record Period. These bonus shares issues are summarized below:

In March 2007, our Company announced a stock split in the form of bonus shares on the basis of 0.5 A Share for every outstanding A Share. The total number of A Shares issued was approximately 254 million and was approved by an annual general meeting held on March 20, 2007.

In May 2008, our Company announced a stock split in the form of bonus shares on the basis of 1 A Share for every outstanding A Share. The total number of A Shares issued was approximately 760 million and was approved by an annual general meeting held on May 15, 2008.

In May 2009, our Company announced a stock split in the form of bonus shares on the basis of 0.1 A Share for every outstanding A Share. The total number of A Shares issued was approximately 152 million and was approved by an annual general meeting held on May 21, 2009.

De-registration of Research Institute

One of our promoters, Research Institute, was deregistered on December 31, 2008. The deregistration was carried out mainly for the purposes of streamlining the corporate structure and enhancing the overall operation efficiency of our Group. According to the “Approval of the Change of Shareholders of Changsha Zoomlion Heavy Industry Science and Technology Development Co., Ltd.” (《關於長沙中聯重工 科技發展股份有限公司股東變更有關問題的批復》) (Guo Zi Chan Quan [2009] No.182), upon the deregistration of Research Institute, its 636,711,894 Shares held in our Company were distributed to its shareholders, namely Hunan SASAC, Changsha Hesheng, Changsha Yifang, Hunan Development Group and Real Smart based on their respective percentage of capital contribution to Research Institute as of August 31, 2008. Upon completion of such shares distribution, each of Hunan SASAC, Changsha Hesheng, Changsha Yifang, Hunan Development Group and Real Smart held 380,117,000 Shares, 114,862,826 Shares, 76,150,743 Shares, 14,644,373 Shares, 50,936,952 Shares respectively, representing approximately 59.7%, 18.04%, 11.96%, 2.3% and 8% respectively of the 636,711,894 Shares held by Research Institute in our Company and corresponding to their respective percentage shareholding interests in Research Institute as of August 31, 2008.

Major Increases in Share Capital and Non-Public Offering of A Shares

The continual expansion of our Company was reflected through various occasions of share capital increase. During the period from August 2001 to May 2009, the share capital of our Company was increased from RMB150 million to RMB1,673.10 million by way of capitalization of capital reserve fund and/or retained earnings. For information relating to bonus shares issues during the Track Record Period, please refer to the foregoing paragraph headed “Issue of Bonus Shares”.

We issued 297,954,705 A Shares at a subscription price of RMB18.70 per share to nine institutional investors on January 28, 2010.

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The following table sets out the details regarding the shareholding information of the nine institutional investors:

No	Institutional Investors	Number of Shares Subscribed	Total Amount Paid (RMB)	% of the Total Issued Share Capital of Our Company Immediately Following the Completion of the Non-public Offering
1.	Hony Capital Fund I (Tianjin), L.P. (弘毅投資產 業一期基金(天津)(有限合夥))	52,630,000	984,181,000.00	2.67
2.	China Jianyin Investment Co., Ltd. (中國建銀投資有 限責任公司)	51,000,000	953,700,000.00	2.59
3.	Xiangjiang Industrial Investment Co., Ltd. (湘江產業投資有限責任公司)	35,000,000	654,500,000.00	1.78
4.	Guangdong Hengjian Investment Holding Co., Ltd. (廣東恒健投資控有 限公司)	31,000,000	579,700,000.00	1.57
5.	Youngor Group Co., Ltd. (雅戈爾集團股份有限公司)	30,000,000	561,000,000.00	1.52
6.	Anhui Province Investment Group Co., Ltd. (安徽省投 資集團有限責任公司)	29,300,000	547,910,000.00	1.49
7.	Zhonghai Fund Management Co., Ltd. (中海基金管理有限 公司)	25,641,100	479,488,570.00	1.30
8.	PICC Asset Management Co., Ltd. (中國人保資產管 理股份有限公司)	25,641,025	479,487,167.50	1.30
9.	Bainian Cosmetics and Personal Care Co., Ltd. (百年化妝護理品有 限公司)	17,742,580	331,786,246.00	0.90
Total		<u>297,954,705</u>	<u>5,571,752,983.50</u>	<u>15.12</u>

The non-public offering of A Shares raised net proceeds of approximately RMB5,479.42 million. The net proceeds were applied for the upgrade and expansion of our existing production facilities, the construction of new production facilities, and to fund working capital and other general corporate purpose. These A Shares were listed on the SZSE on February 12, 2010 and were subject to a lock-up period of 12 months. Upon completion of the non-public offering of A Shares, our share capital increased from RMB1,673.10 million to RMB1,971.05 million.

In July 2010, a further increase of our Company's share capital from RMB1,971.05 million to RMB4,927.64 million by way of capitalization of our retained earnings and a stock split in the form of bonus shares on the basis of 1.5 A Shares for every outstanding A Share, were approved in an extraordinary general meeting. Such increase of share capital has been completed and registered with the Administration for Industry and Commerce of Hunan Province in October 2010.

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Acquisitions and Disposals in the PRC

Our Company conducted the following major acquisitions and disposals in the PRC during the Track Record Period:

<u>Date of Agreement</u>	<u>Type of Interest</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Amount of Consideration⁽¹⁾</u>	<u>Date of Acquisition/ Disposal</u>
March 3, 2007	Disposal of 68% of the equity interest in Changsha Guanying Real Estate Development Co., Ltd. ⁽²⁾	Company	Changsha COFCO Property Development Co., Ltd.	Approximately RMB175 million	March 2007
June 18, 2007	Acquisition of certain fixed assets, land use rights and long term investment held by Research Institute	Research Institute	Company	Approximately RMB176 million	December 2007
June 18, 2007	Acquisition of 90% of the equity interest in Changsha High-tech Development Area Zhongwang Co., Ltd. ⁽³⁾	Research Institute	Company	Approximately RMB22 million	December 2007
July, 2007	Acquisition of 10% of the equity interest in Changsha High-tech Development Area Zhongwang Co., Ltd. ⁽³⁾	Labour Union of Research Institute	Company	Approximately RMB4 million	December 2007
June 18, 2007	Acquisition of 45.2% of the equity interest in Hunan Teli ⁽⁴⁾	Hunan Puyuan Construction Machinery Co., Ltd.	Company	Approximately RMB48 million	December 2007
June 18, 2007	Acquisition of 6.47% of the equity interest in Hunan Teli ⁽⁴⁾	Research Institute	Company	Approximately RMB7 million	December 2007
June 18, 2007	Acquisition of 67.43% of the equity interest in Hunan Puyuan Construction Machinery Head Factory Shanghai Branch Factory	Puyuan Group	Company	Approximately RMB13 million (plus profits accrued from the date of the agreement to the date of acquisition)	December 2007

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<u>Date of Agreement</u>	<u>Type of Interest</u>	<u>Transferor</u>	<u>Transferee</u>	<u>Amount of Consideration⁽¹⁾</u>	<u>Date of Acquisition/ Disposal</u>
June 18, 2007	Acquisition of 75.5% of the equity interest in Hunan Changde Wuling Second Factory ⁽⁵⁾	Puyuan Group	Company	Approximately RMB20 million (plus profits accrued from the date of the agreement to the date of acquisition)	December 2007
June 18, 2007	Acquisition of 24.5% of the equity interest in Hunan Changde Wuling Second Factory ⁽⁵⁾	Guanxi Xiangrui (as defined below)	Company	Approximately RMB6 million	December 2007
June 18, 2007	Acquisition of 40% of the equity interest in Zhongchen Steel Engineering	Research Institute	Company	Approximately RMB10 million	December 2007
June 18, 2007	Acquisition of the entire net assets and business of Special Vehicle Factory of Puyuan Group (the predecessor of Zoomlion Special Vehicle) ⁽⁶⁾	Puyuan Group	Company	Approximately RMB56 million	December 2007
June 27, 2007	Disposal of 45.8% of the equity interest in Huan Construction Group Co., Ltd. ⁽²⁾	Company	Luan Zhongwen (栾仲文)	Approximately RMB35 million	November 2007
August 12, 2007	Disposal of assets and liabilities of Huji Branch of our Company ⁽²⁾	Company	Hunan Taijia New Material Science and Technology Co., Ltd.	Approximately RMB54 million	August 2007
March 26, 2008	Acquisition of the entire equity interest of Zoomlion Earth Working ⁽⁷⁾	(1) Shanghai Tongyue Automobile Sales Co., Ltd. (2) Weichai Power Co., Ltd.	Company	RMB34 million	June 2008

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Date of Agreement	Type of Interest	Transferor	Transferee	Amount of Consideration ⁽¹⁾	Date of Acquisition/ Disposal
June 16, 2008	Disposal of 90% of the equity interest in Changsha Zoomlion Haiqiang Concrete Co., Ltd. ⁽²⁾	Beijing Zoomlion Leasing	Tangshan Jidong Cement Company Limited	Approximately RMB15 million	June 2008
June 24, 2008	Acquisition of 82.73% of the equity interest in Hunan Automobile Axle Factory (the predecessor of Zoomlion Axle) ⁽⁸⁾	Hunan Jinshi People's Government	Company	Approximately RMB154 million	June 2008
July 1, 2008	Acquisition of 82% of the equity interests in Zoomlion Material Handling	Changsha Xinfeng Investment Co., Ltd.	Company	Approximately RMB119 million	July 2008
December 23, 2008	Acquisition of 75% of the equity interest in Changde Hydraulic	36 individual shareholders	Company	Approximately RMB30 million	January 2009
December 29, 2008	Disposal of 65% of the equity interest in Zoomlion Beidou (as defined below) ⁽²⁾	Company	Skyworth Mobile (as defined below)	Approximately RMB20 million	December 2008

Notes:

- (1) The considerations of all these acquisitions and disposals were determined with reference to valuation reports prepared by independent valuers.
- (2) These disposals carried out by our Group during the Track Record Period in aggregate gave rise to a gain of RMB12 million, a gain of RMB3 million, and a loss of RMB6 million to our Group for the year ended December 31, 2007, 2008 and 2009, respectively.
- (3) The acquisition was carried out to streamline our Group's operations and to reduce related party transactions. Changsha High-tech Development Area Zhongwang Co., Ltd. was deregistered in June 2009. Thereafter, its assets, liabilities and operations were taken up by our Company.
- (4) On February 6, 2007, our Company injected a total of RMB32.66 million into Hunan Teli to increase its registered capital. After the capital increase, Hunan Teli became a 66.8% owned subsidiary of our Company.
- (5) The acquisition was carried out to streamline the Group's operations and to reduce related party transactions. Hunan Changde Wuling Second Factory was deregistered in October 2008. Thereafter, its assets, liabilities and operations were taken up by our Company.
- (6) On December 11, 2007, Zoomlion Special Vehicle was established by our Company with the registered capital of RMB68.7 million as a wholly-owned subsidiary of our Company.
- (7) In March 2008, our Company injected a total of RMB190 million into Zoomlion Earth Working to increase its registered capital. The injection formed part of the acquisition.
- (8) On July 1, 2008, Zoomlion Axle was established by our Company and Dongfeng Motor with the registered capital of RMB213.2 million. Our Company and Dongfeng Motor contributed approximately RMB181 million and RMB32 million respectively. The RMB181 million contributed by our Company comprised of assets contribution (which are the acquired net assets of Hunan Automobile Axle Factory) valued at approximately RMB154 million and cash contribution of approximately RMB27 million. The injection formed part of the acquisition. After the capital contribution, Zoomlion Axle became a 84.9% owned subsidiary of our Company.

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As the aggregate turnover contributed by the above acquired businesses and CIFA (please refer to the paragraph headed “Acquisition of CIFA” below) accounted for only 10%, 19%, and 10% to our consolidated turnover in 2008, 2009 and the six months ended June 30, 2010, respectively, our Group’s significant revenue growth during the Track Record Period was therefore to a large extent not attributable to these acquisitions conducted during the same period.

Acquisition of CIFA

We established our global presence through the acquisition of CIFA in 2008. CIFA was a concrete machinery manufacturer based in Italy and the acquisition of CIFA enabled us to become a leading concrete machinery manufacturer in the world. On June 20, 2008, Magenta SGR S.p.A., Fadorè S.àr.l., Intesa Sanpaolo S.p.A., Immobiliare BA.STE.DO. S.r.l., Immobiliare Duemila S.r.l., Immobiliare Novanta S.r.l., Pasquale Di Iorio, Simone Rafael Emdin and Maurizio Ferrari (as the sellers), and, Hony Capital Fund III, L.P., Mandarin Capital Partners, GS Hony Holdings I Ltd. and our Company (as buyers), entered into the Sale and Purchase Agreement to transfer 100% of issued and fully paid-in share capital and voting rights of CIFA.

For the purpose of the above acquisition, ZoomlionCifa (Hong Kong) was established as an investment vehicle on July 31, 2008, and a Contribution and Subscription Agreement dated June 20, 2008 was signed between our Company and Hony Capital Fund III, L.P., Mandarin Capital Partners and GS Hony Holdings I Ltd. to govern matters relating to the establishment of ZoomlionCifa (Hong Kong) and the funding contribution made by each of the above parties in ZoomlionCifa (Hong Kong). Pursuant to the Contribution and Subscription Agreement, our Company has contributed EUR162.6 million to the total purchase price of EUR271 million of CIFA, and each of Hony Capital Fund III, L.P., Mandarin Capital Partners and GS Hony Holdings I Ltd. contributed EUR48.9 million, EUR24.5 million, EUR35 million respectively to the remaining balance. The purchase price was determined by the parties after arm’s length negotiation and on a fair and reasonable basis with reference to a combination of factors including (i) industry environment in which CIFA operates; (ii) business operations of CIFA; (iii) financial results of CIFA; (iv) industry comparables, and (v) commonly accepted valuation methods of enterprises operating in the construction machinery industry. The acquisition of CIFA was approved by an extraordinary general meeting of our Company held on July 10, 2008 and was completed in September 2008. The CIFA acquisition gave rise to a goodwill of RMB1,816 million to our Group.

Hony Capital Fund III, L.P. is controlled by Hony Capital Fund III, G.P. L.P., which is controlled by Hony Capital Fund III, G.P. Limited. Hony Capital Fund III, G.P. Limited is wholly-owned by Hony Capital Management III Limited. Hony Capital Management III Limited is owned as to 55% by Mr. John Huan Zhao and 45% indirectly by Legend Holdings Limited through Right Lane Limited. Legend Holdings Limited is ultimately controlled and is owned as to 35% by the Employees’ Shareholding Society of Legend Holdings Limited, 36% by the Chinese Academy of Sciences (whose interests in Legend Holdings Limited are held through its wholly-owned subsidiary, Chinese Academy of Sciences Holdings Co., Ltd.) and 29% by China Oceanwide Holdings Group. Upon reasonable enquires of the Company, neither Legend Holdings Limited, Mr. John Huan Zhao nor Hony Capital Fund III, L.P. is a Connected Person of the Company and each of them is an Independent Third Party.

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Mandarin Capital Partners is a Chinese-European private equity fund with a fund size of EUR328 million whose investors are all institutional investors. Upon reasonable enquires of the Company, Mandarin Capital Partners is an Independent Third Party. GS Hony Holdings I Ltd is a company incorporated in the Cayman Islands which is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. GS Hony Holdings I Ltd is interested in approximately 12.8% of the equity interest in ZoomlionCifa (Hong Kong) which is a non-wholly owned subsidiary of our Company. Please refer to Note (13) under the paragraph headed “Our Group Structure Chart” below. GS Hony Holdings I Ltd is therefore a substantial shareholder of ZoomlionCifa (Hong Kong) and hence a Connected Person of the Company and it is not an Independent Third Party.

Subsequently in June 2009, five management personnel of CIFA namely Mr. Maurizio Ferrari, Mr. Stefano Marcon, Mr. Eugenio Bertino, Mr. Davide Cipolla and Mr. Delfino Corti entered into an Investment Agreement with our Company, Zoomlion Overseas and ZoomlionCifa (Hong Kong) pursuant to which such five individuals have completed an aggregate capital injection of EUR3.1 million in shares of ZoomlionCifa (Hong Kong). It is expected that such investment by the five management personnel would align their interests in ZoomlionCifa (Hong Kong) with the interests of the entity’s existing shareholders, including our Company, and provide them with incentives to actively participate in the day to day management of CIFA. Following such investment, ZoomlionCifa (Hong Kong) was held as to approximately 59.3% by Zoomlion Overseas.

In September 2008, a shareholders’ agreement was entered into among the Company, Hony Capital Fund III, L.P., Mandarin Capital Partners and GS Hony Holdings I Ltd. (the “Co-Investors”) to govern their rights and obligations as shareholders of ZoomlionCifa (Hong Kong). Such agreement was subsequently amended to include the five management shareholders of CIFA upon completion of their investment in ZoomlionCifa (Hong Kong) in June 2009. The shareholders’ agreement contains customary minority shareholders’ rights such as nomination rights, reserved matters protection rights, pre-emptive rights, tag-along rights, drag-along rights and anti-dilution rights. Save as disclosed above, there is currently no arrangement in respect of the purchase of shares in ZoomlionCifa (Hong Kong) held by the Co-Investors.

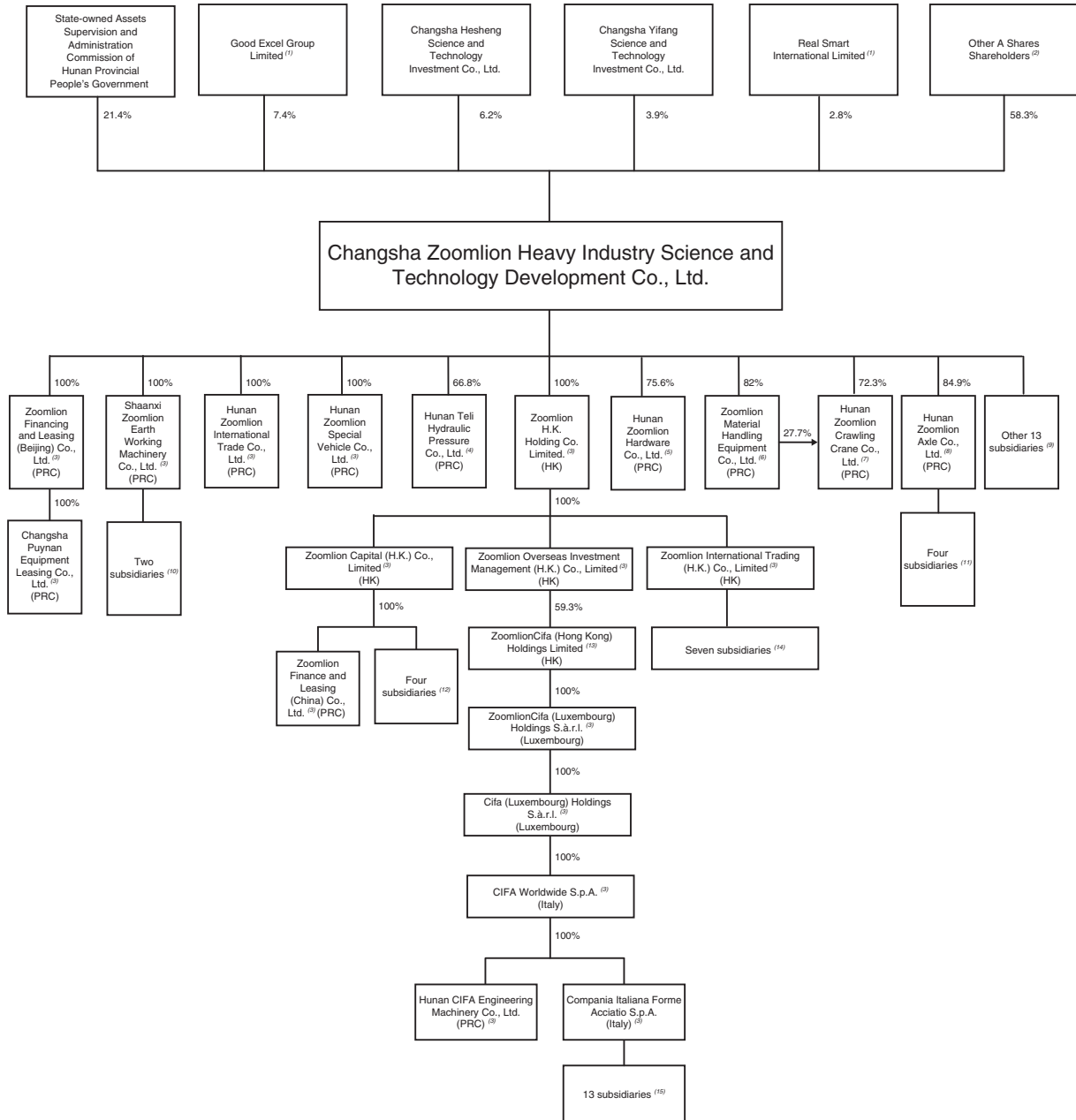
The Shareholding Structure of our Company

Please refer to the section headed “Substantial Shareholders” in this prospectus for the shareholding structure of our Company as at the Latest Practicable Date.

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Our Group Structure Chart

As at the Latest Practicable Date, we had 28 subsidiaries established in the PRC and 36 overseas subsidiaries. The following chart sets out our shareholding structure and our principal subsidiaries as at the Latest Practicable Date:



Notes:

- (1) Good Excel and Real Smart each is a 67.71% owned subsidiary of Rise Honour Investments Limited, a company incorporated in the British Virgins Islands with limited liability, Rise Honour Investments Limited in turn is controlled by Hony Capital II L.P. Hony Capital II L.P. is a Cayman Islands exempted limited partnership and is controlled by its general partner Hony Capital II G.P. Ltd.. Hony Capital II G.P. Ltd. is ultimately owned by Legend Holdings Limited. Legend Holdings Limited is an investment holding company established in the PRC and with its subsidiaries primarily engaged in information technology, equity investment and real estate investment.
- (2) Amongst the "other A Shares Shareholders", Hunan Development Group, holds 40,272,025 A Shares of our Company, representing approximately 0.8% interest in the issued share capital of the Company.

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(3) The details of 15 subsidiaries directly or indirectly owned by our Company are as follows:

Subsidiary	Registered / Share Capital	Shareholdings	Principal Business	Place of Incorporation
Beijing Zoomlion Leasing	RMB1,502.0 million	Our Company holds 100% of its equity interest	Leasing of construction equipment and machinery	PRC
Zoomlion Earth Working	RMB473.94 million	Our Company holds 100% of its equity interest	Manufacture of earth working machinery	PRC
Zoomlion International Trade	RMB4.5 million	Our Company holds 100% of its equity interest	Trading of equipment and machinery	PRC
Zoomlion Special Vehicle	RMB68.7 million	Our Company holds 100% of its equity interest	Manufacture of specialized vehicle	PRC
Changsha Puyuan Equipment Leasing Co., Ltd.	RMB5 million	Beijing Zoomlion Leasing holds 100% of its equity interest	Leasing and repairing of construction equipment and machinery	PRC
Zoomlion Finance and Leasing (China)	USD80.0 million	Zoomlion Capital (H.K.) holds 100% of its equity interest	Leasing of equipment and machinery	PRC
Hunan CIFA	USD2.2 million	CIFA Worldwide S.p.A. holds 100% of its equity interest	Research, production, sales of concrete machinery and provision of after-sale service	PRC
Zoomlion H.K. Holding Co., Limited	HKD603,225,000.03	Our Company holds 100% of its equity interest	Investment holding	Hong Kong
Zoomlion Capital (H.K.)	HKD39,000,000.01	Zoomlion H.K. Holding Co., Limited holds 100% of its equity interest	Investment holding	Hong Kong
Zoomlion Overseas	HKD448,500,000.01	Zoomlion H.K. Holding Co., Limited holds 100% of its equity interest	Investment holding	Hong Kong
Zoomlion Trading (H.K.)	HKD31,200,000.01	Zoomlion H.K. Holding Co., Limited holds 100% of its equity interest	Investment holding	Hong Kong
ZoomlionCifa (Luxembourg) Holdings S.à.r.l.	EUR12,500	ZoomlionCifa (Hong Kong) holds 100% of its equity interest	Investment holding	Luxembourg
Cifa (Luxembourg) Holdings S.à.r.l.	EUR12,500	ZoomlionCifa (Luxembourg) Holdings S.à.r.l. holds 100% of its equity interest	Investment holding	Luxembourg
CIFA Worldwide S.p.A.	EUR15.1 million	Cifa (Luxembourg) Holdings S.à.r.l. holds 100% of its equity interest	Investment holding	Italy
CIFA	EUR15 million	CIFA Worldwide S.p.A. holds 100% of its equity interest	Manufacture of concrete machinery	Italy

(4) Hunan Province Changde City Guanxi Xiangrui Investment Co., Ltd. (湖南省常德市灌溪祥瑞投資有限公司) (“Guanxi Xiangrui”) (a state-owned enterprise which is an Independent Third Party and ultimately owned by the Guanxi Town Government) holds approximately 5.4% of the equity interest of Hunan Teli, and other three individuals, namely Liao Julin (廖巨林), Lu Xiaolan (盧曉嵐) and Yang Xueqing (楊學清), all of whom are Independent Third Parties, hold approximately 11.7%, 8.4% and 7.7% of the equity interest of Hunan Teli, respectively. Hunan Teli has a registered capital of RMB104.66 million, and is principally engaged in research, design, manufacture, sales and heat treating of hydraulic components.

(5) Guanxi Xiangrui holds 24.4% of the equity interest of Zoomlion Hardware. Zoomlion Hardware has a registered capital of RMB100 million, and is principally engaged in design, manufacturing and sales of sheet and structural parts of cab and operator cabin.

(6) Changsha Fengde Investment Management Consultant Firm (長沙豐德投資管理諮詢合夥企業) (a partnership firm owned by several individuals, all of whom are Independent Third Parties) and Liang Yuhou (梁裕厚), both of which are Independent Third Parties, hold 15% and 3% of the equity interest of Zoomlion Material Handling, respectively. Zoomlion Material Handling has a registered capital of RMB100 million. Zoomlion Material Handling is principally engaged in research and development, design, manufacturing, sales and contracting of bulk material handling equipment, port automation equipment, and crane machinery and equipment.

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- (7) According to the joint venture contract, our Company and Zoomlion Material Handling hold approximately 72.3% and 27.7% of the equity interest of Zoomlion Crawling Crane, respectively. As Zoomlion Material Handling has not injected any capital into Zoomlion Crawling Crane, our Company is entitled to 100% of the equity interest of Zoomlion Crawling Crane under the PRC Company Law. Zoomlion Crawling Crane has a registered capital of RMB360 million out of which RMB72 million is paid up by our Company, and is principally engaged in research, development, sales and leasing services of crawling cranes and components.
- (8) Dongfeng Motor (a state-owned enterprise ultimately owned by the SASAC) holds 15.1% of the equity interest of Zoomlion Axle. Zoomlion Axle has a registered capital of RMB213,188,108, and is principally engaged in manufacture and sales of automotives and automotive components.
- (9) The details of the other 13 subsidiaries directly owned by our Company are as follows:

<u>Subsidiary</u>	<u>Registered / Share Capital</u>	<u>Shareholdings</u>	<u>Principal Business</u>	<u>Place of Incorporation</u>
Changsha Puyuan Waste Co., Ltd. (長沙浦沅廢舊物資有限公司)	RMB500,000	Our Company holds 100% of its equity interest.	Waste acquisition (except scrap automobile and hazardous waste); and processing and sales of general machinery parts	PRC
Changsha Puyuan Import and Export Co., Ltd. (長沙浦沅進出口有限公司)	RMB5 million	As of the Latest Practicable Date, this subsidiary is in liquidation and deregistration process; our Company holds 100% of its equity interest.	Sales of electromechanical products, complete set of equipment, mechanical equipment, instrument and meters, spare parts, components, building materials, hardware, and automotive parts	PRC
Guangdong Zoomlion South Construction Machinery Co., Ltd. (廣東中聯南方建設機械有限公司)	RMB10 million	Our Company holds 100% of its equity interest.	Sales, repairing and installation of construction machineries and parts.	PRC
Changde Hydraulic	RMB14.6 million	Our Company holds 75% of its equity interest; two individuals, namely Zhang Xinquan (張新權) and Zeng Qingbi (曾慶碧), both of whom are Independent Third Parties, hold 10% and 3% of its equity interest respectively; each of six individuals, Yang Hong (楊紅), Ma Zhongyong (馬忠勇), Mi Juan (米娟), Jin Yuling (靳玉玲), Tian Qiuying (田秋英), Liu Xian'ai (劉先愛), all of whom are Independent Third Parties, each holds 2% of the equity interest, respectively.	Manufacture, repair, machining of hydraulic components for engineering works, as well as the procurement and sales of electromechanical products	PRC
Shanghai Haoda	RMB72 million	This subsidiary is in liquidation and deregistration process; currently, our Company holds approximately 90.3% of its equity interest; Shanghai Jianhong Economy Development Co., Ltd (上海建宏經濟發展有限公司) (a state-owned enterprise ultimately owned by Shanghai Fengxian District Government), an Independent Third Party, holds approximately 9.7% of its equity interest.	Manufacture, sales and leasing of construction machineries and equipment	PRC

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Subsidiary	Registered / Share Capital	Shareholdings	Principal Business	Place of Incorporation
Zhongchen Steel Engineering	RMB10 million	Our Company holds 62% of its equity interest; two individuals, namely Li Honghu (李洪虎) and Liu Xiaoping (劉小平), both of whom are Independent Third Parties, hold 29% and 9% of its equity interest respectively.	Research, development, manufacturing, sales, installation and repairing of structural steel products, and crane machineries and parts	PRC
Puyuan Construction Machinery Head Factory Shanghai Branch Factory (浦沅工程機械總廠上海分廠)	RMB8.84 million	Our Company holds approximately 67.4% of its equity interest, Shanghai Rongcheng Assets Operation Co., Ltd. (上海茸城資產經營有限公司) (a state-owned enterprise ultimately owned by Shanghai Songjiang Town Government), an Independent Third Party, holds approximately 32.6% of its equity interest.	Production of various models of truck cranes, construction machineries and spare parts	PRC
Changsha Zoomlion Used Equipment Sales Co., Ltd. (長沙中聯重科二手設備銷售有限公司)	RMB10 million	Our Company holds 100% of its equity interest.	Recycling and sales of recycled construction machineries and parts.	PRC
Changsha Zoomlion Engineering Machinery Remanufacturing Co., Ltd. (長沙中聯工程機械再製造有限公司)	RMB10 million	Our Company holds 100% of its equity interest.	Recycling, repairing, renovation and sales of recycled construction machinery spare parts and components	PRC
Shanghai Zoomlion Pile Foundation Machinery Co., Ltd. (上海中聯重科樁工機械有限公司)	RMB50 million	Our Company holds 100% of its equity interest.	Development, production, sales of construction machinery and equipment (except for special equipment), general machinery and equipment (except for special equipment), leasing of self-owned mechanical equipment (except financial leasing)	PRC
Zoomlion Ru Co., Ltd.* (Общество с ограниченной ответственностью «Зумлион Ру»)	RUR2.5 million	Our Company holds 100% of its equity interest.	Provision of after-sales services, supply of spare parts and components, data collection, leasing and assembling and processing	Russia
Zoomlion Powermole Limited	GBP600,000	Our Company holds 100% of its equity interest.	Manufacturing and sales of trenchless technology equipment such as directional drilling rigs	United Kingdom
Zoomlion Gulf FZE	AED1 million	Our Company holds 100% of the equity interest.	Assembly and processing, sales, after-sales services, components supply, leasing, and market development	Dubai

* For identification purpose only.

OUR HISTORY AND CORPORATE STRUCTURE

(10) The details of two subsidiaries directly owned by Zoomlion Earth Working are as follows:

Subsidiary	Registered Capital	Shareholdings	Principal Business	Place of Incorporation
Xi'an Yellow River Jinhong Excavator Co., Ltd. (西安黃河錦宏挖掘機有限公司)	USD10 million (USD4.6 million paid-up)	As of the Latest Practicable Date, this subsidiary is in liquidation and deregistration process; Zoomlion Earth Working holds 100% of its equity interest.	Manufacture of a range of excavator products; sales of self-manufactured products, and provision of repairing services	PRC
Shaanxi Huanggong Great Import & Export Co., Ltd. (陝西黃工格力特進出口有限公司)	RMB3 million	Zoomlion Earth Working holds 100% of its equity interest.	Import and export of various products and technologies and provision of related agency service	PRC

(11) The details of the four subsidiaries directly owned by Zoomlion Axle are as follows:

Subsidiary	Registered Capital	Shareholdings	Principal Business	Place of Incorporation
Hunan Zoomlion Axle Casting Co., Ltd. (湖南中聯車橋鑄造有限公司)	RMB5 million	Zoomlion Axle holds 100% of its equity interest	Manufacture and sales of components and cast products for automobiles and machineries	PRC
Xiangfan Bangle Axle Co., Ltd. (襄樊邦樂車橋有限公司)	RMB30 million	Zoomlion Axle holds 51% of its equity interest, Shanghai Jiahua Investment Co., Ltd. (上海嘉華投資有限公司) (a limited liability company ultimately owned by Dongfeng Moter), an Independent Third Party, holds 49% of its equity interest.	Design, manufacture, processing and sales of automotive axles and automotive components	PRC
Zoomlion Ziyang	RMB23 million	Zoomlion Axle holds 51% of its equity interest, Nanjun Automobile, an Independent Third Party, holds 49% of its equity interest.	Design, manufacture, processing, repairing and sales of automotive axles, automotive vehicles and chassis and their components	PRC
Suzhou Bangle Automobile Axle Co., Ltd. (蘇州邦樂汽車車橋有限公司)	RMB30 million	Zoomlion Axle holds 51% of its equity interest, Chengdu Anda Special Vehicle Co., Ltd. (成都安達特種車輛有限責任公司) (a limited liability company owned by several individuals, and all of whom are Independent Third Parties), Shenzhen City Liyan Industrial Co., Ltd. (深圳市利延實業有限公司) (a limited liability company owned by three individuals, all of whom are Independent Third Parties) and Qiang Li (強力), all of which are Independent Third Parties, hold 39.5%, 5% and 4.5% of its equity interest, respectively.	Development, manufacture and sales of chassis for passenger vehicles, automotive axles, parts and components for automobiles	PRC

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(12) The details of the other four subsidiaries directly owned by Zoomlion Capital (H.K.) are as follows:

<u>Subsidiary</u>	<u>Share Capital</u>	<u>Shareholdings</u>	<u>Principal Business</u>	<u>Place of Incorporation</u>
Zoomlion Capital (Australia) Pty Ltd (formerly known as Zoomlion Finance & Leasing (Australia) Pty Ltd)	AUD1,000	Zoomlion Capital (H.K.) holds 100% of its equity interest.	Equipment finance and hire purchase	Australia
Zoomlion Finance & Leasing (RU) LLC* (Общество с ограниченной ответственностью «Зумлион Финанс и Лизинг Ру»)	RUR2.5 million	Zoomlion Capital (H.K.) holds 99% of its equity interest and Wan Jun (萬鈞), a member of the existing senior management team of the Group, holds 1% of its equity interest.	Equipment finance: finance lease	Russia
Zoomlion Capital (Italy) S.p.A. (formerly known as Zoomlion Finance & Leasing (Italy) S.p.A.)	EUR1 million	Zoomlion Capital (H.K.) holds 100% of its equity interest.	Financial services and finance lease	Italy
Zoomlion Capital (U.S.A.) Corp. (formerly known as Zoomlion Finance & Leasing (U.S.A.) Corp.)	USD1 million	Zoomlion Capital (H.K.) holds 100% of the equity interest.	Equipment finance leasing	U.S.

(13) Sunny Castle International Limited, a 60.74% owned subsidiary of Hony Capital Fund 2008, L.P., holds approximately 17.8% of the equity interest of ZoomlionCifa (Hong Kong), GS Hony Holdings I Ltd. holds approximately 12.8% of the equity interest of ZoomlionCifa (Hong Kong), Ace Concept Holdings Limited, a subsidiary of Mandarin Capital Partners, holds approximately 8.9% of the equity interest of ZoomlionCifa (Hong Kong), Mr. Maurizio Ferrari, Mr. Stefano Marcon, Mr. Eugenio Bertino, Mr. Davide Cipolla and Mr. Delfino Corti hold approximately 0.6%, 0.3%, 0.1%, 0.1% and 0.1% of the equity interest of ZoomlionCifa (Hong Kong), respectively. The issued share capital of ZoomlionCifa (Hong Kong) is EUR27,410.00.

(14) The details of seven subsidiaries directly owned by Zoomlion Trading (H.K.) are as follows:

<u>Subsidiary</u>	<u>Share Capital</u>	<u>Shareholdings</u>	<u>Principal Business</u>	<u>Place of Incorporation</u>
Zoomlion Australia-New Zealand Pty Ltd	AUD100	Zoomlion Trading (H.K.) holds 100% of its equity interest.	Import and export of machinery and equipment, leasing, trading in its widest sense	Australia
Zoomlion South Africa (Proprietary) Limited	R1,000	Zoomlion Trading (H.K.) holds 100% of its equity interest.	Trading in its widest sense	Republic of South Africa
Zoomlion Europe BVBA	EUR73,000	Zoomlion Trading (H.K.) holds 99% of its equity interest and Chen Peiliang (陳培亮), a member of the existing senior management team of the Group, holds 1% of its equity interest.	Sales and distribution of machinery, electronic equipment, hardware and chemical	Kingdom of Belgium
Zoomlion Vietnam Company Limited	USD500,000	Zoomlion Trading (H.K.) holds 100% of its equity interest.	Import of construction machinery	Vietnam
Zoomlion West Africa Limited	N50 million	Zoomlion Trading (H.K.) holds 99% of its equity interest and Chen Peiliang (陳培亮), a member of the existing senior management team of the Group, holds 1% of its equity interest.	Import and export of construction machinery and equipments, sanitation machinery, fire fighting equipments, machinery spare parts	Federal Republic of Nigeria
Zoomlion Trade (India) Private Limited	Rs.6,000,000	Zoomlion Trading (H.K.) holds approximately 99.9% of its equity interest and Chen Peiliang (陳培亮), a member of the existing senior management team of the Group, holds approximately 0.1% of its equity interest.	Import and export, leasing, trading in its widest sense	India

* For identification purpose only.

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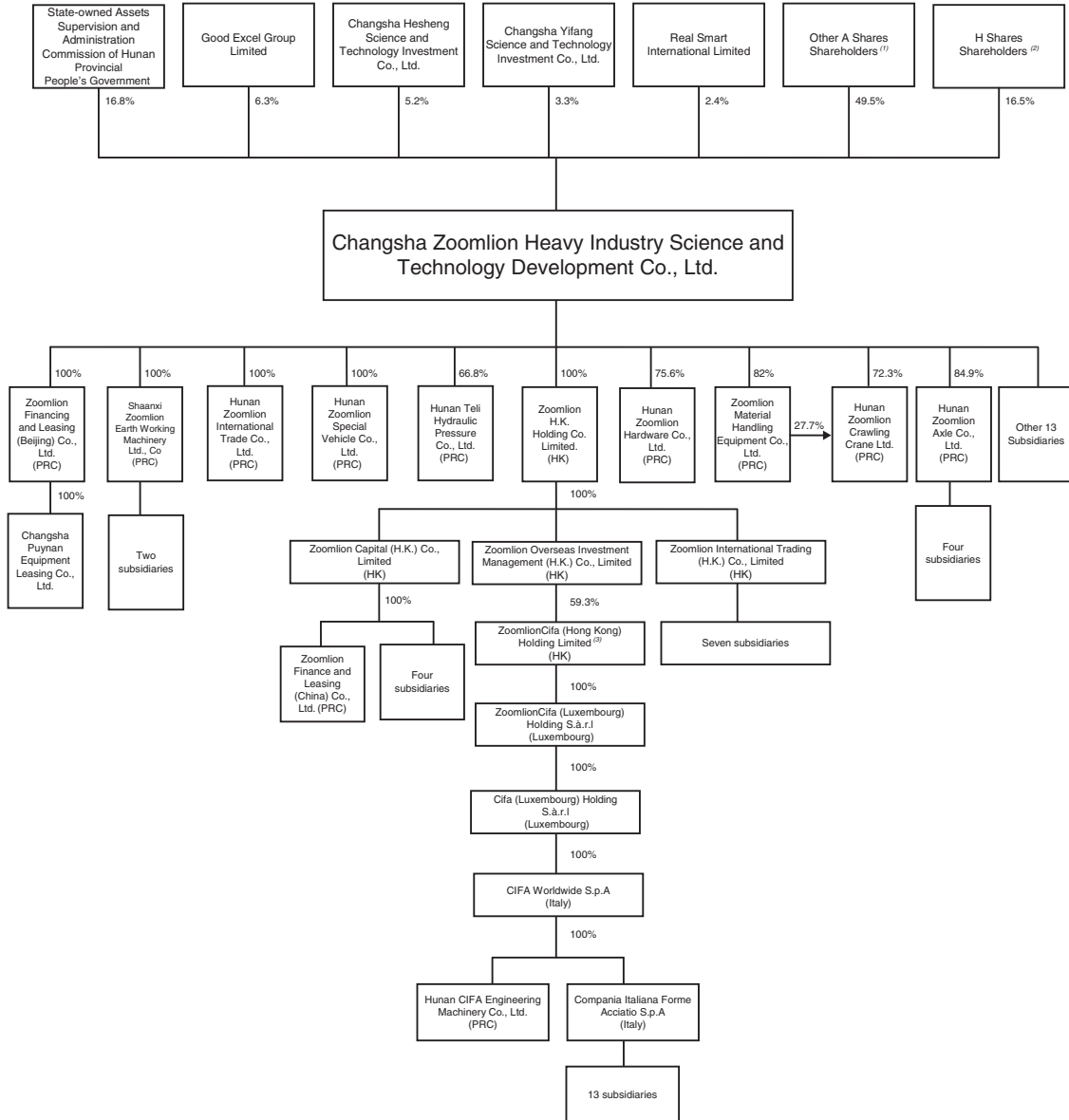
Subsidiary	Share Capital	Shareholdings	Principal Business	Place of Incorporation
Zoomlion Do Brasil Representacao E Consultoria LTDA. (formerly known as Zoomlion Do Brasil - Importacao E Exportacao De Equipamentos Para Construcao Civil LTDA.)	BRL700,000	Zoomlion Trading (H.K.) holds 99% of its equity interest and Chen Peiliang (陳培亮), a member of the existing senior management team of the Group, holds 1% of its equity interest.	Wholesale trade in articles of apparel and accessories, electronic components and telephone equipment, construction materials in general, machines and other equipment	Federative Republic of Brazil

(15) The details of the 13 subsidiaries directly owned by CIFA are as follows:

Subsidiary	Share Capital	Shareholdings	Principal Business	Place of Incorporation
CIFA Mixers S.r.l.	EUR530,400	CIFA holds 100% of its equity interest.	Manufacture of mixers	Italy
CIFA Pumps S.r.l.	EUR10,400	CIFA holds 100% of its equity interest.	Manufacture of pumps	Italy
Carpenteria S.Antonio S.p.A.	EUR900,000	CIFA holds 100% of its equity interest.	Manufacture of pump assembles	Italy
EFFE 2 Service S.r.l.	EUR10,400	CIFA holds 60% of its equity interest, Mario Facca and Marisa Onor, both of whom are Independent Third Parties, hold 35% and 5% of its equity interest respectively.	Provision of after-sales services	Italy
CIFA Tunnelling S.r.l.	EUR51,480	CIFA holds 100% of its equity interest.	Manufacture of tunnelling	Italy
CIFA Plants S.r.l.	EUR10,400	CIFA holds 100% of its equity interest.	Manufacture of plants	Italy
Valme S.r.l.	EUR25,822	CIFA holds 100% of its equity interest.	Manufacture of pipeline and services	Italy
Recoil S.r.l.	EUR25,000	CIFA holds 100% of its equity interest.	Provision of after-sales services	Italy
Biesse Beton Service S.r.l.	EUR93,600	CIFA holds 70% of its equity interest, Emilio Grazioli, an Independent Third Party, holds 30% of its equity interest.	Provision of after-sales services	Italy
CIFA Centro S.r.l.	EUR104,000	CIFA holds 50% of its equity interest, Italo Pazzo, EDIL MACCHINE S.p.A. Giuseppe Sabbioni, all of whom are Independent Third Parties, hold 25%, 20% and 5% of its equity interest respectively.	Provision of after-sales services	Italy
CIFA USA Inc.	USD1,000,000	CIFA holds 100% of its equity interest.	Sales of spare parts of construction machinery equipment and provision of after-sales services	United States
CIFA L.A. S. de R. L. de C. V.	110,000 Mexican Pesos	CIFA holds 99% of its equity interest, Ignacio Gamborino Alvarenga, an Independent Third Party, holds 1% of its equity interest.	Sales of spare parts of construction machinery equipment and provision of after-sales services	Mexico
Comercio Intenacional Fornecimento Aparelhagens Ltda	20,700 Brazilian Real	CIFA holds 100% of its equity interest.	Sales of spare parts of construction machinery equipment and provision of after-sales services	Brazil

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The following chart sets out our shareholding structure and our principal subsidiaries immediately after completion of the Global Offering on the assumption that (i) the Over-allotment Option has not been exercised, (ii) there is no change in shareholding held by each of the existing Shareholders in our Company subsequent to the Latest Practicable Date other than the conversion and transfer of state-owned A Shares to the NSSF; and (iii) the transfer and conversion of A Shares to NSSF is completed immediately after completion of the Global Offering (please see the section entitled “Share Capital—Transfer of the State-owned Shares to the NSSF” in this prospectus for more details).



Notes:

- (1) After the conversion and transfer of A Shares to NSSF, Hunan Development Group holds 37,046,153 A Shares of our Company, representing approximately 0.64% interest in the issued share capital of the Company.
- (2) Includes an approximate 1.5% interest held by NSSF.
- (3) Sunny Castle International Limited, a 60.74% owned subsidiary of Hony Capital Fund 2008, L.P., holds approximately 17.8% of the equity interest of ZoomlionCifa (Hong Kong), GS Hony Holdings I Ltd. holds approximately 12.8% of the equity interest of ZoomlionCifa (Hong Kong), Ace Concept Holdings Limited, a subsidiary of Mandarin Capital Partners, holds approximately 8.9% of the equity interest of ZoomlionCifa (Hong Kong), Mr. Maurizio Ferrari, Mr. Stefano Marcon, Mr. Eugenio Bertino, Mr. Davide Cipolla and Mr. Delfino Corti hold approximately 0.6%, 0.3%, 0.1%, 0.1% and 0.1% of the equity interest of ZoomlionCifa (Hong Kong), respectively.