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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)

THIRD QUARTERLY REPORT OF 2017

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2017. The financial data contained in the Quarterly 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 nine months ended 30 September 2017 (the “**Third Quarterly Report of 2017**”, the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises (“**PRC GAAP**”). 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 Third Quarterly Report of 2017 is written in both Chinese and English. In the case of any discrepancies, the Chinese version of the Report shall prevail.

THIRD QUARTERLY REPORT OF 2017 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 third quarterly financial statements of the Company have not been audited by an accounting firm.
- 1.5 Zhan Chunxin, Chairman of the Board, Du Yigang, Vice-president, and 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	
		As at the end of the Reporting Period	As at the end of last year	Changes at the end of the Reporting Period as compared with the end of last year
Total assets (RMB)		86,117,168,799.21	89,141,023,453.16	-3.39%
Net assets attributable to the equity shareholders of the Company (RMB)		37,320,037,658.89	36,813,562,701.24	1.38%
	The Reporting Period	Changes during the Reporting Period as compared with the corresponding period of last year	From the beginning of the year to the end of the Reporting Period	Changes from the beginning of the year to the end of the Reporting Period as compared with the corresponding period of last year
Operating income (RMB)	5,070,130,334.14	-0.57%	17,860,271,276.78	26.64%
Net profit attributable to equity shareholders of the Company (RMB)	150,773,548.47	340.37%	1,282,332,719.46	
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company (RMB)	119,037,328.98	709.75%	-7,866,131,336.40	-799.69%
Net cash flow generated from operating activities (RMB)	—	—	1,098,224,042.28	208.78%
Basic earnings per share (RMB/share)	0.02	100.00%	0.17	270.00%
Diluted earnings per share (RMB/share)	0.02	100.00%	0.17	270.00%
Weighted average return on net assets	0.40%	increased by 0.31 percentage point	3.42%	increased by 5.47 percentage point

Items	Amount from the beginning of the year to the end of the Reporting Period	Description
Gain or loss on disposal of non-current assets (including written off of provision for impairment of assets)	10,735,498,432.35	
Tax refund or exemption from unauthorized approval or non-official approval document	0.00	
Government grants recorded in current profit or loss, except government grants of fixed amount or quantity closely related to business operations of the Company and entitled pursuant to government unified policy	61,090,845.35	
Capital utilization fee received from non-financial enterprises and included in current profit or loss	0.00	
Gain on investments of subsidiaries, associates and joint ventures in which the investment cost was less than the interest in fair value of identifiable net assets of the investees at the time of acquisition	0.00	
Gain or loss on exchange of non-monetary assets	0.00	
Gain or loss on entrusted investment or asset management	0.00	
Impairment provisions for assets due to force majeure factors such as natural disasters	0.00	
Gain or loss on debt restructuring	-59,300,207.02	
Corporate restructuring fees such as staff resettlement expenses, consolidation charges, etc.	0.00	
Gain or loss arising from transactions at unfair trading prices over their fair value	0.00	
Net gain or loss of subsidiaries from the beginning of the period to the consolidation date arising from the consolidation of enterprises under common control	0.00	
Gain or loss on contingency items unrelated to the normal business operations of the Company	0.00	
Gain or loss on changes in fair value of held-for-trading financial assets and trading financial liabilities, and investment gains from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets, other than effective hedging activities related to normal business operations of the Company	-3,637,197.98	
Reversal of impairment provisions for receivables subject to individual impairment test	0.00	
Gain or loss on external entrusted loans	0.00	
Gain or loss on changes in fair value of investment properties adopting fair value method for subsequent measurements	0.00	
Effect on current profit or loss from one-off adjustment to current profit or loss according to the requirements of the tax and accounting laws and regulations	0.00	
Custody fee income received from custody operation	0.00	
Non-operating income and expenses other than those set out above	34,985,043.53	
Other gain or loss items conforming with the definition of non- recurring gain or loss	0.00	
Less: Income tax effect	1,615,137,420.73	
Minority interests after tax	5,035,439.64	
Total	<u>9,148,464,055.86</u>	—

2.2 Total number of shareholders and shareholdings of top ten holders of ordinary shares as at the end of the Reporting Period

Unit: Share(s)

Total number of holders of ordinary shares as at the end of the Reporting Period 380,114

Shareholdings of top ten shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares holding
HKSCC NOMINEES LIMITED	Overseas legal person	18.17%	1,385,744,523
State-owned Assets Supervision and Administration Commission of Hunan Province People's Government	State-owned legal person	16.44%	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd	Domestic non state-owned legal person	5.07%	386,517,443
China Securities Finance Corporation Limited	State-owned legal person	3.02%	230,408,951
GOOD EXCEL GROUP LIMITED	Overseas legal person	2.21%	168,635,680
Real Smart International Limited	Overseas legal person	2.21%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd	Domestic non state-owned legal person	2.06%	156,864,942
Central Huijin Asset Management Ltd.	State-owned legal person	1.52%	115,849,400
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	0.85%	64,600,000
Guangdong Hengjian Investment Holding Co., Ltd.	State-owned legal person	0.31%	24,000,000

Shareholdings of top ten shareholders not subject to sales restriction

Name of shareholder	Number of shares not subject to sales restriction	Shares Class of shares	Number
HKSCC NOMINEES LIMITED	1,385,744,523	Overseas-listed foreign-invested shares	1,385,744,523
State-owned Assets Supervision and Administration Commission of Hunan Province People's Government	1,253,314,876	Ordinary shares denominated in RMB	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd	386,517,443	Ordinary shares denominated in RMB	386,517,443
China Securities Finance Corporation Limited	230,408,951	Ordinary shares denominated in RMB	230,408,951
GOOD EXCEL GROUP LIMITED	168,635,680	Ordinary shares denominated in RMB	168,635,680
Real Smart International Limited	168,635,602	Ordinary shares denominated in RMB	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd	156,864,942	Ordinary shares denominated in RMB	156,864,942
Central Huijin Asset Management Ltd.	115,849,400	Ordinary shares denominated in RMB	115,849,400
Hony Capital Fund I (Tianjin), L.P.	64,600,000	Ordinary shares denominated in RMB	64,600,000
Guangdong Hengjian Investment Holding Co., Ltd.	24,000,000	Ordinary shares denominated in RMB	24,000,000
Explanation on the connection or parties acting in concert among the above shareholders	As of 30 September 2017, Changsha Hesheng Science and Technology Investment Co., Ltd, Changsha Yifang Science and Technology Investment Co., Ltd and GOOD EXCEL GROUP LIMITED were parties acting in concert.		

3. Important Matters

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

Unit: RMB

Assets	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Reasons for the changes
Financial assets at fair value through profit or loss	3,653,747,854.71	132,464,361.98	2658.29%	Mainly attributable to the effect of purchasing wealth management products using idle funds by the Company
Other receivables	2,223,610,800.48	1,183,065,589.56	87.95%	Mainly attributable to the effect of increase in amount receivable from joint ventures resulted from disposal of subsidiaries
Long-term equity investments	3,217,183,919.69	603,541,355.32	433.05%	Mainly attributable to the effect of re-measurement of loss of control of subsidiaries using equity method
Deferred income tax assets	2,049,238,721.71	1,137,182,883.41	80.20%	Mainly attributable to the effect of increase in deductible temporary difference
Advances from customers	1,208,333,123.48	774,173,048.88	56.08%	Mainly attributable to the effect of increase in advances from customers
Taxes payable	1,114,563,795.09	399,305,416.57	179.13%	Mainly attributable to the effect of increase in taxes payable for the period
Interests payable	431,449,322.16	163,299,861.74	164.21%	Mainly attributable to the effect of provision for interests of medium-term bills
Dividends payable	2,515,178.72	—		Mainly attributable to the effect of declaration of 2016 dividends during the Reporting Period and that the dividends have not yet been paid
Non-current liabilities due within one year	1,891,825,944.19	3,228,362,989.52	-41.40%	Mainly attributable to the effect of repayment of liabilities due within one year
Other current liabilities	410,225,271.21	1,826,727,608.93	-77.54%	Mainly attributable to the effect of repayment of short-term debts
Deferred income	485,417,242.14	325,995,540.38	48.90%	Mainly attributable to the effect of receipt of government grants

Assets	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Reasons for the changes
Special reserves	21,022,471.32	15,000,583.04	40.14%	Mainly attributable to the effect of appropriation of special reserves for production safety
Minority interests	684,392,841.22	981,397,805.46	-30.26%	Mainly attributable to the effect of disposal of subsidiaries during the Reporting Period
Operation cost	14,033,682,609.92	10,520,557,785.73	33.39%	Mainly attributable to the effect of increase in costs of manufacturing and services resulted from increase in sales
Taxes and surcharges	231,469,020.22	93,472,068.03	147.63%	Mainly attributable to the issue of the Provisions Concerning the Accounting Treatments on Value-Added Tax by the Ministry of Finance with changes in presentation of items
Financial expenses	1,368,659,541.79	997,000,563.59	37.28%	Mainly attributable to the effect of changes of exchange rates
Asset impairment loss	8,751,032,440.37	565,664,905.01	1447.03%	Mainly attributable to the effect of increase in provision
Gain from changes of fair value	-97,972,016.22	-964,361.69	-10059.26%	Mainly attributable to the effect of due settlement of forward foreign exchange
Gain from investment	10,868,257,239.92	17,237,445.72	62950.28%	Mainly attributable to the effect of disposal of equity in subsidiaries
Other gains	43,247,708.39			Mainly attributable to the issue of the Accounting Standards for Enterprises No.16 — Government Grants by the Ministry of Finance with changes in presentation of items
Income tax expenses	-52,821,246.43	-130,825,230.95	59.62%	Mainly attributable to the effect of increase in taxable profits
Net cash flow generated from operating activities	1,098,224,042.28	355,669,249.35	208.78%	Mainly attributable to the effect of increase in operating receipts for the period
New cash flow generated from investing activities	7,435,866,698.50	-450,635,111.37		Mainly attributable to the effect of cash inflow from disposal of Environmental
Net cash flow generated from financing activities	-6,218,465,181.89	-3,691,130,367.13	-68.47%	Mainly attributable to the effect of increase in repayment of debts during the period

4. Appendix

4.1 Consolidated Balance Sheet

	Unit: RMB	
Item	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	10,078,921,014.26	8,193,686,435.85
Balance with clearing companies		
Placements with other financial institutions		
Financial assets at fair value through profit or loss	3,653,747,854.71	132,464,361.98
Derivative financial assets		
Bill receivables	1,640,707,686.41	2,196,952,008.55
Account receivables	23,486,367,564.54	30,116,268,197.79
Prepayments	386,081,772.36	380,886,333.09
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Interest receivable		
Dividends receivable	13,175,136.50	13,175,136.50
Other receivables	2,223,610,800.48	1,183,065,589.56
Purchases of resold financial assets		
Inventories	9,832,021,444.39	12,770,071,738.40
Assets classified as held-for-sale		
Non-current assets due within one year	11,317,513,916.74	12,212,412,388.20
Other current assets	1,876,170,394.99	1,720,787,949.71
Total current assets	64,508,317,585.38	68,919,770,139.63
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	1,795,546,302.61	1,407,214,436.39
Held-to-maturity investments		
Long-term receivables	1,752,541,428.09	1,924,736,121.37
Long-term equity investment	3,217,183,919.69	603,541,355.32
Investment property		63,344,664.28
Fixed assets	6,070,944,546.38	7,450,928,916.00
Construction in progress	577,400,709.65	618,090,611.78
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	3,897,558,254.71	4,792,939,192.11
Development expenses	93,979,018.23	90,387,882.72
Goodwill	2,134,922,372.70	2,116,469,682.98
Long-term deferred expenditures	18,792,571.56	15,655,883.11
Deferred income tax assets	2,049,238,721.71	1,137,182,883.41
Other non-current assets	743,368.50	761,684.06
Total non-current assets	21,608,851,213.83	20,221,253,313.53
Total assets	86,117,168,799.21	89,141,023,453.16

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	5,499,149,499.22	4,911,543,099.49
Short-term factoring borrowings	6,231,558.36	7,955,139.67
Borrowings from the Central Bank		
Deposit received and inter-bank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss		4,816,433.19
Derivative financial liabilities		
Bills payable	5,184,541,394.46	5,601,280,448.13
Account payable	6,189,327,708.28	6,589,528,766.80
Advances from customers	1,208,333,123.48	774,173,048.88
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	184,714,259.10	242,252,108.77
Taxes payable	1,114,563,795.09	399,305,416.57
Interest payable	431,449,322.16	163,299,861.74
Dividends payable	2,515,178.72	
Other payables	3,678,477,459.65	3,149,965,247.63
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	1,891,825,944.19	3,228,362,989.52
Other current liabilities	410,225,271.21	1,826,727,608.93
Total current liabilities	25,801,354,513.92	26,899,210,169.32
Non-current liabilities:		
Long-term borrowings	8,317,454,715.63	10,099,564,449.75
Bonds payable	12,817,654,639.02	12,984,960,758.76
Including: Preference shares		
Perpetual liabilities		
Long-term payables	217,100,819.17	233,975,102.42
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	485,417,242.14	325,995,540.38
Deferred income tax liabilities	473,756,369.22	537,127,627.25
Other non-current liabilities		265,229,298.58
Total non-current liabilities	22,311,383,785.18	24,446,852,777.14
Total liabilities	48,112,738,299.10	51,346,062,946.46

Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,625,287,164.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	12,830,845,515.26	12,694,071,174.64
Less: Treasury shares		
Other comprehensive income	-1,197,634,506.50	-1,461,618,676.39
Special reserves	21,022,471.32	15,000,583.04
Surplus reserve	2,938,418,834.57	2,938,418,834.57
General risk provisions		
Undistributed profit	15,102,098,180.24	14,963,558,535.38
Total owner's equity attributable to the equity holders of the parent company	37,320,037,658.89	36,813,562,701.24
Minority interests	684,392,841.22	981,397,805.46
Total owners' equity	38,004,430,500.11	37,794,960,506.70
Total liabilities and owners' equity	86,117,168,799.21	89,141,023,453.16

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	7,091,140,608.10	5,534,961,465.43
Financial assets at fair value through profit or loss	3,653,747,854.71	132,464,361.98
Derivative financial assets		
Bill receivables	1,461,228,238.69	1,785,820,584.37
Account receivables	28,261,773,436.22	33,349,432,623.11
Prepayments	839,818,195.63	866,994,431.56
Interest receivable		
Dividends receivable	218,415,669.70	218,415,669.70
Other receivables	9,959,249,522.94	4,689,423,163.56
Inventories	4,408,222,826.61	9,879,184,794.05
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	891,325,648.26	829,576,016.38
Total current assets	56,784,922,000.86	57,286,273,110.14

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current assets:		
Available-for-sale financial assets	286,719,989.28	232,881,244.56
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	15,301,756,152.12	16,582,719,399.98
Investment property		
Fixed assets	2,997,067,281.29	4,096,190,681.87
Construction in progress	459,162,420.85	372,633,615.29
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	861,702,372.82	1,392,217,632.96
Development expenses	3,818,620.71	9,652,383.01
Goodwill		
Long-term deferred expenditures	5,908,109.05	7,627,975.01
Deferred income tax assets	1,277,661,651.34	525,861,456.38
Other non-current assets	62,803.04	
Total non-current assets	21,193,859,400.50	23,219,784,389.06
Total assets	77,978,781,401.36	80,506,057,499.20
Current liabilities:		
Short-term borrowings	5,665,624,300.00	5,366,690,000.00
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	4,483,677,648.19	4,494,308,852.11
Account payable	6,881,763,270.80	8,047,014,858.22
Advances from customers	991,727,482.20	640,941,728.89
Accrued payroll	68,646,258.07	80,033,652.80
Taxes payable	931,585,590.30	226,725,863.93
Interest payable	369,750,000.00	108,750,000.00
Dividends payable	2,515,178.72	
Other payables	3,224,613,783.47	4,253,398,434.11
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	2,184,907,750.00	381,454,828.00
Other current liabilities	142,828,206.67	1,263,664,240.35
Total current liabilities	24,947,639,468.42	24,862,982,458.41

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current liabilities:		
Long-term borrowings	6,662,000,000.00	8,292,340,472.00
Bonds payable	8,996,016,953.16	8,994,671,332.65
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	363,411,096.00	200,265,262.60
Deferred income tax liabilities	826,380.22	20,092,079.86
Other non-current liabilities		
Total non-current liabilities	16,022,254,429.38	17,507,369,147.11
Total liabilities	40,969,893,897.80	42,370,351,605.52
Owners' equity:		
Share capital	7,625,287,164.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,382,822,610.06	14,562,774,117.38
Less: Treasury shares		
Other comprehensive income	5,140,823.80	1,231,224.03
Special reserves	484,000.00	484,000.00
Surplus reserve	2,937,419,589.05	2,937,419,589.05
Undistributed profit	12,057,733,316.65	12,969,664,713.22
Total owners' equity	37,008,887,503.56	38,135,705,893.68
Total liabilities and owners' equity	77,978,781,401.36	80,506,057,499.20

4.3 Consolidated Income Statement for the Reporting Period

Unit: RMB

Item	Amounts during the period	Amounts during the previous period
I. Total operating income	5,070,130,334.14	5,099,044,043.52
Including: Operating income	5,070,130,334.14	5,099,044,043.52
Interest income	0.00	0.00
Premium received	0.00	0.00
Handling fee and commission income	0.00	0.00
II. Total operation costs	5,077,702,739.97	5,112,774,101.84
Including: Operation cost	3,734,410,117.48	3,740,187,353.84
Interest expenses	0.00	0.00
Handling fee and commission expenses	0.00	0.00
Payment on surrenders	0.00	0.00
Net compensation expenses	0.00	0.00
Net provision drawn for insurance contract	0.00	0.00
Policy dividend expenses	0.00	0.00
Reinsurance expenses	0.00	0.00
Taxes and surcharges	53,259,977.33	22,011,172.38
Selling expenses	485,651,435.75	472,784,841.69
Administrative expenses	335,402,399.32	461,095,038.04
Financial expenses	451,715,283.66	309,643,048.23
Losses on assets impairment	17,263,526.43	107,052,647.66
Add: Gains from changes of fair value		
("-" refers to loss)	30,583,169.11	-48,790,051.03
Income from investment ("-" refers to loss)	53,484,023.27	54,740,950.27
Including: Investment income from associates and joint ventures	52,858,237.63	2,342,175.32
Exchange gains ("-" refers to loss)		
Other gains	10,900,137.47	0.00
III. Operating profits ("-" refers to loss)	87,394,924.02	-7,779,159.08
Add: Non-operating profits	52,352,362.53	85,478,898.71
Including: Gain on disposal of non-current assets	1,252,590.83	2,893,242.55
Less: Non-operating expenses	39,437,479.26	13,350,234.97
Including: Loss on disposal of non-current assets	473,064.98	1,936,983.35
IV. Total profits ("-" refers to total loss)	100,309,807.29	64,349,504.66
Less: Income tax expenses	-52,078,213.04	13,041,317.44
V. Net profits ("-" refers to net loss)	152,388,020.33	51,308,187.22
Net profits attributable to owners of the parent company	150,773,548.47	34,237,829.89
Net profit attributable to continuing operations	150,773,548.47	34,237,829.89
Net profit attributable to discontinued operations		
Minority interests	1,614,471.86	17,070,357.33

Item	Amounts during the period	Amounts during the previous period
VI. Net amount of other comprehensive income after tax	15,152,624.00	-11,302,479.53
Net amount of other comprehensive income after tax attributable to owners of the parent company	15,152,624.00	-11,302,479.53
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	0.00	0.00
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans	0.00	0.00
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method	0.00	0.00
(II) Other comprehensive income to be reclassified into profit or loss subsequently	15,152,624.00	-11,302,479.53
1. Share of other comprehensive income of the investees which can be reclassified into profit or loss under equity method subsequently	0.00	0.00
2. Profit or loss from the change of fair value of available-for-sale financial assets	2,427.07	291,175.80
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets	0.00	0.00
4. Effective portion of profit or loss from cash flows hedges	0.00	0.00
5. Exchange differences from translation of financial statements	15,150,196.93	-11,593,655.33
6. Others	0.00	0.00
Net amount of other comprehensive income after tax attributable to minority shareholders	0.00	0.00
VII. Total comprehensive income	167,540,644.33	40,005,707.69
Total comprehensive income attributable to owners of the parent company	165,926,172.47	22,935,350.37
Total comprehensive income attributable to minority shareholders	1,614,471.86	17,070,357.32
VIII. Earnings per share:		
(1) Basic earnings per share	0.02	0.01
(2) Diluted earnings per share	0.02	0.01

4.4 Income Statement of the Parent Company for the Reporting Period

		RMB: Unit	
Item		Amounts during the period	Amounts during the previous period
I.	Operating income	5,260,526,302.77	3,439,091,481.87
	Less: Operating cost	4,752,599,713.60	2,653,613,938.59
	Taxes and surcharges	20,717,434.06	14,998,229.41
	Selling expenses	321,981,821.10	322,623,705.03
	Administrative expenses	181,040,281.28	250,727,261.69
	Financial expenses	433,497,616.35	154,482,702.07
	Losses on assets impairment	7,057,424.83	106,032,638.02
	Add: Gains from changes of fair value		
	("-" refers to loss)	30,583,169.11	-7,280,991.30
	Income from investment ("-" refers to loss)	53,140,085.89	16,945,306.22
	Including: Investment income from		
	associates and joint ventures	-3,951,941.28	16,945,306.22
	Other gains		
II.	Operating profits ("-" refers to loss)	-372,644,733.45	-53,722,678.02
	Add: Non-operating profits	50,045,758.15	15,292,126.84
	Including: Gain on disposal of non-current		
	assets	759,151.79	5,542,582.82
	Less: Non-operating expenses	33,557,491.32	9,282,889.07
	Including: Loss on disposal of non-current		
	assets	297,011.28	2,575,748.79
III.	Total profits ("-" refers to total loss)	-356,156,466.62	-47,713,440.25
	Less: Income tax expense	-33,771,678.20	-9,815,344.38
IV.	Net profits ("-" refers to net loss)	-322,384,788.42	-37,898,095.87
V.	Net amount of other comprehensive income after tax	2,427.07	291,175.80
	(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	2,427.07	291,175.80
	1. Share of other comprehensive income of the		
	investees company which can be reclassified		
	into profit or loss under equity method		
	subsequently	0.00	
	2. Profit or loss from the change of fair value of		
	available-for-sale financial assets	2,427.07	291,175.80

Item	Amounts during the period	Amounts during the previous period
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	-322,382,361.35	-37,606,920.07
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

4.5 Consolidated Income Statement from the beginning of the year to the end of the Reporting Period

Unit: RMB		
Item	Amounts during the period	Amounts during the previous period
I. Total operating income	17,860,271,276.78	14,102,837,171.54
Including: Operating income	17,860,271,276.78	14,102,837,171.54
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	27,536,669,970.35	15,125,217,579.43
Including: Operation cost	14,033,682,609.92	10,520,557,785.73
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	231,469,020.22	93,472,068.03
Selling expenses	1,856,234,969.34	1,522,998,845.22
Administrative expenses	1,295,591,388.71	1,425,523,411.85
Financial expenses	1,368,659,541.79	997,000,563.59
Losses on assets impairment	8,751,032,440.37	565,664,905.01

	Item	Amounts during the period	Amounts during the previous period
Add:	Gains from changes of fair value ("-" refers to loss)	-97,972,016.22	-964,361.69
	Income from investment ("-" refers to loss)	10,868,257,239.92	17,237,445.72
	Including: Investment income from associates and joint ventures	34,674,676.15	4,129,701.48
	Exchange gains ("-" refers to loss)		
	Other gains	43,247,708.39	
III.	Operating profits ("-" refers to loss)	1,137,134,238.52	-1,006,107,323.86
Add:	Non-operating profits	136,222,776.68	183,539,937.33
	Including: Gain on disposal of non-current assets	12,013,208.56	13,810,206.32
Less:	Non-operating expenses	98,713,902.23	89,108,741.06
	Including: Loss on disposal of non-current assets	14,519,478.41	13,386,764.39
IV.	Total profits ("-" refers to total loss)	1,174,643,112.97	-911,676,127.59
Less:	Income tax expenses	-52,821,246.43	-130,825,230.95
V.	Net profits ("-" refers to net loss)	1,227,464,359.40	-780,850,896.64
	Net profits attributable to owners of the parent company	1,282,332,719.46	-802,284,368.12
	Net profit attributable to continuing operations	-8,263,611,726.54	-1,020,682,643.11
	Net profit attributable to discontinued operations	9,545,944,446.00	218,398,274.99
	Minority interests	-54,868,360.06	21,433,471.48
VI.	Net amount of other comprehensive income after tax	279,146,531.49	-175,329,921.11
	Net amount of other comprehensive income after tax attributable to owners of the parent company	263,984,169.89	-175,329,921.11
	(I) Other comprehensive income not to be reclassified into profit or loss subsequently	0.00	0.00
	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	263,984,169.89	-175,329,921.11
	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	3,615,169.79	-614,914.41
	3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		

Item	Amounts during the period	Amounts during the previous period
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements	260,369,000.10	-174,715,006.70
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders	15,162,361.60	
VII. Total comprehensive income	1,506,610,890.89	-956,180,817.75
Total comprehensive income attributable to owners of the parent company	1,546,316,889.35	-977,614,289.22
Total comprehensive income attributable to minority shareholders	-39,705,998.46	21,433,471.47
VIII. Earnings per share:		
(1) Basic earnings per share	0.17	-0.10
(2) Diluted earnings per share	0.17	-0.10

4.6 Income Statement of the Parent Company from the beginning of the year to the end of the Reporting Period

			Unit: RMB
Item	Amounts during the period	Amounts during the previous period	
I. Operating income	13,833,351,093.99	8,558,868,288.27	
Less: Operating cost	11,997,025,468.14	6,579,388,005.33	
Taxes and surcharges	114,201,571.11	58,802,678.35	
Selling expenses	1,245,542,597.40	998,630,041.14	
Administrative expenses	716,240,668.79	817,775,944.65	
Financial expenses	1,206,705,374.63	583,407,107.11	
Losses on assets impairment	7,407,378,102.07	449,893,915.47	
Add: Gains from changes of fair value ("-" refers to loss)	-101,712,507.27	-964,361.69	
Income from investment ("-" refers to loss)	9,162,940,732.71	50,659,905.89	
Including: Investment income from associates and joint ventures	2,878,719.84	6,830,661.11	
Other gains	283,600.00		
II. Operating profits ("-" refers to loss)	207,769,137.29	-879,333,859.58	
Add: Non-operating profits	100,637,105.00	87,510,893.22	
Including: Gain on disposal of non-current assets	9,763,854.23	4,905,646.07	
Less: Non-operating expenses	75,551,238.24	60,577,306.04	
Including: Loss on disposal of non-current assets	11,576,055.58	9,000,306.79	

Item	Amounts during the period	Amounts during the previous period
III. Total profits (“-” refers to total loss)	232,855,004.05	-852,400,272.40
Less: Income tax expense	20,334,973.39	-147,292,951.27
IV. Net profits (“-” refers to net loss)	212,520,030.66	-705,107,321.13
V. Net amount of other comprehensive income after tax	3,909,599.77	-614,914.41
(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	3,909,599.77	-614,914.41
1. Share of other comprehensive income of the investees company which can be reclassified into profit or loss under equity method subsequently	3,876,664.97	
2. Profit or loss from the change of fair value of available-for-sale financial assets	32,934.80	-614,914.41
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	216,429,630.43	-705,722,235.54
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

4.7 Consolidated Cash Flow Statement from the beginning of the year to the end of the Reporting Period

		Unit: RMB	
Item	Amounts during the period	Amounts during the previous period	
I. Cash flow generated from operating activities:			
Cash received from selling goods and providing services	16,763,959,619.28	12,618,779,946.71	
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	213,960,362.76	109,587,695.84	
Cash received relating to other operating activities	2,366,213,518.38	801,836,657.46	
Sub-total of cash inflow from operating activities	19,344,133,500.42	13,530,204,300.01	
Cash paid for purchasing goods and receiving services	13,233,419,131.47	8,973,027,564.46	
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	1,409,747,023.21	1,890,287,190.07	
Cash paid for taxes and surcharges	1,142,361,519.10	720,041,301.00	
Cash paid relating to other operating activities	2,460,381,784.36	1,591,178,995.13	
Sub-total of cash outflow from operating activities	18,245,909,458.14	13,174,535,050.66	
Net cash flow generated from operating activities	1,098,224,042.28	355,669,249.35	

Item	Amounts during the period	Amounts during the previous period
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	4,000.00	10,344,259.72
Cash received from returns on investments	98,985,967.95	400,070.10
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	200,498,965.89	148,825,563.26
Net cash received from disposal of subsidiaries and other operating business	11,487,461,019.32	
Cash received relating to other investing activities	216,715,126.61	27,000,000.00
Sub-total of cash inflow from investing activities	12,003,665,079.77	186,569,893.08
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	452,342,383.35	417,232,456.22
Cash paid for investment	4,115,455,997.92	75,136,862.37
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units		34,491,356.19
Cash paid relating to other investing activities		110,344,329.67
Sub-total of cash outflow from investing activities	4,567,798,381.27	637,205,004.45
Net cash flow generated from investing activities	7,435,866,698.50	-450,635,111.37
III. Cash flow generated from financing activities:		
Cash received from investment	22,318,740.00	
Including: Cash received by subsidiaries from the investment of minority shareholders	22,318,740.00	
Cash received from borrowings	11,019,317,587.97	15,803,230,168.75
Cash received from issuing bonds		6,200,000,000.00
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	11,041,636,327.97	22,003,230,168.75
Cash paid for repaying debts	15,145,869,301.46	23,780,077,029.57
Cash paid for distributing dividends and profits and interest repayment	1,942,011,308.38	1,862,868,714.24
Including: Dividends and profits paid by subsidiaries to minority shareholders	1,942,011,308.38	10,500,000.00
Cash paid related to other financing activities	172,220,900.02	51,414,792.07
Sub-total of cash outflow from financing activities	17,260,101,509.86	25,694,360,535.88
Net cash flow generated from financing activities	-6,218,465,181.89	-3,691,130,367.13
IV. Effect of foreign exchange rate changes to cash and cash equivalents	22,811,986.13	-47,526,541.66
V. Net increase in cash and cash equivalents	2,338,437,545.02	-3,833,622,770.81
Add: Balance of cash and cash equivalents at the beginning of the period	6,574,662,778.31	11,486,750,848.39
VI. Balance of cash and cash equivalents at the end of the period	8,913,100,323.33	7,653,128,077.58

4.8 Cash Flow Statement of Parent Company from the beginning of the year to the end of the Reporting Period

	Unit: RMB	
Item	Amounts during the period	Amounts during the previous period
I. Cash flow generated from operating activities:		
Cash received from selling goods and providing services	12,904,264,904.12	8,401,094,549.59
Refunds of taxes received	168,147,222.23	29,005,154.10
Cash received relating to other operating activities	514,718,470.00	1,017,727,237.29
Sub-total of cash inflow from operating activities	13,587,130,596.35	9,447,826,940.98
Cash paid for purchasing goods and receiving services	8,240,377,666.32	5,793,144,114.65
Cash paid to and for employees	759,006,886.55	1,028,288,378.90
Cash paid for taxes and surcharges	659,523,079.63	278,909,667.72
Cash paid relating to other operating activities	6,408,685,010.20	4,524,280,400.40
Sub-total of cash outflow from operating activities	16,067,592,642.70	11,624,622,561.67
Net cash flow generated from operating activities	-2,480,462,046.35	-2,176,795,620.69
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	11,622,055,292.62	10,344,259.72
Cash received from returns on investments		37,761,561.89
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	87,412,476.45	128,505,454.07
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	463,754,344.30	402,486,073.23
Sub-total of cash inflow from investing activities	12,173,222,113.37	579,097,348.91
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	214,869,106.94	284,657,835.98
Cash paid for investment	3,775,424,800.96	133,243,700.00
Net cash paid for acquisition of subsidiaries and other operating business units		
Cash paid relating to other investing activities	1,585,543,474.55	
Sub-total of cash outflow from investing activities	5,575,837,382.45	417,901,535.98
Net cash flow generated from investing activities	6,597,384,730.92	161,195,812.93
III. Cash flow generated from financing activities:		
Cash received from investment		
Cash received from borrowings	9,732,905,670.00	12,731,658,573.60
Cash received from issuing bonds		6,200,000,000.00
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	9,732,905,670.00	18,931,658,573.60
Cash paid for repaying debts	10,495,708,545.00	16,323,980,175.38
Cash paid for distributing dividends and profits and interest repayment	639,274,378.91	1,611,355,434.83
Cash paid related to other financing activities	169,520,900.01	
Sub-total of cash outflow from financing activities	11,304,503,823.92	17,935,335,610.21
Net cash flow generated from financing activities	-1,571,598,153.92	996,322,963.39

Item	Amounts during the period	Amounts during the previous period
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-525,391,043.68	23,799,830.52
V. Net increase in cash and cash equivalents	2,019,933,486.97	-995,477,013.85
Add: Balance of cash and cash equivalents at the beginning of the period	4,676,917,358.00	6,309,775,143.79
VI. Balance of cash and cash equivalents at the end of the period	6,696,850,844.97	5,314,298,129.94

4.9 Audit report

Opinion: Unaudited

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

Changsha, the PRC, 30 October 2017

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