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ZOOMLION 中 联 重 科

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

中聯重科股份有限公司

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

(Stock Code: 1157)

THIRD QUARTERLY REPORT OF 2018

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2018. 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 2018 (the “**Third Quarterly Report of 2018**”, 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 2018 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 2018 OF ZOOMLION HEAVY INDUSTRY SCIENCE AND TECHNOLOGY CO., LTD. *

1. IMPORTANT

- 1.1 The Board, the Supervisory Board, the directors, supervisors and senior management of the Company 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 contents 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)	86,905,112,732.00	83,149,067,653.62	4.52%
Net assets attributable to the equity shareholders of the Company (RMB)	37,493,621,345.50	37,578,261,818.00	-0.23%

	The Reporting Period	Changes in 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)	6,314,853,003.90	24.55%	21,035,136,622.24	17.78%
Net profit attributable to equity shareholders of the Company (RMB)	438,671,867.55	190.95%	1,302,889,785.44	1.60%
Net profit attributable to equity shareholders of the Company after extraordinary gain and loss (RMB)	309,611,085.74	160.10%	957,425,070.04	112.17%
Net cash flow from operating activities (RMB)	—	—	3,053,728,292.08	178.06%
Basic earnings per share (RMB/share)	0.06	200.00%	0.17	
Diluted earnings per share (RMB/share)	0.06	200.00%	0.17	
Weighted average return on net assets	1.14%	increased by 0.74 percentage point	3.41%	decreased by 0.01 percentage point

	Amount from the beginning of the year to the end of the Reporting Period
Items	
Gain or loss on disposal of non-current assets (including written off of provision for impairment of assets)	5,470,738.91
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	6,077,469.00
Gain or loss on debt restructuring	-12,142,689.49
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	392,907,710.77
Non-operating income and expenses other than those set out above	15,969,315.72
Less: Income tax effect	62,474,331.21
Minority interests after tax	343,498.30
Total	<u>345,464,715.40</u>

2.2 Total number of shareholders and 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 358,451

Shareholdings of top ten shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares holding
HKSCC NOMINEES LIMITED	Overseas legal person	17.78%	1,385,658,459
State-owned Assets Supervision and Administration Commission of Hunan Province People's Government	State-owned legal person	16.08%	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd	Domestic non state-owned legal person	4.96%	386,517,443
China Securities Finance Corporation Limited	State-owned legal person	2.99%	233,042,928
GOOD EXCEL GROUP LIMITED	Overseas legal person	2.16%	168,635,680
Real Smart International Limited	Overseas legal person	2.16%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd	Domestic non state-owned legal person	2.01%	156,864,942
Central Huijin Asset Management Ltd.	State-owned legal person	1.49%	115,849,400
Hong Kong Securities Clearing Company Limited	Overseas legal person	0.99%	77,034,035
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	0.83%	64,600,000

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	1,385,658,459	Overseas-listed foreign-invested shares	1,385,658,459
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	233,042,928	Ordinary shares denominated in RMB	233,042,928
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
Hong Kong Securities Clearing Company Limited	77,034,035	Ordinary shares denominated in RMB	77,034,035
Hony Capital Fund I (Tianjin), L.P.	64,600,000	Ordinary shares denominated in RMB	64,600,000

Explanation on the connection or parties acting in concert among the above shareholders

As of 30 September 2018, 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

Item	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Trading financial assets	10,609,432,438.36	6,322,873,585.85	67.79%	Mainly attributable to the purchase of structured deposits and income receipt from brokers with idle funds
Prepayments	582,148,846.46	347,200,175.21	67.67%	Mainly attributable to the addition of construction prepayments and increase in raw materials during the current period
Long-term receivables	3,419,202,970.85	1,872,704,512.93	82.58%	Mainly attributable to the increase in receivables under finance lease due after one year
Construction in progress	651,127,516.17	402,840,276.11	61.63%	Mainly attributable to the commencement of park construction
Other non-current financial assets	103,757,572.21	14,408,914.01	620.09%	Mainly attributable to the commencement of equity investment during the current period
Other non-current assets	1,737,001.99	1,112,809.96	56.09%	Mainly attributable to the effect of the increase in tax recoverable
Short-term factoring borrowings	7,978,912.67	6,086,160.71	31.10%	Mainly attributable to the increase in factoring borrowings
Trading financial liabilities	30,946,265.10	—		Mainly attributable to the effect of valuation of forward foreign exchange
Other current liabilities	480,592,331.68	289,263,837.00	66.14%	Mainly attributable to the increase in output value-added tax to be recognized
Special reserves	31,465,507.12	21,308,971.38	47.66%	Mainly attributable to the appropriation to safety reserves
Financial expenses	901,343,378.31	1,368,659,541.79	-34.14%	Mainly attributable to higher exchange loss incurred during the previous period
Asset impairment loss	219,075,386.34	8,751,032,440.37	-97.50%	Mainly attributable to the decrease in provision
Gain from changes of fair value (“-” refers to loss)	20,488,144.88	-97,972,016.22		Mainly attributable to the effect of valuation of forward foreign exchange
Gain from investment	532,199,502.37	10,868,257,239.92	-95.10%	Mainly attributable to the effect of the gain and loss from the transfer of subsidiaries during the previous period

Item	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Other gains	145,066,008.08	43,247,708.39	235.43%	Mainly attributable to the increase in operating government grants during the current period
Gain from disposal of assets	5,470,738.91	-2,506,269.85		Mainly attributable to the effect of the gain from disposal of assets during the current period
Non-operating profits	59,443,127.76	124,209,568.12	-52.14%	Mainly attributable to the decrease in the receipt of non-operating government grants during the current period
Non-operating expenses	49,608,186.75	84,194,423.82	-41.08%	Mainly attributable to the decrease in non-operating expenses
Income tax expenses	297,967,974.79	-52,821,246.43		Mainly attributable to the increase in income tax payable during the current period
Net cash flow generated from operating activities	3,053,728,292.08	1,098,224,042.28	178.06%	Mainly attributable to the increase in sales rebate
Net cash flow generated from investing activities	-2,968,112,513.92	7,435,866,698.50		Mainly attributable to the effect of the transfer of subsidiaries during the previous period and the increase in investment
Net cash flow generated from financing activities	-1,438,510,778.47	-6,218,465,181.89	-76.87%	Mainly attributable to the repayment of due debts during the previous period
Increase in cash and cash equivalents	-1,398,913,980.20	2,338,437,545.02		Mainly attributable to the decrease in cash inflow from investing activities

4. APPENDIX

4.1 Consolidated Balance Sheet

Item	Unit: RMB	
	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	6,556,191,661.49	8,255,915,910.61
Balance with clearing companies		
Placements with other financial institutions		
Trading financial assets	10,609,432,438.36	6,322,873,585.85
Derivative financial assets		
Bill receivables and account receivables	24,612,967,487.68	23,868,323,146.13
Including: Bill receivables	1,630,446,448.48	2,236,987,727.11
Account receivables	22,982,521,039.20	21,631,335,419.02
Prepayments	582,148,846.46	347,200,175.21
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Other receivables	1,151,099,732.04	1,326,138,785.15
Purchases of resold financial assets		
Inventories	8,745,570,245.03	8,885,788,940.46
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	9,721,886,351.45	10,931,697,413.80
Other current assets	1,926,002,109.47	2,103,623,462.81
Total current assets	63,905,298,871.98	62,041,561,420.02
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables	3,419,202,970.85	1,872,704,512.93
Long-term equity investment	3,301,983,246.52	3,122,629,837.12
Other equity instruments investment	2,364,612,712.49	2,139,144,899.76
Other non-current financial assets	103,757,572.21	14,408,914.01
Investment property		
Fixed assets	5,470,586,353.38	5,871,066,249.20
Construction in progress	651,127,516.17	402,840,276.11
Biological assets for production		
Oil and gas assets		
Intangible assets	3,992,734,611.83	4,100,283,103.22
Development expenses	82,983,108.50	84,417,256.21
Goodwill	2,163,409,643.29	2,124,813,228.84
Long-term deferred expenditures	19,670,296.18	16,015,233.49
Deferred income tax assets	1,428,008,826.61	1,358,069,912.75
Other non-current assets	1,737,001.99	1,112,809.96
Total non-current assets	22,999,813,860.02	21,107,506,233.60
Total assets	86,905,112,732.00	83,149,067,653.62

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	5,460,627,043.38	5,417,347,146.79
Short-term factoring borrowings	7,978,912.67	6,086,160.71
Borrowings from the Central Bank		
Deposit received and inter-bank deposit		
Capital borrowed		
Trading financial liabilities	30,946,265.10	
Derivative financial liabilities		
Bills payable and account payable	11,464,186,865.09	9,122,444,978.94
Advances from customers	1,555,133,135.56	1,330,419,911.71
Contract liabilities		
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	315,075,493.75	357,141,240.24
Taxes payable	372,518,880.54	469,601,093.09
Other payables	3,891,986,961.57	3,674,502,370.48
Reinsurance account payable		
Deposits for insurance contract		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Held-for-sale liabilities		
Non-current liabilities due within one year	4,889,969,568.34	3,803,268,098.45
Other current liabilities	480,592,331.68	289,263,837.00
Total current liabilities	<u>28,469,015,457.68</u>	<u>24,470,074,837.41</u>
Non-current liabilities:		
Long-term borrowings	6,407,347,696.95	6,535,170,995.47
Bonds payable	12,658,298,131.67	12,760,323,381.00
Including: Preference shares		
Perpetual liabilities		
Long-term payables	288,501,756.69	229,273,548.30
Long-term accrued payroll		
Accrued liabilities		
Deferred income	493,138,218.02	441,740,634.39
Deferred income tax liabilities	481,812,927.64	485,190,609.26
Other non-current liabilities		
Total non-current liabilities	<u>20,329,098,730.97</u>	<u>20,451,699,168.42</u>
Total liabilities	<u>48,798,114,188.65</u>	<u>44,921,774,005.83</u>

Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,810,578,433.00	7,794,048,075.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,290,692,785.76	13,092,947,307.50
Less: Treasury shares	418,565,000.03	386,462,486.19
Other comprehensive income	-985,408,453.11	-1,036,203,239.03
Special reserves	31,465,507.12	21,308,971.38
Surplus reserve	2,964,042,041.95	2,964,042,041.95
General risk provisions		
Undistributed profit	14,800,816,030.81	15,128,581,147.39
Total owner's equity attributable to the equity holders of the parent company	<u>37,493,621,345.50</u>	<u>37,578,261,818.00</u>
Minority interests	613,377,197.85	649,031,829.79
Total owners' equity	<u>38,106,998,543.35</u>	<u>38,227,293,647.79</u>
Total liabilities and owners' equity	<u>86,905,112,732.00</u>	<u>83,149,067,653.62</u>

4.2 Balance Sheet of the Parent Company

Unit: RMB

Item	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	4,490,490,552.56	3,936,194,641.00
Trading financial assets	9,609,432,438.36	6,322,873,585.85
Derivative financial assets		
Bill receivables and account receivables	29,447,830,829.33	29,922,158,861.81
Including: Bill receivables	1,011,022,357.76	1,673,690,042.86
Account receivables	28,436,808,471.57	28,248,468,818.95
Prepayments	1,082,817,653.21	854,663,864.40
Other receivables	12,420,081,816.50	9,228,344,545.82
Inventories	4,937,395,106.88	4,095,130,280.45
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	2,366,790,673.27	1,192,397,495.04
Total current assets	<u>64,354,839,070.11</u>	<u>55,551,763,274.37</u>
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	15,374,107,694.71	15,208,607,403.34
Other equity instruments investment	610,214,066.13	405,770,324.07
Other non-current financial assets	97,676,368.20	7,968,229.96
Investment property		
Fixed assets	2,598,391,416.14	2,834,381,932.97
Construction in progress	487,647,221.94	297,470,225.08
Biological assets for production		
Oil and gas assets		
Intangible assets	948,740,337.54	1,006,652,940.33
Development expenses	13,491,404.34	8,044,220.16
Goodwill		
Long-term deferred expenditures	7,205,076.17	5,218,849.66
Deferred income tax assets	706,366,923.25	663,972,450.68
Other non-current assets		
Total non-current assets	<u>20,843,840,508.42</u>	<u>20,438,086,576.25</u>
Total assets	<u>85,198,679,578.53</u>	<u>75,989,849,850.62</u>

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	8,650,147,027.08	6,690,440,700.00
Trading financial liabilities	30,946,265.10	
Derivative financial liabilities		
Bills payable and account payable	11,745,159,881.73	9,033,965,734.25
Advances from customers	1,277,350,520.42	903,321,776.46
Contract liabilities		
Accrued payroll	195,125,318.15	188,743,906.36
Taxes payable	194,707,858.53	206,951,375.97
Other payables	6,659,953,069.63	3,643,606,567.10
Held-for-sale liabilities		
Non-current liabilities due within one year	4,752,000,000.00	3,795,540,250.00
Other current liabilities	192,330,621.20	94,404,921.30
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Total current liabilities	33,697,720,561.84	24,556,975,231.44
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Non-current liabilities:		
Long-term borrowings	5,063,029,291.89	4,961,000,000.00
Bonds payable	8,997,915,599.04	8,996,491,614.63
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term accrued payroll		
Accrued liabilities		
Deferred income	356,961,596.00	362,277,971.00
Deferred income tax liabilities	9,083,056.08	9,573,960.01
Other non-current liabilities		
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Total non-current liabilities	14,426,989,543.01	14,329,343,545.64
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Total liabilities	48,124,710,104.85	38,886,318,777.08
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Owners' equity:		
Share capital	7,810,578,433.00	7,794,048,075.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,843,346,996.67	14,645,601,518.41
Less: Treasury shares	418,565,000.03	386,462,486.19
Other comprehensive income	3,885,752.81	4,695,644.86
Special reserves	8,537,772.48	4,268,193.94
Surplus reserve	2,963,042,796.43	2,963,042,796.43
Undistributed profit	11,863,142,722.32	12,078,337,331.09
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Total owners' equity	37,073,969,473.68	37,103,531,073.54
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Total liabilities and owners' equity	85,198,679,578.53	75,989,849,850.62
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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	6,314,853,003.90	5,070,130,334.14
Including: Operating income	6,314,853,003.90	5,070,130,334.14
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	6,048,747,467.72	5,077,702,739.97
Including: Operation cost	4,535,270,596.62	3,734,410,117.48
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	49,653,904.05	53,259,977.33
Selling expenses	668,343,601.40	485,651,435.75
Administrative expenses	301,586,883.47	225,898,540.24
Research and development expenses	176,712,234.38	109,503,859.08
Financial expenses	273,887,109.43	451,715,283.66
Including: Interest expenses	312,517,999.72	350,078,177.78
Interest income	39,662,699.02	147,934,246.11
Losses on assets impairment	43,293,138.37	17,263,526.43
Losses on credit impairment		
Add: Other income	22,394,316.88	10,900,137.47
Investment income (“-” refers to loss)	211,359,783.95	53,484,023.27
Including: Investment income from associates and joint ventures	69,009,614.99	52,858,237.63
Gains on net exposure hedges (“-” refers to loss)		
Gains from changes of fair value (“-” refers to loss)	3,274,664.50	30,583,169.11
Exchange gains (“-” refers to loss)		
Gains from disposal of assets (“-” refers to loss)	3,806,130.12	779,525.85
III. Operating profits (“-” refers to loss)	506,940,431.63	88,174,449.87
Add: Non-operating profits	18,867,821.31	51,099,771.70
Less: Non-operating expenses	11,721,637.19	38,964,414.28
IV. Total profits (“-” refers to total loss)	514,086,615.75	100,309,807.29
Less: Income tax expenses	80,516,467.26	-52,078,213.04

Item	Amounts during the period	Amounts during the previous period
V. Net profits (“-” refers to net loss)	433,570,148.49	152,388,020.33
Net profit attributable to continuing operations (“-” refers to net loss)		
Net profit attributable to discontinued operations (“-” refers to net loss)		
Net profits attributable to owners of the parent company	438,671,867.55	150,773,548.47
Minority interests	-5,101,719.06	1,614,471.86
VI. Net amount of other comprehensive income after tax	52,879,565.47	15,152,624.00
Net amount of other comprehensive income after tax attributable to owners of the parent company	52,879,565.47	15,152,624.00
(I) Other comprehensive income not to be reclassified into profit or loss		
1. Changes of the re-measurement of defined benefit plans		
2. Other comprehensive income which cannot be reclassified into profit or loss under equity method		
3. Change in fair value of other equity instruments investment		
4. Change in fair value of credit risks of the Company		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss	52,879,565.47	15,152,624.00
1. Other comprehensive income to be reclassified into profit or loss under equity method		
2. Change in fair value of other debt investment		
3. Financial assets reclassified into other comprehensive income		
4. Provision of credit impairment of other debt investment		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	51,337,510.53	15,150,196.93
7. Others	1,542,054.94	2,427.07
Net amount of other comprehensive income after tax attributable to minority shareholders		0.00
VII. Total comprehensive income	486,449,713.96	167,540,644.33
Total comprehensive income attributable to owners of the parent company	491,551,433.02	165,926,172.47
Total comprehensive income attributable to minority shareholders	-5,101,719.06	1,614,471.86
VIII. Earnings per share:		
(I) Basic earnings per share	0.06	0.02
(II) Diluted earnings per share	0.06	0.02

4.4 Income Statement of the Parent Company for the Reporting Period

Item	RMB: Unit	
	Amounts during the period	Amounts during the previous period
I. Operating income	4,226,040,463.09	5,260,526,302.77
Less: Operating income	3,205,985,535.51	4,752,599,713.60
Taxes and surcharges	27,706,800.01	20,717,434.06
Selling expenses	522,213,317.81	321,981,821.10
Administrative expenses	197,956,810.79	134,149,438.49
Research and development expenses	95,678,899.64	46,890,842.79
Financial expenses	-118,157,506.21	433,497,616.35
Including: Interest expenses	356,410,584.20	327,075,793.24
Interest income	193,113,950.36	112,125,152.80
Losses on assets impairment	-1,753,792.09	7,057,424.83
Losses on credit impairment		
Add: Other income	1,478,525.00	
Investment income (“-” refers to loss)	212,094,680.01	53,140,085.89
Including: Investment income from associates and joint ventures	69,009,614.99	-3,951,941.28
Gains on net exposure hedges (“-” refers to loss)		
Gains from changes of fair value (“-” refers to loss)	3,274,664.50	30,583,169.11
Gains from disposal of assets (“-” refers to loss)	4,390,783.42	462,140.51
II. Operating profits (“-” refers to loss)	517,649,050.56	-372,182,592.94
Add: Non-operating profits	12,302,041.11	49,286,606.36
Less: Non-operating expenses	5,898,666.97	33,260,480.04
III. Total profits (“-” refers to total loss)	524,052,424.70	-356,156,466.62
Less: Income tax expenses	50,727,523.98	-33,771,678.20
IV. Net profits (“-” refers to net loss)	473,324,900.72	-322,384,788.42
(I) Net profit attributable to continuing operations (“-” refers to net loss)		
(II) Net profit attributable to discontinued operations (“-” refers to net loss)		
V. Net amount of other comprehensive income after tax		2,427.07
(I) Other comprehensive income not to be reclassified into profit or loss		
1. Changes of the re-measurement of defined benefit plans		
2. Other comprehensive income which cannot be reclassified into profit or loss under equity method		
3. Change in fair value of other equity instruments investment		
4. Change in fair value of credit risks of the Company		
5. Others		

Item	Amounts during the period	Amounts during the previous period
(II) Other comprehensive income to be reclassified into profit or loss		2,427.07
1. Other comprehensive income to be reclassified into profit or loss under equity method		
2. Change in fair value of other debt investment		
3. Financial assets reclassified into other comprehensive income		
4. Provision of credit impairment of other debt investment		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements		
7. Others		2,427.07
VI. Total comprehensive income	473,324,900.72	-322,382,361.35
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

Item	Amounts during the period	Amounts during the previous period
		Unit: RMB
I. Total operating income	21,035,136,622.24	17,860,271,276.78
Including: Operating income	21,035,136,622.24	17,860,271,276.78
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	20,163,390,379.94	27,536,669,970.35
Including: Operation cost	15,488,532,729.31	14,033,682,609.92
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	190,857,592.41	231,469,020.22
Selling expenses	1,881,364,195.94	1,856,234,969.34
Administrative expenses	1,109,004,756.61	1,016,179,604.76
Research and development expenses	373,212,341.02	279,411,783.95
Financial expenses	901,343,378.31	1,368,659,541.79

Item	Amounts during the period	Amounts during the previous period
Including: Interest expenses	1,059,150,859.02	1,117,243,024.74
Interest income	222,099,628.75	254,141,008.03
Losses on assets impairment	219,075,386.34	8,751,032,440.37
Losses on credit impairment		
Add: Other gains	145,066,008.08	43,247,708.39
Investment income (“-” refers to loss)	532,199,502.37	10,868,257,239.92
Including: Investment income from associates and joint ventures	154,271,716.71	34,674,676.15
Gains on net exposure hedges (“-” refers to loss)		
Gains from changes of fair value (“-” refers to loss)	20,488,144.88	-97,972,016.22
Exchange gains (“-” refers to loss)		
Gains from disposal of assets (“-” refers to loss)	5,470,738.91	-2,506,269.85
III. Operating profits (“-” refers to loss)	1,574,970,636.54	1,134,627,968.67
Add: Non-operating profits	59,443,127.76	124,209,568.12
Less: Non-operating expenses	49,608,186.75	84,194,423.82
IV. Total profits (“-” refers to total loss)	1,584,805,577.55	1,174,643,112.97
Less: Income tax expenses	297,967,974.79	-52,821,246.43
V. Net profits (“-” refers to net loss)	1,286,837,602.76	1,227,464,359.40
(III) Net profit attributable to continuing operations (“-” refers to net loss)	1,286,837,602.76	-8,318,127,193.52
(IV) Net profit attributable to discontinued operations (“-” refers to net loss)		9,545,591,552.92
Net profits attributable to owners of the parent company	1,302,889,785.44	1,282,332,719.46
Minority interests	-16,052,182.68	-54,868,360.06
VI. Net amount of other comprehensive income after tax	51,604,677.97	279,146,531.49
Net amount of other comprehensive income after tax attributable to owners of the parent company	51,604,677.97	263,984,169.89
(I) Other comprehensive income not to be reclassified into profit or loss		
1. Changes of the re-measurement of defined benefit plans		
2. Other comprehensive income which cannot be reclassified into profit or loss under equity method		
3. Change in fair value of other equity instruments investment		
4. Change in fair value of credit risks of the Company		
5. Others		

Item	Amounts during the period	Amounts during the previous period
(II) Other comprehensive income to be reclassified into profit or loss	51,604,677.97	263,984,169.89
1. Other comprehensive income to be reclassified into profit or loss under equity method		
2. Change in fair value of other debt investment		
3. Financial assets reclassified into other comprehensive income		
4. Provision of credit impairment of other debt investment		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	7,507,750.99	260,369,000.10
7. Others	44,096,926.98	3,615,169.79
Net amount of other comprehensive income after tax attributable to minority shareholders		15,162,361.60
VII. Total comprehensive income	1,338,442,280.73	1,506,610,890.89
Total comprehensive income attributable to owners of the parent company	1,354,494,463.41	1,546,316,889.35
Total comprehensive income attributable to minority shareholders	-16,052,182.68	-39,705,998.46
VIII. Earnings per share:		
(I) Basic earnings per share	0.17	0.17
(II) Diluted earnings per share	0.17	0.17

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	14,169,233,407.94	13,833,351,093.99
Less: Operation cost	10,748,592,204.76	11,997,025,468.14
Taxes and surcharges	109,332,310.15	114,201,571.11
Selling expenses	1,351,463,489.98	1,245,542,597.40
Administrative expenses	703,514,838.35	605,894,871.89
Research and development expenses	236,820,932.33	110,345,796.90
Financial expenses	281,112,667.51	1,206,705,374.63
Including: Interest expenses	1,004,099,786.67	1,037,271,712.29
Interest income	237,277,254.87	302,964,453.02
Losses on assets impairment	119,281,277.22	7,407,378,102.07
Losses on credit impairment		
Add: Other gains	21,828,775.00	283,600.00
Investment income (“-” refers to loss)	810,651,683.54	9,162,940,732.71
Including: Investment income from associates and joint ventures	160,560,291.40	2,878,719.84
Gains on net exposure hedges (“-” refers to loss)		
Gains from changes of fair value (“-” refers to loss)	20,757,754.91	-101,712,507.27
Gains from disposal of assets (“-” refers to loss)	4,149,891.97	-1,812,201.35
II. Operating profits (“-” refers to loss)	1,476,503,793.06	205,956,935.94
Add: Non-operating profits	35,861,393.42	90,873,250.77
Less: Non-operating expenses	21,310,076.31	63,975,182.66
III. Total profits (“-” refers to total loss)	1,491,055,110.17	232,855,004.05
Less: Income tax expenses	132,359,738.94	20,334,973.39
IV. Net profits (“-” refers to net loss)	1,358,695,371.23	212,520,030.66
(I) Net profit attributable to continuing operations (“-” refers to net loss)		
(II) Net profit attributable to discontinued operations (“-” refers to net loss)		
V. Net amount of other comprehensive income after tax		3,909,599.77
(I) Other comprehensive income not to be reclassified into profit or loss		
1. Changes of the re-measurement of defined benefit plans		
2. Other comprehensive income which cannot be reclassified into profit or loss under equity method		
3. Change in fair value of other equity instruments investment		
4. Change in fair value of credit risks of the Company		
5. Others		

Item	Amounts during the period	Amounts during the previous period
(II) Other comprehensive income to be reclassified into profit or loss		3,909,599.77
1. Other comprehensive income to be reclassified into profit or loss under equity method		3,876,664.97
2. Change in fair value of other debt investment		
3. Financial assets reclassified into other comprehensive income		
4. Provision of credit impairment of other debt investment		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements		
7. Others		32,934.80
VI. Total comprehensive income	1,358,695,371.23	216,429,630.43
VII. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

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

Item	Amounts during the period	Amounts during the previous period
		Unit: RMB
I. Cash flow generated from operating activities:		
Cash received from selling goods and providing services	22,024,317,563.60	16,763,959,619.28
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	243,572,422.27	213,960,362.76
Cash received relating to other operating activities	613,568,822.00	2,366,213,518.38
Sub-total of cash inflow from operating activities	22,881,458,807.87	19,344,133,500.42

Item	Amounts during the period	Amounts during the previous period
Cash paid for purchasing goods and receiving services	14,491,365,337.51	13,233,419,131.47
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	1,655,351,525.48	1,409,747,023.21
Cash paid for taxes and surcharges	1,565,122,314.55	1,142,361,519.10
Cash paid relating to other operating activities	2,115,891,338.25	2,460,381,784.36
Sub-total of cash outflow from operating activities	19,827,730,515.79	18,245,909,458.14
Net cash flow generated from operating activities	3,053,728,292.08	1,098,224,042.28
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	17,816,599,960.15	4,000.00
Cash received from returns on investments	422,507,892.54	98,985,967.95
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	86,019,784.16	200,498,965.89
Net cash received from disposal of subsidiaries and other operating business		11,487,461,019.32
Cash received relating to other investing activities	302,590,268.92	216,715,126.61
Sub-total of cash inflow from investing activities	18,627,717,905.77	12,003,665,079.77
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	382,268,010.66	452,342,383.35
Cash paid for investment	21,211,782,409.03	4,115,455,997.92
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities	1,780,000.00	
Sub-total of cash outflow from investing activities	21,595,830,419.69	4,567,798,381.27
Net cash flow generated from investing activities	-2,968,112,513.92	7,435,866,698.50
III. Cash flow generated from financing activities:		
Cash received from investment	5,122,007.91	22,318,740.00
Including: Cash received by subsidiaries from the investment of minority shareholders	5,122,007.91	22,318,740.00
Cash received from borrowings	8,191,119,792.01	11,019,317,587.97
Cash received from issuing bonds		
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	8,196,241,799.92	11,041,636,327.97
Cash paid for repaying debts	7,682,356,049.57	15,145,869,301.46
Cash paid for distributing dividends and profits and interest repayment	1,948,165,323.82	1,942,011,308.38
Including: Dividends and profits paid by subsidiaries to minority shareholders	11,200,000.00	1,942,011,308.38
Cash paid related to other financing activities	4,231,205.00	172,220,900.00
Sub-total of cash outflow from financing activities	9,634,752,578.39	17,260,101,509.86
Net cash flow generated from financing activities	-1,438,510,778.47	-6,218,465,181.89

Item	Amounts during the period	Amounts during the previous period
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-46,018,979.89	22,811,986.13
V. Net increase in cash and cash equivalents	-1,398,913,980.20	2,338,437,545.02
Add: Balance of cash and cash equivalents at the beginning of the period	7,148,136,173.38	6,574,662,778.31
VI. Balance of cash and cash equivalents at the end of the period	5,749,222,193.18	8,913,100,323.33

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

Item	Amounts during the period	Amounts during the previous period
		Unit: RMB
I. Cash flow generated from operating activities:		
Cash received from selling goods and providing services	13,599,924,159.77	12,904,264,904.12
Refunds of taxes received	61,398,798.41	168,147,222.23
Cash received relating to other operating activities	1,114,227,312.81	514,718,470.00
Sub-total of cash inflow from operating activities	14,775,550,270.99	13,587,130,596.35
Cash paid for purchasing goods and receiving services	8,316,974,886.43	8,240,377,666.32
Cash paid to and for employees	979,296,020.77	759,006,886.55
Cash paid for taxes and surcharges	843,354,621.19	659,523,079.63
Cash paid relating to other operating activities	857,672,971.57	6,408,685,010.20
Sub-total of cash outflow from operating activities	10,997,298,499.96	16,067,592,642.70
Net cash flow generated from operating activities	3,778,251,771.03	-2,480,462,046.35
II. Cash flow generated from investing activities:		
Cash received from disposal of investments	16,816,599,960.15	11,622,055,292.62
Cash received from returns on investments	355,253,489.04	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	18,759,493.75	87,412,476.45
Net cash received from disposal of subsidiaries and other operating business		
Cash received relating to other investing activities	178,819,941.90	463,754,344.30
Sub-total of cash inflow from investing activities	17,369,432,884.84	12,173,222,113.37
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	301,185,607.47	214,869,106.94
Cash paid for investment	21,217,898,217.00	3,775,424,800.96
Cash received from 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	21,519,083,824.47	5,575,837,382.45
Net cash flow generated from investing activities	-4,149,650,939.63	6,597,384,730.92

Item	Amounts during the period	Amounts during the previous period
III. Cash flow generated from financing activities:		
Cash received from investment	36,738,619.64	
Cash received from borrowings	16,429,194,389.78	9,732,905,670.00
Cash received from issuing bonds		
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	16,465,933,009.42	9,732,905,670.00
Cash paid for repaying debts	13,436,425,863.41	10,495,708,545.00
Cash paid for distributing dividends and profits and interest repayment	1,939,905,325.26	639,274,378.91
Cash paid related to other financing activities	4,231,205.00	169,520,900.01
Sub-total of cash outflow from financing activities	15,380,562,393.67	11,304,503,823.92
Net cash flow generated from financing activities	1,085,370,615.75	-1,571,598,153.92
IV. Effect of foreign exchange rate changes to cash and cash equivalents	19,144,406.31	-525,391,043.68
V. Net increase in cash and cash equivalents	733,115,853.46	2,019,933,486.97
Add: Balance of cash and cash equivalents at the beginning of the period	3,466,818,542.94	4,676,917,358.00
VI. Balance of cash and cash equivalents at the end of the period	4,199,934,396.40	6,696,850,844.97

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 2018

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

* For identification purpose only