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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 2019

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2019 of the Company. The financial data contained in the Report has been prepared in accordance with PRC GAAP and is unaudited.

This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) hereby announces the unaudited results of the Company for the nine months ended 30 September 2019 (the “**Third Quarterly Report of 2019**”, the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises (“**PRC GAAP**”) and is unaudited. This announcement is made in accordance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Third Quarterly Report of 2019 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 2019 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 are unaudited.
- 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)		103,463,330,059.27	93,456,651,846.14	10.71%
Net assets attributable to the equity shareholders of the Company (RMB)		37,845,921,526.81	38,201,194,804.37	-0.93%
	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)	9,492,865,605.65	50.33%	31,754,970,870.63	50.96%
Net profit attributable to equity shareholders of the Company (RMB)	903,533,358.69	105.97%	3,479,822,342.92	167.08%
Net profit attributable to equity shareholders of the Company after extraordinary gain and loss (RMB)	651,959,438.61	110.57%	2,766,272,467.65	188.93%
Net cash flow from operating activities (RMB)	—	—	4,962,464,721.96	62.51%
Basic earnings per share (RMB/share)	0.11	83.33%	0.44	158.82%
Diluted earnings per share (RMB/share)	0.11	83.33%	0.44	158.82%
Weighted average return on net assets	2.41%	increased by 1.27 percentage point	8.72%	increased by 5.31 percentage point

Items	Unit: RMB Amount from the beginning of the year to the end of the Reporting Period
Gain or loss on disposal of non-current assets (including written off of provision for impairment of assets)	6,287,554.27
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	74,738,822.18
Gain or loss on debt restructuring	-12,020,663.87
Gain or loss on changes in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities, and investment gains from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment, other than effective hedging activities related to normal business operations of the Company	738,125,934.46
Non-operating income and expenses other than those set out above	45,859,718.28
Less: Income tax effect	133,286,684.01
Minority interests after tax	6,154,806.04
Total	<u><u>713,549,875.27</u></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

286,339

Shareholdings of top ten shareholders

Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of shares subject to trading moratorium	Condition of pledge or lock-up of shares	Number
HKSCC NOMINEES LIMITED	Overseas legal person	17.61%	1,385,107,559			
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	15.93%	1,253,314,876			
Hong Kong Securities Clearing Company Limited	Overseas legal person	5.35%	420,968,941			
Securities account designated for share repurchase of Zoomlion Heavy Industry Science and Technology Co., Ltd.*	Other	4.96%	390,449,924			
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	4.91%	386,517,443		Pledged	350,000,000
China Securities Finance Corporation Limited	State-owned legal person	2.96%	233,042,928			
Real Smart International Limited	Overseas legal person	2.14%	168,635,602		Pledged	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	1.99%	156,864,942			
AVIC Trust Co., Ltd. — AVIC Trust Tianshun [2018] No. 220 Zoomlion Single Capital Trust	Domestic non state-owned legal person	1.76%	138,819,479			
Central Huijin Asset Management Ltd.	State-owned legal person	1.47%	115,849,400			

3. SIGNIFICANT CHANGES IN MAJOR ITEMS OF THE FINANCIAL STATEMENTS AND FINANCIAL INDICATORS AND REASONS (BASED ON STATEMENTS REPORTED UNDER PRC GAAP)

Unit: RMB

Item	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Bill receivables	2,232,507,383.99	1,367,816,159.89	63.22%	Mainly attributable to the increase in receivables collection due to the increase in sales
Long-term receivables	5,287,358,856.82	3,658,729,097.37	44.51%	Mainly attributable to the increase in finance receivables due to the increase in finance lease income
Other non-current financial assets	187,176,714.00	111,406,350.98	68.01%	Mainly attributable to the utilization of idle funds for purchase of wealth management products
Short-term borrowings	11,744,525,342.49	8,325,497,271.42	41.07%	Mainly attributable to the adjustment of liability structure to reduce finance costs
Bills payable	8,305,747,663.83	3,801,687,380.47	118.48%	Mainly attributable to the increase in bills payable at the end of the period due to the increase in purchase during the period
Accrued payroll	667,492,401.04	403,223,014.53	65.54%	Mainly attributable to the increase in employees' performance-based remuneration due to the increase in income
Taxes payable	809,421,907.50	442,463,389.56	82.94%	Mainly attributable to the growth of profitability due to the increase in sales
Other current liabilities	491,055,500.19	768,413,009.49	-36.09%	Mainly attributable to the decrease in output value-added tax to be recognized
Long-term borrowings	3,172,887,021.40	5,539,004,334.97	-42.72%	Attributable to the repayment of due long-term borrowings during the period
Long-term payables	517,007,784.02	288,347,632.28	79.30%	Mainly attributable to the increase in finance lease deposit

Item	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Treasury shares	2,363,726,223.26	245,117,834.20	864.32%	Mainly attributable to the repurchase of shares
Operating income	31,754,970,870.63	21,035,136,622.24	50.96%	Mainly attributable to the increase in sales due to the growth of product competitiveness
Operation costs	22,286,066,296.44	15,488,532,729.31	43.89%	Mainly attributable to the increase in sales due to the growth of product competitiveness
Selling expenses	2,770,294,525.95	1,881,364,195.94	47.25%	Mainly attributable to the increase in transportation expenses, insurance and after-sales service expenses, etc
Research and development expenses	730,628,246.86	373,212,341.02	95.77%	Mainly attributable to the increase in investment in research and development
Losses on assets impairment	64,854,983.49	9,128,253.08	610.49%	Mainly attributable to the increase in provision for inventory impairment due to the speed-up of inventory disposal for agricultural machinery
Losses on credit impairment	389,448,287.87	209,947,133.26	85.50%	Mainly attributable to the effect on provision for impairment due to the increase in receivables
Income tax expenses	784,900,474.61	297,967,974.79	163.42%	Mainly attributable to the increase in taxable income due to the increase in sales and growth of profitability

4. APPENDIX

4.1 Consolidated Balance Sheet

Item	Unit: RMB	
	30 September 2019	31 December 2018
Current assets:		
Cash and cash equivalents	9,321,735,521.32	10,068,011,690.97
Balance with clearing companies		
Placements with other financial institutions		
Financial assets held-for-trading	15,865,122,187.97	13,787,191,861.94
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bill receivables	2,232,507,383.99	1,367,816,159.89
Account receivables	25,938,948,204.09	22,944,173,509.40
Account receivable financing		
Prepayments	808,064,952.42	725,242,055.62
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Other receivables	1,438,233,988.03	786,255,342.29
Including: Interest receivable	40,513,381.88	50,737,813.37
Dividends receivable		
Purchases of resold financial assets		
Inventories	11,528,797,072.61	9,550,646,747.91
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	8,419,502,650.83	8,835,790,617.23
Other current assets	<u>2,460,429,673.75</u>	<u>2,303,784,840.37</u>
Total current assets	<u>78,013,341,635.01</u>	<u>70,368,912,825.62</u>

Item	30 September 2019	31 December 2018
Non-current assets:		
Loans and advances granted		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables	5,287,358,856.82	3,658,729,097.37
Long-term equity investment	3,586,963,988.79	3,499,059,668.21
Investments in other equity instruments	2,477,601,192.36	2,267,701,985.83
Other non-current financial assets	187,176,714.00	111,406,350.98
Investment property		
Fixed assets	5,627,791,211.76	5,438,726,076.46
Construction in progress	476,101,120.38	637,707,016.47
Biological assets for production		
Oil and gas assets		
Right-of-use assets	309,732,836.53	
Intangible assets	4,231,327,019.28	4,014,096,984.24
Development expenses	83,122,989.04	81,680,686.44
Goodwill	2,065,589,809.09	2,082,499,191.97
Long-term deferred expenditures	21,773,820.94	18,527,355.56
Deferred income tax assets	1,093,865,825.44	1,275,683,362.93
Other non-current assets	1,583,039.83	1,921,244.06
	<u>25,449,988,424.26</u>	<u>23,087,739,020.52</u>
Total non-current assets		
	<u>25,449,988,424.26</u>	<u>23,087,739,020.52</u>
Total assets	<u>103,463,330,059.27</u>	<u>93,456,651,846.14</u>

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	11,744,525,342.49	8,325,497,271.42
Borrowings from the Central Bank Capital borrowed		40,454,133.60
Financial liabilities held-for-trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	8,305,747,663.83	3,801,687,380.47
Account payable	8,760,231,898.17	7,008,958,624.56
Advances from customers		
Contract liabilities	2,163,729,343.49	1,601,644,204.67
Funds from disposal of repurchased financial assets		
Deposit received and inter-bank deposit		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Accrued payroll	667,492,401.04	403,223,014.53
Taxes payable	809,421,907.50	442,463,389.56
Other payables	6,236,189,512.99	3,548,476,055.70
Including: Interest payable	771,174,990.36	138,443,825.24
Dividends payable	313,328,718.99	250,662,975.20
Handling charges and commissions payable		
Reinsurance account payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	11,463,387,679.00	13,687,556,974.49
Other current liabilities	491,055,500.19	768,413,009.49
Total current liabilities	<u>50,641,781,248.70</u>	<u>39,628,374,058.49</u>
Non-current liabilities:		
Deposits for insurance contract		
Long-term borrowings	3,172,887,021.40	5,539,004,334.97
Bonds payable	9,222,104,732.25	8,106,432,194.10
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	260,262,260.64	
Long-term payables	517,007,784.02	288,347,632.28
Long-term accrued payroll		
Accrued liabilities		
Deferred income	636,759,048.12	498,047,509.43
Deferred income tax liabilities	455,276,724.64	429,307,047.10
Other non-current liabilities	164,098,641.65	198,670,877.52
Total non-current liabilities	<u>14,428,396,212.72</u>	<u>15,059,809,595.40</u>
Total liabilities	<u>65,070,177,461.42</u>	<u>54,688,183,653.89</u>

Item	30 September 2019	31 December 2018
Owners' equity:		
Share capital	7,844,572,191.00	7,808,536,633.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,576,950,093.20	13,378,185,013.95
Less: Treasury shares	2,363,726,223.26	245,117,834.20
Other comprehensive income	-1,307,799,825.51	-1,248,940,538.56
Special reserves	48,482,641.12	33,541,187.71
Surplus reserve	3,332,758,126.61	3,332,758,126.61
General risk provisions		
Undistributed profit	16,714,684,523.65	15,142,232,215.86
Total owners' equity attributable to the equity holders of the parent company	37,845,921,526.81	38,201,194,804.37
Minority interests	547,231,071.04	567,273,387.88
	<u>38,393,152,597.85</u>	<u>38,768,468,192.25</u>
Total owners' equity		
	<u>38,393,152,597.85</u>	<u>38,768,468,192.25</u>
Total liabilities and owners' equity	<u>103,463,330,059.27</u>	<u>93,456,651,846.14</u>

4.2 Balance Sheet of the Parent Company

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Cash and cash equivalents	6,370,258,132.32	4,387,332,948.29
Financial assets held-for-trading	15,264,057,078.39	13,737,137,000.83
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bill receivables	1,792,888,151.65	942,530,802.65
Account receivables	40,527,996,384.72	33,874,349,089.89
Account receivable financing		
Prepayments	1,813,939,358.48	1,796,824,615.35
Other receivables	16,695,781,483.36	16,121,393,515.71
Including: Interest receivable	39,081,722.44	12,012,894.27
Dividends receivable	205,240,533.20	205,240,533.20
Inventories	6,452,391,779.92	4,341,516,334.85
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,877,617,570.74	1,426,600,525.29
Total current assets	<u>90,794,929,939.58</u>	<u>76,627,684,832.86</u>
Non-current assets:		
Debt investments		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	18,446,475,751.74	17,604,688,006.97
Investments in other equity instruments	623,991,448.76	615,142,899.62
Other non-current financial assets	181,664,686.72	105,594,757.00
Investment property		
Fixed assets	2,577,236,450.78	2,542,283,531.44
Construction in progress	262,057,755.10	485,987,252.29
Biological assets for production		
Oil and gas assets		
Right-of-use assets	45,237,150.80	
Intangible assets	1,009,223,234.43	989,340,735.03
Development expenses	14,964,699.06	11,627,255.73
Goodwill		
Long-term deferred expenditures	4,278,217.41	4,535,373.94
Deferred income tax assets	303,768,790.57	507,148,684.51
Other non-current assets		
Total non-current assets	<u>23,468,898,185.37</u>	<u>22,866,348,496.53</u>
Total assets	<u>114,263,828,124.95</u>	<u>99,494,033,329.39</u>

Item	30 September 2019	31 December 2018
Current liabilities:		
Short-term borrowings	15,983,228,799.53	8,841,895,806.24
Financial liabilities held-for-trading		40,454,133.60
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	8,213,447,298.49	5,532,794,987.73
Account payable	19,400,236,944.38	16,915,750,233.19
Advances from customers		
Contract liabilities	4,972,194,937.31	1,049,400,713.76
Accrued payroll	248,872,342.98	214,851,233.73
Taxes payable	551,696,877.43	128,197,010.95
Other payables	5,850,284,860.37	4,084,462,541.63
Including: Interest payable	706,196,304.51	124,950,494.57
Dividends payable	313,328,718.99	250,662,975.20
Held-for-sale liabilities		
Non-current liabilities due within one year	11,410,679,452.59	12,109,408,760.25
Other current liabilities	128,026,070.01	415,300,992.80
Total current liabilities	<u>66,758,667,583.09</u>	<u>49,332,516,413.88</u>
Non-current liabilities:		
Long-term borrowings	2,940,033,334.00	5,417,614,733.68
Bonds payable	5,487,109,438.53	4,486,795,078.63
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	32,408,830.42	
Long-term payables		
Long-term accrued payroll		
Accrued liabilities		
Deferred income	510,197,529.64	366,793,771.00
Deferred income tax liabilities	53,129,873.80	20,620,839.07
Other non-current liabilities	150,186,808.57	198,670,877.52
Total non-current liabilities	<u>9,173,065,814.96</u>	<u>10,490,495,299.90</u>
Total liabilities	<u>75,931,733,398.05</u>	<u>59,823,011,713.78</u>
Owners' equity:		
Share capital	7,844,572,191.00	7,808,536,633.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	15,129,604,304.11	14,930,839,224.86
Less: Treasury shares	2,363,726,223.26	245,117,834.20
Other comprehensive income	3,885,752.82	3,885,752.81
Special reserves	16,597,347.79	9,186,236.08
Surplus reserve	3,331,758,881.09	3,331,758,881.09
Undistributed profit	14,369,402,473.35	13,831,932,721.97
Total owners' equity	<u>38,332,094,726.90</u>	<u>39,671,021,615.61</u>
Total liabilities and owners' equity	<u>114,263,828,124.95</u>	<u>99,494,033,329.39</u>

4.3 Consolidated Income Statement for the Reporting Period

		Unit: RMB	
Item		Amount during the current period	Amount during the previous period
I.	Total operating income	9,492,865,605.65	6,314,853,003.90
	Including: Operating income	9,492,865,605.65	6,314,853,003.90
	Interest income		
	Premium received		
	Handling fee and commission income		
II.	Total operation costs	8,579,038,093.43	6,005,454,329.35
	Including: Operation cost	6,702,046,224.00	4,535,270,596.62
	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	83,709,960.57	49,653,904.05
	Selling expenses	889,757,401.50	668,343,601.40
	Administrative expenses	332,675,016.49	301,586,883.47
	Research and development expenses	270,125,547.09	176,712,234.38
	Financial expenses	300,723,943.78	273,887,109.43
	Including: Interest expenses	441,699,291.69	312,517,999.72
	Interest income	77,356,377.57	39,662,699.02
Add:	Other gains	24,843,476.08	22,394,316.88
	Income from investment (“-” refers to loss)	240,109,815.44	211,359,783.95
	Including: Investment income from associates and joint ventures	40,314,290.66	69,009,614.99
	Derecognition of income from financial assets at amortized cost		
	Exchange gains (“-” refers to loss)		
	Net gain on exposure hedging (“-” refers to loss)		
	Gain on change in fair value (“-” refers to loss)	37,925,974.02	3,274,664.50
	Losses on credit impairment (“-” refers to loss)	-99,335,743.40	-39,634,029.46
	Losses on assets impairment (“-” refers to loss)	-19,712,834.80	-3,659,108.91
	Gains from asset disposal (“-” refers to loss)	4,333,977.35	3,806,130.12
III.	Operating profits (“-” refers to loss)	1,101,992,176.91	506,940,431.63
	Add: Non-operating profits	44,241,487.37	18,867,821.31
	Less: Non-operating expenses	11,992,777.24	11,721,637.19
IV.	Total profits (“-” refers to total loss)	1,134,240,887.04	514,086,615.75
	Less: Income tax expenses	245,044,363.26	80,516,467.26

Item	Amount during the current period	Amount during the previous period
V. Net profits (“-” refers to net loss)	889,196,523.78	433,570,148.49
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	889,196,523.78	433,570,148.49
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company	903,533,358.69	438,671,867.55
2. Net profits attributable to minority interests	-14,336,834.91	-5,101,719.06
VI. Net amount of other comprehensive income after tax	-136,283,242.40	52,879,565.47
Net amount of other comprehensive income after tax attributable to owners of the parent company	-136,283,242.40	52,879,565.47
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-46,940,337.82	
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method	-46,940,337.82	
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-89,342,904.58	52,879,565.47
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Profit or loss from the change of fair value of available-for-sale financial assets		
4. Amount included in other comprehensive income on reclassification of financial assets		
5. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
6. Credit impairment provisions of other debt investments		
7. Cash flows hedging reserve		
8. Exchange differences from translation of financial statements	-89,342,904.58	51,337,510.53
9. Others		1,542,054.94

Item	Amount during the current period	Amount during the previous period
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	752,913,281.38	486,449,713.96
Total comprehensive income attributable to owners of the parent company	767,250,116.29	491,551,433.02
Total comprehensive income attributable to minority shareholders	-14,336,834.91	-5,101,719.06
VIII. Earnings per share:		
(1) Basic earnings per share	0.11	0.06
(2) Diluted earnings per share	0.11	0.06

4.4 Income Statement of the Parent Company for the Reporting Period

Unit: RMB

Item	Amount during the current period	Amount during the previous period
I. Operating income	5,992,035,637.21	4,226,040,463.09
Less: Operating cost	4,432,868,979.88	3,205,985,535.51
Taxes and surcharges	42,668,380.14	27,706,800.01
Selling expenses	377,796,580.27	522,213,317.81
Administrative expenses	180,032,173.17	197,956,810.79
Research and development expenses	169,015,554.43	95,678,899.64
Financial expenses	32,048,944.15	-118,157,506.21
Including: Interest expenses	414,484,086.95	356,410,584.20
Interest income	75,434,465.75	193,113,950.36
Add: Other gains	17,800,642.91	1,478,525.00
Income from investment (“-” refers to loss)	238,917,398.27	212,094,680.01
Including: Investment income from associates and joint ventures	40,314,290.66	69,009,614.99
Derecognition of income from financial assets at amortized cost		
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	38,435,237.41	3,274,664.50
Losses on credit impairment (“-” refers to loss)	3,546,765.28	1,753,792.09
Losses on assets impairment (“-” refers to loss)		11,879,768.96
Gains from asset disposal (“-” refers to loss)	4,760,293.69	4,390,783.42
II. Operating profits (“-” refers to loss)	1,061,065,362.73	517,649,050.56
Add: Non-operating profits	19,628,378.92	12,302,041.11
Less: Non-operating expenses	8,889,899.15	5,898,666.97
III. Total profits (“-” refers to total loss)	1,071,803,842.50	524,052,424.70
Less: Income tax expenses	158,644,707.28	50,727,523.98
IV. Net profits (“-” refers to net loss)	913,159,135.22	473,324,900.72
(I) Net profits from continuing activities (“-” refers to net loss)	913,159,135.22	473,324,900.72
(II) Net profits from discontinuing activities (“-” refers to net loss)		
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		

Item	Amount during the current period	Amount during the previous period
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently		
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Profit or loss from the change of fair value of available-for-sale financial assets		
4. Amount included in other comprehensive income on reclassification of financial assets		
5. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
6. Credit impairment provisions of other debt investments		
7. Cash flows hedging reserve		
8. Exchange differences from translation of financial statements		
9. Others		
VI. Total comprehensive income	913,159,135.22	473,324,900.72
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		Amount during the current period	Amount during the previous period
I.	Total operating income	31,754,970,870.63	21,035,136,622.24
	Including: Operating income	31,754,970,870.63	21,035,136,622.24
	Interest income		
	Premium received		
	Handling fee and commission income		
II.	Total operation costs	28,105,994,046.67	19,944,314,993.60
	Including: Operation cost	22,286,066,296.44	15,488,532,729.31
	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	259,503,003.29	190,857,592.41
	Selling expenses	2,770,294,525.95	1,881,364,195.94
	Administrative expenses	1,143,559,163.03	1,109,004,756.61
	Research and development expenses	730,628,246.86	373,212,341.02
	Financial expenses	915,942,811.10	901,343,378.31
	Including: Interest expenses	1,310,071,346.35	1,059,150,859.02
	Interest income	218,167,620.31	222,099,628.75
	Add: Other gains	111,733,488.30	145,066,008.08
	Income from investment (“-” refers to loss)	496,795,884.41	532,199,502.37
	Including: Investment income from associates and joint ventures	122,789,940.70	154,271,716.71
	Derecognition of income from financial assets at amortized cost		
	Exchange gains (“-” refers to loss)		
	Net gain on exposure hedging (“-” refers to loss)		
	Gain on change in fair value (“-” refers to loss)	392,839,922.16	20,488,144.88
	Losses on credit impairment (“-” refers to loss)	-389,448,287.87	-209,947,133.26
	Losses on assets impairment (“-” refers to loss)	-64,854,983.49	-9,128,253.08
	Gains from asset disposal (“-” refers to loss)	6,287,554.27	5,470,738.91
III.	Operating profits (“-” refers to loss)	4,202,330,401.74	1,574,970,636.54
	Add: Non-operating profits	88,525,040.81	59,443,127.76
	Less: Non-operating expenses	46,174,941.86	49,608,186.75
IV.	Total profits (“-” refers to total loss)	4,244,680,500.69	1,584,805,577.55
	Less: Income tax expenses	784,900,474.61	297,967,974.79

Item	Amount during the current period	Amount during the previous period
V. Net profits (“-” refers to net loss)	3,459,780,026.08	1,286,837,602.76
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	3,459,780,026.08	1,286,837,602.76
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company	3,479,822,342.92	1,302,889,785.44
2. Net profits attributable to minority interests	-20,042,316.84	-16,052,182.68
VI. Net amount of other comprehensive income after tax	-105,154,592.82	51,604,677.97
Net amount of other comprehensive income after tax attributable to owners of the parent company	-105,154,592.82	51,604,677.97
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-48,462,740.26	
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments	-48,462,740.26	
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-56,691,852.56	51,604,677.97
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Profit or loss from the change of fair value of available-for-sale financial assets		
4. Amount included in other comprehensive income on reclassification of financial assets		
5. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
6. Credit impairment provisions of other debt investments		
7. Cash flows hedging reserve		
8. Exchange differences from translation of financial statements	-56,691,852.56	7,507,750.99
9. Others		44,096,926.98
Net amount of other comprehensive income after tax attributable to minority shareholders		

Item	Amount during the current period	Amount during the previous period
VII. Total comprehensive income	3,354,625,433.26	1,338,442,280.73
Total comprehensive income attributable to owners of the parent company	3,374,667,750.10	1,354,494,463.41
Total comprehensive income attributable to minority shareholders	-20,042,316.84	-16,052,182.68
VIII. Earnings per share:		
(1) Basic earnings per share	0.44	0.17
(2) Diluted earnings per share	0.44	0.17

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

Item	Unit: RMB	
	Amount during the current period	Amount during the previous period
I. Operating income	20,069,328,003.88	14,169,233,407.94
Less: Operating cost	15,002,972,822.81	10,748,592,204.76
Taxes and surcharges	131,881,422.76	109,332,310.15
Selling expenses	1,208,094,985.50	1,351,463,489.98
Administrative expenses	644,895,376.68	703,514,838.35
Research and development expenses	491,637,252.67	236,820,932.33
Financial expenses	612,755,574.87	281,112,667.51
Including: Interest expenses	1,197,840,078.36	1,004,099,786.67
Interest income	162,379,154.25	237,277,254.87
Add: Other gains	34,440,785.32	21,828,775.00
Income from investment (“-” refers to loss)	442,070,779.42	810,651,683.54
Including: Investment income from associates and joint ventures	122,572,782.80	160,560,291.40
Derecognition of income from financial assets at amortized cost		
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	393,351,622.49	20,757,754.91
Losses on credit impairment (“-” refers to loss)	-55,617,055.45	-125,221,161.70
Losses on assets impairment (“-” refers to loss)	-16,862,505.90	5,939,884.48
Gains from asset disposal (“-” refers to loss)	6,318,609.94	4,149,891.97
II. Operating profits (“-” refers to loss)	2,780,792,804.41	1,476,503,793.06
Add: Non-operating profits	47,580,913.43	35,861,393.42
Less: Non-operating expenses	33,526,593.34	21,310,076.31
III. Total profits (“-” refers to total loss)	2,794,847,124.50	1,491,055,110.17
Less: Income tax expenses	396,302,643.88	132,359,738.94
IV. Net profits (“-” refers to net loss)	2,398,544,480.62	1,358,695,371.23
(I) Net profits from continuing activities (“-” refers to net loss)	2,398,544,480.62	1,358,695,371.23
(II) Net profits from discontinuing activities (“-” refers to net loss)		

Item	Amount during the current period	Amount during the previous period
V. Net amount of other comprehensive income after tax		
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Change in re-measurement of defined benefit plans		
2. Other comprehensive income that may not be reclassified to profit or loss under equity method		
3. Change in fair value of investments in other equity instruments		
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently		
1. Other comprehensive income that may be reclassified to profit or loss under equity method		
2. Change in fair value of other debt investments		
3. Profit or loss from the change of fair value of available-for-sale financial assets		
4. Amount included in other comprehensive income on reclassification of financial assets		
5. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
6. Credit impairment provisions of other debt investments		
7. Cash flows hedging reserve		
8. Exchange differences from translation of financial statements		
9. Others		
VI. Total comprehensive income	2,398,544,480.62	1,358,695,371.23
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

Item	Unit: RMB	
	Amount during the current period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	30,588,753,480.95	22,024,317,563.60
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		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Net cash received from securities brokerage deposits		
Refunds of taxes received	330,725,486.61	243,572,422.27
Cash received relating to other operating activities	777,416,780.95	613,568,822.00
Sub-total of cash inflow from operating activities	31,696,895,748.51	22,881,458,807.87
Cash paid for purchasing goods and receiving services	21,073,873,725.14	14,491,365,337.51
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		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, fees and commissions		
Cash paid for policy holder dividend		
Cash paid to and for employees	1,973,889,354.28	1,655,351,525.48
Cash paid for taxes and surcharges	1,899,281,726.61	1,565,122,314.55
Cash paid relating to other operating activities	1,787,386,220.52	2,115,891,338.25
Sub-total of cash outflow from operating activities	26,734,431,026.55	19,827,730,515.79
Net cash flow from operating activities	4,962,464,721.96	3,053,728,292.08
II. Cash flow from investing activities:		
Cash received from disposal of investments	16,339,929,400.45	17,816,599,960.15
Cash received from returns on investments	371,074,913.18	422,507,892.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	66,119,880.70	86,019,784.16
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	16,675,800.32	302,590,268.92
Sub-total of cash inflow from investing activities	16,793,799,994.65	18,627,717,905.77

Item	Amount during the current period	Amount during the previous period
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	500,165,973.09	382,268,010.66
Cash paid for investment	17,943,521,242.02	21,211,782,409.03
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units	165,707,259.59	
Cash paid relating to other investing activities	145,440,822.45	1,780,000.00
Sub-total of cash outflow from investing activities	18,754,835,297.15	21,595,830,419.69
Net cash flow from investing activities	-1,961,035,302.50	-2,968,112,513.92
III. Cash flow from financing activities:		
Cash received from investment	158,218,952.03	5,122,007.91
Including: Cash received by subsidiaries from the investment of minority shareholders		5,122,007.91
Cash received from borrowings	24,842,749,840.15	8,191,119,792.01
Cash received related to other financing activities	1,000,000,000.00	
Sub-total of cash inflow from financing activities	26,000,968,792.18	8,196,241,799.92
Cash paid for repaying debts	25,135,511,391.96	7,682,356,049.57
Cash paid for distributing dividends and profits and interest repayment	2,475,650,907.34	1,948,165,323.82
Including: Dividends and profits paid by subsidiaries to minority shareholders		11,200,000.00
Cash paid related to other financing activities	2,155,387,559.87	4,231,205.00
Sub-total of cash outflow from financing activities	29,766,549,859.17	9,634,752,578.39
Net cash flow from financing activities	-3,765,581,066.99	-1,438,510,778.47
IV. Effect of foreign exchange rate changes to cash and cash equivalents	8,584,737.02	-46,018,979.89
V. Net increase in cash and cash equivalents	-755,566,910.51	-1,398,913,980.20
Add: Balance of cash and cash equivalents at the beginning of the period	8,754,327,845.15	7,148,136,173.38
VI. Balance of cash and cash equivalents at the end of the period	7,998,760,934.64	5,749,222,193.18

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

Item	Unit: RMB	
	Amount during the current period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	19,753,884,769.85	13,599,924,159.77
Refunds of taxes received	61,443,109.99	61,398,798.41
Cash received relating to other operating activities	2,141,421,354.87	1,114,227,312.81
Sub-total of cash inflow from operating activities	21,956,749,234.71	14,775,550,270.99
Cash paid for purchasing goods and receiving services	13,405,432,501.48	8,316,974,886.43
Cash paid to and for employees	915,677,473.69	979,296,020.77
Cash paid for taxes and surcharges	735,271,643.73	843,354,621.19
Cash paid relating to other operating activities	3,170,132,875.06	857,672,971.57
Sub-total of cash outflow from operating activities	18,226,514,493.96	10,997,298,499.96
Net cash flow from operating activities	3,730,234,740.75	3,778,251,771.03
II. Cash flow from investing activities:		
Cash received from disposal of investments	11,586,029,806.36	16,816,599,960.15
Cash received from returns on investments	364,439,533.39	355,253,489.04
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	4,359,131.24	18,759,493.75
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities		178,819,941.90
Sub-total of cash inflow from investing activities	11,954,828,470.99	17,369,432,884.84
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	359,442,642.32	301,185,607.47
Cash paid for investment	13,305,160,750.70	21,217,898,217.00
Net cash received from subsidiaries and other operating business units		
Cash paid relating to other investing activities	903,130,464.92	
Sub-total of cash outflow from investing activities	14,567,733,857.94	21,519,083,824.47
Net cash flow from investing activities	-2,612,905,386.95	-4,149,650,939.63
III. Cash flow from financing activities:		
Cash received from investment	157,475,433.18	36,738,619.64
Cash received from borrowings	22,789,544,125.23	16,429,194,389.78
Cash received related to other financing activities		
Cash received from issuing bonds	1,000,000,000.00	
Sub-total of cash inflow from financing activities	23,947,019,558.41	16,465,933,009.42
Cash paid for repaying debts	19,426,892,026.48	13,436,425,863.41
Cash paid for distributing dividends and profits and interest repayment	2,412,669,211.21	1,939,905,325.26
Cash paid related to other financing activities	2,145,481,364.11	4,231,205.00
Sub-total of cash outflow from financing activities	23,985,042,601.80	15,380,562,393.67
Net cash flow from financing activities	-38,023,043.39	1,085,370,615.75

Item	Amount during the current period	Amount during the previous period
IV. Effect of foreign exchange rate changes to cash and cash equivalents	488,408.70	19,144,406.31
V. Net increase in cash and cash equivalents	1,079,794,719.11	733,115,853.46
Add: Balance of cash and cash equivalents at the beginning of the period	3,978,679,073.66	3,466,818,542.94
VI. Balance of cash and cash equivalents at the end of the period	5,058,473,792.77	4,199,934,396.40

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

Changsha, the PRC, 30 October 2019

As at the date of this announcement, the executive director of the Company is Dr. Zhan Chunxin; the non-executive directors are Mr. He Liu 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*