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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 2020

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2020 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 2020 (the “**Third Quarterly Report of 2020**”, 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 2020 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 2020 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.

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)		111,235,297,263.60	92,068,028,637.66	20.82%	
Net assets attributable to equity shareholders of the Company (RMB)		46,309,699,719.81	38,863,231,588.26	19.16%	
		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)	16,416,805,486.62		72.94%	45,244,039,164.21	42.48%
Net profit attributable to equity shareholders of the Company (RMB)	1,668,051,544.80		84.61%	5,686,319,128.32	63.41%
Net profit attributable to equity shareholders of the Company after extraordinary gain and loss (RMB)	1,450,587,902.75		122.50%	4,956,039,133.85	79.16%
Net cash flow from operating activities (RMB)	2,537,775,941.20		82.92%	4,016,894,383.12	-19.05%
Basic earnings per share (RMB/share)	0.22		100.00%	0.76	72.73%
Diluted earnings per share (RMB/share)	0.22		100.00%	0.76	72.73%
Weighted average return on net assets	3.68%		Increased by 1.27 percentage points	13.41%	Increased by 4.69 percentage points

Unit: RMB

**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)	623,483,776.49
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	274,918,542.62
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	2,039.00
Gain or loss on debt restructuring	-26,287,454.43
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	-67,227,612.55
Non-operating income and expenses other than those set out above	46,604,140.93
Less: Income tax effect	105,547,753.23
Minority interests after tax	15,665,684.36
Total	<u><u>730,279,994.47</u></u>

2.2 Total number of shareholders and top ten holders of shares not subject to sales restriction 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

232,455

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	17.50%	1,385,448,359			
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	15.83%	1,253,314,876			
Hong Kong Securities Clearing Company Limited	Overseas legal person	8.57%	678,876,180			
Zoomlion Heavy Industry Science and Technology Co., Ltd. — The First Phase of Employee Stock Ownership Plan	Other	4.93%	390,449,924			
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	4.88%	386,517,443		Pledged	309,745,471
China Securities Finance Corporation Limited	State-owned legal person	2.94%	233,042,928			
Real Smart International Limited	Overseas legal person	2.13%	168,635,602		Pledged	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	1.98%	156,864,942			
AVIC Trust Co., Ltd. — AVIC Trust Tianshun [2018] No. 220 Zoomlion Single Capital Trust	Domestic non state-owned legal person	1.75%	138,819,479			
Central Huijin Asset Management Ltd.	State-owned legal person	1.46%	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

Items	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Long-term receivables	13,790,268,141.00	7,783,194,581.81	77.18%	Mainly attributable to the increase in finance receivables due to the increase in finance lease income
Other non-current financial assets	592,685,554.42	277,005,171.09	113.96%	Mainly attributable to the changes in fair value of financial assets held
Construction in progress	1,542,035,147.36	932,766,268.02	65.32%	Mainly attributable to the increase in construction expenditure
Research and development expenditure	8,455,623.20	15,157,627.45	-44.22%	Mainly attributable to the transfer of research and development expenses to intangible assets
Short-term borrowings	2,770,321,890.92	5,042,879,849.76	-45.06%	Mainly attributable to the repayment of borrowings during the period
Held-for-trading financial liabilities		36,637,266.83		Mainly attributable to the settlement of financial liabilities
Bills payable	16,190,278,899.58	9,760,368,286.93	65.88%	Mainly attributable to the increase in bill settlements due to the increase in purchases in the current period
Account payable	13,529,873,233.51	9,300,711,951.63	45.47%	Mainly attributable to the increase in purchases in the current period
Contract liabilities	2,715,150,713.30	1,933,825,099.60	40.40%	Mainly attributable to the increase in advance receipts in the current period
Taxes payable	633,563,820.61	468,031,462.75	35.37%	Mainly attributable to the increase in sales and growth of profitability in the current period
Non-current liabilities due within one year	558,029,988.53	2,441,552,997.78	-77.14%	Mainly attributable to the repayment of loans
Long-term payables	1,168,139,868.29	446,191,069.78	161.80%	Mainly attributable to the increase in finance lease deposit

Items	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Other non-current liabilities	2,284,449,296.28	1,535,255,939.02	48.80%	Mainly attributable to the increase in other transactions
Treasury shares	105,674,851.62	2,253,738,351.58	-95.31%	Mainly attributable to the repurchase of treasury shares and grant of treasury shares under the employee stock ownership plan
Special reserves	57,641,969.27	42,754,563.19	34.82%	Mainly attributable to the increase in provision for safe production expenses during the period
Undistributed profit	23,139,335,113.80	17,430,361,239.38	32.75%	Attributable to the increase in net profit for the current period
Minority interests	944,621,489.98	669,938,153.79	41.00%	Mainly attributable to the increased capital contribution by minority shareholders
Operating income	45,244,039,164.21	31,754,970,870.63	42.48%	Mainly attributable to the increase in sales due to the continuous growth of product competitiveness
Operation costs	32,343,619,584.28	22,286,066,296.44	45.13%	Mainly attributable to the increase in sales due to the continuous growth of product competitiveness
Research and development expenses	1,710,722,805.49	730,628,246.86	134.14%	Mainly attributable to the increase in investment in research and development
Financial expenses	35,410,438.27	915,942,811.10	-96.13%	Mainly attributable to the decrease in interest expenses and exchange losses
Other gains	343,235,840.47	111,733,488.30	207.19%	Mainly attributable to the increase in government grants received
Investment gains	331,962,770.95	496,795,884.41	-33.18%	Mainly attributable to the decrease in wealth management income in the current period
Gain on change in fair value	120,350,149.25	392,839,922.16	-69.36%	Mainly attributable to the decrease in investment in financial assets
Losses on credit impairment	-811,585,636.67	-389,448,287.87	108.39%	Mainly attributable to the increase in provisions

Items	Amount at the end of the current period	Amount at the beginning of the previous period	Changes	Description of reasons
Losses on assets impairment	-87,996,370.66	-64,854,983.49	35.68%	Mainly attributable to the increase in provisions
Gains from asset disposal	185,674,185.37	6,287,554.27	2853.04%	Mainly attributable to the increase in assets disposed of in the current period
Non-operating expenses	60,027,466.37	46,174,941.86	30.00%	Mainly attributable to the increase in non-operating expenses
Net cash flow from investing activities	-863,017,051.56	-1,961,035,302.50		Mainly attributable to the decrease in purchase of wealth management products as compared with the corresponding period of last year
Net cash flow from financing activities	-1,626,312,172.36	-3,765,581,066.99		Mainly attributable to the receipt of funds under the employee stock ownership plan
Net increase in cash and cash equivalents	1,492,061,165.09	-755,566,910.51		Mainly attributable to the receipt of funds under the employee stock ownership plan

4. APPENDIX

4.1 Consolidated Balance Sheet

Item	Unit: RMB	
	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	8,500,489,049.13	6,572,220,749.35
Balance with clearing companies		
Placements with other financial institutions		
Financial assets held-for-trading	5,392,434,421.96	4,310,511,351.89
Derivative financial assets		
Bill receivables		
Account receivables	29,545,216,616.06	25,403,952,986.58
Account receivable financing	2,182,763,703.18	1,749,976,581.89
Prepayments	834,486,995.55	879,868,459.86
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Other receivables	1,136,609,244.43	1,076,558,841.06
Including: Interest receivable	3,983,786.13	30,855,871.87
Dividends receivable	14,400,000.00	
Purchases of resold financial assets		
Inventories	14,931,335,968.67	11,771,581,258.08
Contract assets		
Held-for-sale assets		
Non-current assets due within one year	11,303,588,022.88	9,230,959,214.35
Other current assets	2,086,570,091.51	2,186,489,744.91
Total current assets	<u>75,913,494,113.37</u>	<u>63,182,119,187.97</u>

Item	30 September 2020	31 December 2019
Non-current assets:		
Loans and advances granted		
Debt investments		
Other debt investments		
Long-term receivables	13,790,268,141.00	7,783,194,581.81
Long-term equity investment	3,432,826,513.26	3,907,839,063.55
Investments in other equity instruments	2,525,615,505.54	2,367,478,747.59
Other non-current financial assets	592,685,554.42	277,005,171.09
Investment property		
Fixed assets	5,603,522,228.02	5,802,580,571.78
Construction in progress	1,542,035,147.36	932,766,268.02
Biological assets for production		
Oil and gas assets		
Right-of-use assets	417,857,632.57	413,793,399.36
Intangible assets	3,904,835,520.19	4,047,921,280.51
Development expenses	8,455,623.20	15,157,627.45
Goodwill	2,085,553,080.75	2,053,135,092.70
Long-term deferred expenditures	9,597,249.23	13,234,868.91
Deferred income tax assets	1,407,561,754.03	1,270,865,454.99
Other non-current assets	989,200.66	937,321.93
	<hr/>	<hr/>
Total non-current assets	<u><u>35,321,803,150.23</u></u>	<u><u>28,885,909,449.69</u></u>
Total assets	<u><u>111,235,297,263.60</u></u>	<u><u>92,068,028,637.66</u></u>

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	2,770,321,890.92	5,042,879,849.76
Borrowings from central bank		
Capital borrowed		
Financial liabilities held-for-trading		36,637,266.83
Derivative financial liabilities		
Bills payable	16,190,278,899.58	9,760,368,286.93
Account payable	13,529,873,233.51	9,300,711,951.63
Advances from customers		
Contract liabilities	2,715,150,713.30	1,933,825,099.60
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	780,806,603.98	682,922,173.09
Taxes payable	633,563,820.61	468,031,462.75
Other payables	5,274,278,858.22	4,433,738,885.46
Including: Interest payable	371,267,993.58	76,089,334.67
Dividends payable		313,328,718.99
Handling charges and commissions payable		
Reinsurance account payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	558,029,988.53	2,441,552,997.78
Other current liabilities	522,605,950.59	482,774,403.69
Total current liabilities	<u>42,974,909,959.24</u>	<u>34,583,442,377.52</u>
Non-current liabilities:		
Deposits for insurance contract		
Long-term borrowings	2,536,139,792.15	2,842,053,921.11
Bonds payable	13,557,298,632.57	11,672,794,823.16
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	339,157,094.76	329,020,765.91
Long-term payables	1,168,139,868.29	446,191,069.78
Long-term accrued payroll		
Accrued liabilities		
Deferred income	661,119,635.72	670,819,153.91
Deferred income tax liabilities	459,761,774.80	455,280,845.20
Other non-current liabilities	2,284,449,296.28	1,535,255,939.02
Total non-current liabilities	<u>21,006,066,094.57</u>	<u>17,951,416,518.09</u>
Total liabilities	<u>63,980,976,053.81</u>	<u>52,534,858,895.61</u>

Item	30 September 2020	31 December 2019
Owners' equity:		
Share capital	7,918,486,581.00	7,874,974,858.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	13,165,605,839.95	13,466,666,039.15
Less: Treasury shares	105,674,851.62	2,253,738,351.58
Other comprehensive income	-1,421,062,288.04	-1,253,154,115.33
Special reserves	57,641,969.27	42,754,563.19
Surplus reserve	3,555,367,355.45	3,555,367,355.45
General risk provisions		
Undistributed profit	23,139,335,113.80	17,430,361,239.38
Total owners' equity attributable to the equity holders of the parent company	46,309,699,719.81	38,863,231,588.26
Minority interests	944,621,489.98	669,938,153.79
	<u>47,254,321,209.79</u>	<u>39,533,169,742.05</u>
Total owners' equity		
	<u>47,254,321,209.79</u>	<u>39,533,169,742.05</u>
Total liabilities and owners' equity	<u>111,235,297,263.60</u>	<u>92,068,028,637.66</u>

4.2 Balance Sheet of the Parent Company

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Cash and cash equivalents	7,742,008,304.70	3,479,055,468.21
Financial assets held-for-trading	4,255,459,288.43	3,949,702,743.53
Derivative financial assets		
Bill receivables		
Account receivables	43,247,718,215.50	39,730,135,331.52
Account receivable financing	1,681,103,917.52	1,113,506,021.34
Prepayments	1,920,845,713.30	1,946,541,936.66
Other receivables	43,602,747,848.18	17,557,866,998.03
Including: Interest receivable	24,206,417.24	31,101,260.29
Dividends receivable	219,640,533.20	205,240,533.20
Inventories	6,745,369,165.32	6,778,856,041.67
Contract assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	1,474,217,343.71	1,648,968,501.39
Total current assets	<u>110,669,469,796.66</u>	<u>76,204,633,042.35</u>
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investment	22,501,637,871.15	21,134,175,320.67
Investments in other equity instruments	674,257,351.50	624,560,506.50
Other non-current financial assets	435,763,659.86	121,209,188.84
Investment property		
Fixed assets	1,888,888,524.69	2,320,700,710.89
Construction in progress	392,989,878.38	169,463,256.66
Biological assets for production		
Oil and gas assets		
Right-of-use assets	45,810,276.75	57,819,747.92
Intangible assets	681,753,161.01	799,213,088.87
Development expenses		
Goodwill		
Long-term deferred expenditures	4,125,383.69	4,174,268.63
Deferred income tax assets	481,428,345.08	428,175,377.15
Other non-current assets		
Total non-current assets	<u>27,106,654,452.11</u>	<u>25,659,491,466.13</u>
Total assets	<u>137,776,124,248.77</u>	<u>101,864,124,508.48</u>

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	6,797,249,727.77	9,688,412,831.67
Financial liabilities held-for-trading		36,637,266.83
Derivative financial liabilities		
Bills payable	16,196,392,782.64	8,190,866,815.15
Account payable	44,390,159,628.26	18,124,873,503.90
Advances from customers		
Contract liabilities	2,698,926,846.25	7,960,859,180.30
Accrued payroll	374,312,037.18	316,009,575.09
Taxes payable	521,271,642.28	175,371,227.86
Other payables	7,512,794,364.41	3,836,001,023.16
Including: Interest payable	325,997,780.90	82,477,475.59
Dividends payable		313,328,718.99
Held-for-sale liabilities		
Non-current liabilities due within one year	414,641,033.24	2,258,349,100.86
Other current liabilities	393,109,385.26	118,914,893.86
Total current liabilities	<u>79,298,857,447.29</u>	<u>50,706,295,418.68</u>
Non-current liabilities:		
Long-term borrowings	2,282,230,963.00	2,596,508,265.00
Bonds payable	9,982,724,191.98	7,981,185,964.30
Including: Preference shares		
Perpetual liabilities		
Lease liabilities	29,760,989.97	37,332,035.47
Long-term payables		
Long-term accrued payroll		
Accrued liabilities		
Deferred income	530,228,564.89	534,216,779.67
Deferred income tax liabilities	33,873,665.23	23,851,627.80
Other non-current liabilities	2,278,759,406.63	1,525,186,808.57
Total non-current liabilities	<u>15,137,577,781.70</u>	<u>12,698,281,480.81</u>
Total liabilities	<u>94,436,435,228.99</u>	<u>63,404,576,899.49</u>
Owners' equity:		
Share capital	7,918,486,581.00	7,874,974,858.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,752,086,186.64	15,292,546,415.04
Less: Treasury shares	105,674,851.62	2,253,738,351.58
Other comprehensive income	3,885,752.81	3,885,752.81
Special reserves	16,754,728.96	13,169,772.45
Surplus reserve	3,554,368,109.93	3,554,368,109.93
Undistributed profit	17,199,782,512.06	13,974,341,052.34
Total owners' equity	<u>43,339,689,019.78</u>	<u>38,459,547,608.99</u>
Total liabilities and owners' equity	<u>137,776,124,248.77</u>	<u>101,864,124,508.48</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	16,416,805,486.62	9,492,865,605.65
Including: Operating income	16,416,805,486.62	9,492,865,605.65
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	14,435,403,145.59	8,579,038,093.43
Including: Operation cost	11,979,300,641.99	6,702,046,224.00
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	96,907,848.37	83,709,960.57
Selling expenses	1,223,178,878.29	889,757,401.50
Administrative expenses	493,316,903.97	332,675,016.49
Research and development expenses	662,492,112.55	270,125,547.09
Financial expenses	-19,793,239.58	300,723,943.78
Including: Interest expenses	230,772,458.02	441,699,291.69
Interest income	91,298,718.04	77,356,377.57
Add: Other gains	256,067,232.50	24,843,476.08
Income from investment (“-” refers to loss)	49,172,088.38	240,109,815.44
Including: Investment income from associates and joint ventures	42,283,017.61	40,314,290.66
Derecognition of income from financial assets at amortized cost	-21,449,082.96	
Exchange gains (“-” refers to loss)		
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	-48,262,323.76	37,925,974.02
Losses on credit impairment (“-” refers to loss)	-368,236,344.48	-99,335,743.40
Losses on assets impairment (“-” refers to loss)	-41,530,724.73	-19,712,834.80
Gains from asset disposal (“-” refers to loss)	-1,241,544.04	4,333,977.35
III. Operating profits (“-” refers to loss)	1,827,370,724.90	1,101,992,176.91
Add: Non-operating profits	52,875,995.63	44,241,487.37
Less: Non-operating expenses	17,211,820.53	11,992,777.24
IV. Total profits (“-” refers to total loss)	1,863,034,900.00	1,134,240,887.04
Less: Income tax expenses	178,470,808.92	245,044,363.26

Item	Amount during the current period	Amount during the previous period
V. Net profits (“-” refers to net loss)	1,684,564,091.08	889,196,523.78
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	1,684,564,091.08	889,196,523.78
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company	1,668,051,544.80	903,533,358.69
2. Net profits attributable to minority interests	16,512,546.28	-14,336,834.91
VI. Net amount of other comprehensive income after tax	50,877,356.81	-136,283,242.40
Net amount of other comprehensive income after tax attributable to owners of the parent company	50,877,356.81	-136,283,242.40
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	-16,991,059.58	-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		
3. Change in fair value of investments in other equity instruments	-16,991,059.58	-46,940,337.82
4. Change in fair value of own credit risk		
5. Others		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	67,868,416.39	-89,342,904.58
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. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	67,868,416.39	-89,342,904.58
7. Others		

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	1,735,441,447.89	752,913,281.38
Total comprehensive income attributable to owners of the parent company	1,718,928,901.61	767,250,116.29
Total comprehensive income attributable to minority shareholders	16,512,546.28	-14,336,834.91
VIII. Earnings per share:		
(1) Basic earnings per share	0.22	0.11
(2) Diluted earnings per share	0.22	0.11

4.4 Income Statement of the Parent Company for the Reporting Period

Item	Unit: RMB	
	Amount during the current period	Amount during the previous period
I. Operating income	17,558,113,370.83	5,992,035,637.21
Less: Operating cost	14,667,252,320.26	4,432,868,979.88
Taxes and surcharges	55,590,165.16	42,668,380.14
Selling expenses	834,107,492.40	377,796,580.27
Administrative expenses	323,717,967.87	180,032,173.17
Research and development expenses	301,407,755.19	169,015,554.43
Financial expenses	-162,165,989.14	32,048,944.15
Including: Interest expenses	195,920,954.37	414,484,086.95
Interest income	201,174,933.24	75,434,465.75
Add: Other gains	154,348,617.68	17,800,642.91
Income from investment (“-” refers to loss)	-198,802,276.36	238,917,398.27
Including: Investment income from associates and joint ventures	43,127,389.80	40,314,290.66
Derecognition of income from financial assets at amortized cost	-17,565,754.58	
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	-51,416,220.04	38,435,237.41
Losses on credit impairment (“-” refers to loss)	-275,599,872.41	3,546,765.28
Losses on assets impairment (“-” refers to loss)	-31,567,173.10	0.00
Gains from asset disposal (“-” refers to loss)	1,031,362.11	4,760,293.69
II. Operating profits (“-” refers to loss)	1,136,198,096.97	1,061,065,362.73
Add: Non-operating profits	29,965,038.43	19,628,378.92
Less: Non-operating expenses	3,974,409.52	8,889,899.15
III. Total profits (“-” refers to total loss)	1,162,188,725.88	1,071,803,842.50
Less: Income tax expenses	150,191,432.95	158,644,707.28
IV. Net profits (“-” refers to net loss)	1,011,997,292.93	913,159,135.22
(I) Net profits from continuing activities (“-” refers to net loss)	1,011,997,292.93	913,159,135.22
(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. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements		
7. Others		
VI. Total comprehensive income	1,011,997,292.93	913,159,135.22
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	45,244,039,164.21	31,754,970,870.63
	Including: Operating income	45,244,039,164.21	31,754,970,870.63
	Interest income		
	Premium received		
	Handling fee and commission income		
II.	Total operation costs	38,797,381,832.54	28,105,994,046.67
	Including: Operation cost	32,343,619,584.28	22,286,066,296.44
	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	286,066,271.69	259,503,003.29
	Selling expenses	3,139,550,489.66	2,770,294,525.95
	Administrative expenses	1,282,012,243.15	1,143,559,163.03
	Research and development expenses	1,710,722,805.49	730,628,246.86
	Financial expenses	35,410,438.27	915,942,811.10
	Including: Interest expenses	764,120,895.25	1,310,071,346.35
	Interest income	183,546,997.17	218,167,620.31
	Add: Other gains	343,235,840.47	111,733,488.30
	Income from investment (“-” refers to loss)	331,962,770.95	496,795,884.41
	Including: Investment income from associates and joint ventures	108,730,797.59	122,789,940.70
	Derecognition of income from financial assets at amortized cost	-26,396,384.02	
	Exchange gains (“-” refers to loss)		
	Net gain on exposure hedging (“-” refers to loss)		
	Gain on change in fair value (“-” refers to loss)	120,350,149.25	392,839,922.16
	Losses on credit impairment (“-” refers to loss)	-811,585,636.67	-389,448,287.87
	Losses on assets impairment (“-” refers to loss)	-87,996,370.66	-64,854,983.49
	Gains from asset disposal (“-” refers to loss)	185,674,185.37	6,287,554.27
III.	Operating profits (“-” refers to loss)	6,528,298,270.38	4,202,330,401.74
	Add: Non-operating profits	113,276,642.80	88,525,040.81
	Less: Non-operating expenses	60,027,466.37	46,174,941.86
IV.	Total profits (“-” refers to total loss)	6,581,547,446.81	4,244,680,500.69
	Less: Income tax expenses	846,146,913.12	784,900,474.61

Item	Amount during the current period	Amount during the previous period
V. Net profits (“-” refers to net loss)	5,735,400,533.69	3,459,780,026.08
(I) Classified by operation continuity		
1. Net profits from continuing activities (“-” refers to net loss)	5,735,400,533.69	3,459,780,026.08
2. Net profits from discontinuing activities (“-” refers to net loss)		
(II) Classified by ownership		
1. Net profits attributable to owners of the parent company	5,686,319,128.32	3,479,822,342.92
2. Net profits attributable to minority interests	49,081,405.37	-20,042,316.84
VI. Net amount of other comprehensive income after tax	-145,253,426.61	-105,154,592.82
Net amount of other comprehensive income after tax attributable to owners of the parent company	-145,253,426.61	-105,154,592.82
(I) Other comprehensive income not to be reclassified into profit or loss subsequently	77,271,061.98	-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	77,271,061.98	-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	-222,524,488.59	-56,691,852.56
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. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements	-222,524,488.59	-56,691,852.56
7. Others		
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	5,590,147,107.08	3,354,625,433.26
Total comprehensive income attributable to owners of the parent company	5,541,065,701.71	3,374,667,750.10
Total comprehensive income attributable to minority shareholders	49,081,405.37	-20,042,316.84
VIII. Earnings per share:		
(1) Basic earnings per share	0.76	0.44
(2) Diluted earnings per share	0.76	0.44

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	44,935,600,579.90	20,069,328,003.88
Less: Operating cost	37,270,401,646.26	15,002,972,822.81
Taxes and surcharges	171,538,267.59	131,881,422.76
Selling expenses	2,225,327,096.35	1,208,094,985.50
Administrative expenses	785,198,216.80	644,895,376.68
Research and development expenses	830,002,706.14	491,637,252.67
Financial expenses	-217,206,232.58	612,755,574.87
Including: Interest expenses	654,003,338.45	1,197,840,078.36
Interest income	420,494,229.71	162,379,154.25
Add: Other gains	172,899,103.14	34,440,785.32
Income from investment (“-” refers to loss)	129,851,578.25	442,070,779.42
Including: Investment income from associates and joint ventures	108,643,276.21	122,572,782.80
Derecognition of income from financial assets at amortized cost	-24,764,061.66	
Net gain on exposure hedging (“-” refers to loss)		
Gain on change in fair value (“-” refers to loss)	110,135,128.93	393,351,622.49
Losses on credit impairment (“-” refers to loss)	-675,343,586.17	-55,617,055.45
Losses on assets impairment (“-” refers to loss)	-71,677,819.23	-16,862,505.90
Gains from asset disposal (“-” refers to loss)	132,209,708.29	6,318,609.94
II. Operating profits (“-” refers to loss)	3,668,412,992.55	2,780,792,804.41
Add: Non-operating profits	74,819,331.74	47,580,913.43
Less: Non-operating expenses	34,843,258.98	33,526,593.34
III. Total profits (“-” refers to total loss)	3,708,389,065.31	2,794,847,124.50
Less: Income tax expenses	482,947,605.59	396,302,643.88
IV. Net profits (“-” refers to net loss)	3,225,441,459.72	2,398,544,480.62
(I) Net profits from continuing activities (“-” refers to net loss)	3,225,441,459.72	2,398,544,480.62
(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. Amount included in other comprehensive income on reclassification of financial assets		
4. Credit impairment provisions of other debt investments		
5. Cash flows hedging reserve		
6. Exchange differences from translation of financial statements		
7. Others		
VI. Total comprehensive income	3,225,441,459.72	2,398,544,480.62
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	38,482,501,368.23	30,588,753,480.95
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	272,532,083.57	330,725,486.61
Cash received relating to other operating activities	1,986,339,024.43	777,416,780.95
Sub-total of cash inflow from operating activities	40,741,372,476.23	31,696,895,748.51
Cash paid for purchasing goods and receiving services	27,961,065,737.20	21,073,873,725.14
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	2,382,449,324.07	1,973,889,354.28
Cash paid for taxes and surcharges	2,406,359,359.45	1,899,281,726.61
Cash paid relating to other operating activities	3,974,603,672.39	1,787,386,220.52
Sub-total of cash outflow from operating activities	36,724,478,093.11	26,734,431,026.55
Net cash flow from operating activities	4,016,894,383.12	4,962,464,721.96
II. Cash flow from investing activities:		
Cash received from disposal of investments	10,971,501,788.32	16,339,929,400.45
Cash received from returns on investments	327,509,549.83	371,074,913.18
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	310,418,204.01	66,119,880.70
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	802,056,667.01	16,675,800.32
Sub-total of cash inflow from investing activities	12,411,486,209.17	16,793,799,994.65

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	885,247,021.45	500,165,973.09
Cash paid for investment	11,953,049,104.59	17,943,521,242.02
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other operating business units		165,707,259.59
Cash paid relating to other investing activities	436,207,134.69	145,440,822.45
Sub-total of cash outflow from investing activities	13,274,503,260.73	18,754,835,297.15
Net cash flow from investing activities	-863,017,051.56	-1,961,035,302.50
III. Cash flow from financing activities:		
Cash received from investment	1,761,233,017.43	158,218,952.03
Including: Cash received by subsidiaries from the investment of minority shareholders	500,000,000.00	
Cash received from borrowings	56,280,347,894.87	25,842,749,840.15
Cash received relating to other financing activities	646,574,088.80	
Sub-total of cash inflow from financing activities	58,688,155,001.10	26,000,968,792.18
Cash paid for repaying debts	58,759,190,351.78	25,135,511,391.96
Cash paid for distributing dividends and profits and interest repayment	799,720,612.01	2,475,650,907.34
Including: Dividends and profits paid by subsidiaries to minority shareholders	35,000,000.00	
Cash paid relating to other financing activities	755,556,209.67	2,155,387,559.87
Sub-total of cash outflow from financing activities	60,314,467,173.46	29,766,549,859.17
Net cash flow from financing activities	-1,626,312,712.36	-3,765,581,066.99
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-35,503,994.11	8,584,737.02
V. Net increase in cash and cash equivalents	1,492,061,165.09	-755,566,910.51
Add: Balance of cash and cash equivalents at the beginning of the period	5,073,252,989.68	8,754,327,845.15
VI. Balance of cash and cash equivalents at the end of the period	6,565,314,154.77	7,998,760,934.64

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	23,582,256,658.13	19,753,884,769.85
Refunds of taxes received	156,850,610.58	61,443,109.99
Cash received relating to other operating activities	2,156,691,874.33	2,141,421,354.87
Sub-total of cash inflow from operating activities	25,895,799,143.04	21,956,749,234.71
Cash paid for purchasing goods and receiving services	12,364,352,205.72	13,405,432,501.48
Cash paid to and for employees	1,030,326,612.08	915,677,473.69
Cash paid for taxes and surcharges	1,190,832,399.19	735,271,643.73
Cash paid relating to other operating activities	5,884,743,649.26	3,170,132,875.06
Sub-total of cash outflow from operating activities	20,470,254,866.25	18,226,514,493.96
Net cash flow from operating activities	5,425,544,276.79	3,730,234,740.75
II. Cash flow from investing activities:		
Cash received from disposal of investments	9,897,441,357.03	11,586,029,806.36
Cash received from returns on investments	318,123,750.18	364,439,533.39
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	219,004,437.55	4,359,131.24
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	1,225,979,594.24	
Sub-total of cash inflow from investing activities	11,660,549,139.00	11,954,828,470.99
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	263,703,963.10	359,442,642.32
Cash paid for investment	10,210,969,143.88	13,305,160,750.70
Net cash paid for acquisition of subsidiaries and other operating business units		
Cash paid relating to other investing activities	484,561,616.18	903,130,464.92
Sub-total of cash outflow from investing activities	10,959,234,723.16	14,567,733,857.94
Net cash flow from investing activities	701,314,415.84	-2,612,905,386.95
III. Cash flow from financing activities:		
Cash received from investment	1,261,025,713.07	157,475,433.18
Cash received from borrowings	28,491,229,909.48	23,789,544,125.23
Cash received relating to other financing activities		
Sub-total of cash inflow from financing activities	29,752,255,622.55	23,947,019,558.41
Cash paid for repaying debts	31,565,265,116.06	19,426,892,026.48
Cash paid for distributing dividends and profits and interest repayment	723,811,752.13	2,412,669,211.21
Cash paid relating to other financing activities		2,145,481,364.11
Sub-total of cash outflow from financing activities	32,289,076,868.19	23,985,042,601.80
Net cash flow from financing activities	-2,536,821,245.64	-38,023,043.39

Item	Amount during the current period	Amount during the previous period
IV. Effect of foreign exchange rate changes to cash and cash equivalents	858,046.89	488,408.70
V. Net increase in cash and cash equivalents	3,590,895,493.88	1,079,794,719.11
Add: Balance of cash and cash equivalents at the beginning of the period	2,405,968,673.42	3,978,679,073.66
VI. Balance of cash and cash equivalents at the end of the period	5,996,864,167.30	5,058,473,792.77

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

Changsha, the PRC, 30 October 2020

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. Lai Kin Keung, Mr. Zhao Songzheng, Ms. Liu Guiliang and Mr. Yang Changbo.

* For identification purpose only