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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 2014

SUMMARY

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.* hereby announces the Third Quarterly Report of 2014 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 2014 (the “**Third Quarterly Report of 2014**”, 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 2014 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 2014 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 Dr. Zhan Chunxin, Chairman of the Board, Ms. Hong Xiaoming, Vice-president and the person in charge of financial affairs, and Ms. Du Yigang, Head of the accounting department of the Company warrant the truthfulness and completeness of the financial statements in the 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
Total assets (RMB)	90,360,750,263.34	89,537,157,719.77	0.92%
Net assets attributable to the equity shareholders of the Company (RMB)	41,425,373,409.17	41,619,087,301.05	-0.47%
	The Reporting Period	Change in the reporting period as compared with the corresponding period of last year	The period from the beginning of the year to the end of the reporting period
			Change for the period from the beginning of the year to the end of the reporting period as compared with the corresponding period of last year
Operating income (RMB)	5,777,303,099.44	-33.84%	19,766,090,961.91
Net profit attributable to equity shareholders of the Company (RMB)	100,201,815.20	-88.73%	1,000,259,966.88
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company (RMB)	88,478,505.36	-89.78%	914,557,212.95
Net cash flow from operating activities (RMB)	—	—	-5,189,603,505.12
Basic earnings per share (RMB/share)	0.01	-90.91%	0.13
Diluted earnings per share (RMB/share)	0.01	-90.91%	0.13
Weighted average return on net assets	0.24%	A decrease of 1.87 percentage points	2.40%
			A decrease of 6.52 percentage points

Unit: RMB

Item	Amount for the period from the beginning of the year to the end of the reporting period	Description
Profit/loss from the disposal of non-current assets (including write-off of provision for asset impairment)	-6,697,516.73	
Government subsidies recorded under current profit and loss (excluding those closely related to the business of the Company and entitled to a fixed amount or fixed quantity under the standard of the State)	142,697,408.88	
Income from the difference between the fair value of the identifiable net assets attributable from the investees and investment cost of subsidiaries, associates and joint ventures acquired	300,594.70	
Profit/loss from debt restructuring	-24,611,042.86	
Change in fair value of financial assets and liabilities held for trading and investment income from disposal of financial assets and liabilities held for trading and financial assets held for sale other than financial assets and liabilities held under hedging arrangement in relation to normal business	-5,591,798.20	
Non-operating income and expenses other than those set out above	-1,872,980.26	
Less: Income tax effect	18,448,494.18	
Minority interests after tax	73,417.42	
Total	<u><u>85,702,753.93</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

Total number of shareholders as at the end of the Reporting Period 415,801

Names of shareholders	Nature of shareholders	Shareholding percentage	Number of shares held	Number of shares held subject to sales restriction	Number of shares pledged or charged	
					Status	Number
HKSCC NOMINEES LIMITED	Overseas legal person	18.53%	1,427,626,063	0		
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	16.26%	1,253,314,876	0		
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	5.02%	386,517,443	0		
GOOD EXCEL GROUP LIMITED	Overseas legal person	4.72%	363,936,856	0		
Real Smart International Limited	Overseas legal person	2.19%	168,635,602	0		
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	2.12%	163,364,942	0		
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	2.07%	159,428,548	0		
China Jiayin Investment Co., Ltd.	State-owned legal person	1.80%	138,814,554	0		
Anhui Investment Group Holdings Co., Ltd.	State-owned legal person	0.70%	53,830,563	0		
Guangdong Hengjian Investment Holding Co. Ltd.	State-owned legal person	0.67%	51,955,855	0		

Top ten shareholders not subject to sales restriction

**Number of equity
shares not
subject to sales
restriction**

Class of shares

Name of shareholder	Number of equity shares not subject to sales restriction	Class of shares	Number of share
HKSCC NOMINEES LIMITED	1,427,626,063	Overseas-listed foreign-invested shares	1,427,626,063
State-owned Assets Supervision and Administration Commission of Hunan Provincial 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
GOOD EXCEL GROUP LIMITED	363,936,856	Ordinary shares denominated in RMB	363,936,856
Real Smart International Limited	168,635,602	Ordinary shares denominated in RMB	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	163,364,942	Ordinary shares denominated in RMB	163,364,942
Hony Capital Fund I (Tianjin), L.P.	159,428,548	Ordinary shares denominated in RMB	159,428,548
China Jianyin Investment Co., Ltd.	138,814,554	Ordinary shares denominated in RMB	138,814,554
Anhui Investment Group Holding Co., Ltd.	53,830,563	Ordinary shares denominated in RMB	53,830,563
Guangdong Hengjian Investment Holding Co., Ltd.	51,955,855	Ordinary shares denominated in RMB	51,955,855
Description of the connected relationships or action in concert between the above shareholders	GOOD EXCEL GROUP LIMITED and Real Smart International Limited are parties acting in concert. Changsha Hesheng Science and Technology Investment Co., Ltd. and Changsha Yifang Science and Technology Investment Co., Ltd. are parties acting in concert. It is unknown whether there was any connected relationship between other shareholders or whether other shareholders are parties acting in concert within the meaning of the Administrative Measures for Information Disclosure on Change of the Shareholdings of Listed Companies.		
Description of top ten shareholders not subject to sales restriction participating in securities financing (if any)	N/A		

3. SIGNIFICANT EVENTS

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

Unit: RMB

Item	As at the end of the period (Current period)	As at the beginning of the period (Previous period)	Percentage of changes	Reasons
Financial assets at fair value through profit or loss	—	4,458,007.60	-100.00%	Change in fair value of forward foreign exchange
Prepayments	2,610,780,470.35	524,633,111.56	397.64%	Investment prepayments
Dividends receivable	—	6,063,234.13	-100.00%	Dividends received during the reporting period
Long-term equity investment	256,983,712.96	195,395,231.96	31.52%	Increase in overseas investment
Short-term borrowings	7,849,031,500.10	5,208,330,375.22	50.70%	Increase short-term borrowings to replenish working capital
Short-term factoring borrowings	23,321,904.70	831,935,512.60	-97.20%	Short-term factoring borrowings became due for repayment
Financial liabilities at fair value through profit or loss	1,406,439.59	—	—	Change in fair value of forward foreign exchange
Accrued payroll	210,686,910.56	544,290,202.58	-61.29%	Payment of wages and bonuses for the previous year
Taxes payable	243,290,093.49	1,356,014,848.44	-82.06%	Payment of taxes for the previous year
Interest payable	183,152,021.18	101,762,668.75	79.98%	Provision for interest on bonds
Dividends payable	215,955,204.45	5,440,329.44	3869.52%	Provision for dividends for 2013 during the reporting period
Long-term borrowings	9,563,466,040.01	5,640,899,641.58	69.54%	Change in structure and increase in loans
Other comprehensive income	-151,851,722.68	-113,419,459.58	33.89%	Impacts of changes in exchange rates on currency translation differences
Operating income	19,766,090,961.91	28,897,077,886.35	-31.60%	Continuance of weak market demand due to structural adjustment of macro economy

Item	As at the end of the period (Current period)	As at the beginning of the period (Previous period)	Percentage of changes	Reasons
Taxes and surcharges for operations	132,699,318.40	211,532,880.07	-37.27%	Decrease in value-added tax
Financial expenses	567,315,335.36	-85,121,794.02	—	Mainly attributable to impacts of changes in exchange rates on foreign exchange gains and losses
Gains or losses from changes in fair value	-5,860,664.88	7,426,179.53	—	Change in fair value of forward foreign exchange
Income from investment	13,917,506.91	32,444,399.01	-57.10%	Decrease in profits of associates
Non-operating income	208,315,897.93	115,911,694.15	79.72%	Increase in subsidy income
Non-operating expense	225,616,136.37	173,388,839.02	30.12%	Loss on disposal of assets
Income tax expense	239,744,920.50	729,760,289.01	-67.15%	Decrease in taxable income
Minority interests	26,466,537.57	107,985,971.71	-75.49%	Changes in shareholding structures of subsidiaries
Net cash flow from operating activities	-5,189,603,505.12	8,355,200.64	—	Decrease in non-recourse factoring
Net cash flow from investing activities	-2,338,227,671.68	-1,480,414,612.75	-57.94%	Increase in overseas investment
Net cash flow generated from financing activities	3,551,261,273.09	-3,446,796,820.05	—	Additional borrowings

3.2 Researches, communications and visits to the Company during the reporting period

Date of reception	Place of reception	Activity	Types of guest	Guests	Particulars and information provided
3 September 2014	Shanghai	Strategic meeting	Institution	Nomura Securities	I. Main content 1. Industry development and prospect in the second half of 2014;
15 September 2014	Hong Kong	Strategic meeting	Institution	CLSA	2. History and development, corporate culture, historical operation results and strategic plans of the Company; 3. The competition and advantages of various product segments in the industry; 4. Explanations to other enquiries. II. Information 1. Periodic reports and ad hoc announcements of the Company 2. Brochures of products

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	15,343,551,686.56	20,072,218,953.24
Balance with clearing companies		
Placements with other financial institutions		
Financial assets at fair value through profit or loss		4,458,007.60
Bill receivables	790,765,953.93	855,361,874.63
Account receivables	28,254,451,683.19	27,806,307,708.90
Prepayments	2,610,780,470.35	524,633,111.56
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Interest receivable		
Dividends receivable		6,063,234.13
Other receivables	573,594,726.76	573,274,202.89
Purchases of resold financial assets		
Inventories	11,345,173,115.98	8,747,198,355.13
Assets classified as held-for-sale		
Non-current assets due within one year	12,279,089,763.44	10,229,389,506.98
Other current assets	810,862,978.14	711,053,558.24
Total current assets	72,008,270,378.35	69,529,958,513.30
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	117,781,341.72	145,930,760.44
Held-to-maturity investments		
Long-term receivables	5,594,522,751.06	7,408,098,232.16
Long-term equity investment	256,983,712.96	195,395,231.96
Investment property		
Fixed assets	5,544,733,171.37	5,376,849,583.90
Construction in progress	1,212,026,595.29	1,469,876,130.01
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	3,250,186,379.20	2,930,977,945.18
Development expenses		
Goodwill	1,761,190,114.74	1,835,733,016.54
Long-term deferred expenditures		
Deferred income tax assets	615,055,818.65	644,338,306.28
Other non-current assets		
Total non-current assets	18,352,479,884.99	20,007,199,206.47
Total assets	90,360,750,263.34	89,537,157,719.77

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	7,849,031,500.10	5,208,330,375.22
Short-term factoring borrowings	23,321,904.70	831,935,512.60
Borrowings from central bank		
Deposit received and inter-bank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss	1,406,439.59	
Bills payable	6,040,905,429.75	7,027,481,378.81
Account payable	8,181,498,670.43	8,651,627,429.20
Advances from customers	870,613,897.45	783,391,930.64
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	210,686,910.56	544,290,202.58
Taxes payable	243,290,093.49	1,356,014,848.44
Interest payable	183,152,021.18	101,762,668.75
Dividends payable	215,955,204.45	5,440,329.44
Other payables	4,342,307,827.69	6,040,347,754.34
Reinsurance account payable		
Deposits for insurance contracts		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	2,014,385,233.93	2,472,625,932.06
Other current liabilities		
Total current liabilities	30,176,555,133.32	33,023,248,362.08
Non-current liabilities:		
Long-term borrowings	9,563,466,040.01	5,640,899,641.58
Bonds payable	7,175,361,728.13	7,108,681,780.14
Long-term payables	837,873,601.15	958,894,738.56
Special payables		
Accrued liabilities		
Deferred income tax liabilities	493,798,141.50	468,138,205.04
Other non-current liabilities	242,321,041.15	285,724,671.13
Total non-current liabilities	18,312,820,551.94	14,462,339,036.45
Total liabilities	48,489,375,685.26	47,485,587,398.53
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	7,705,954,050.00	7,705,954,050.00
Other equity instruments		
Capital reserve	13,172,214,521.15	13,172,214,521.15
Less: Treasury shares		
Special reserves	5,739,865.29	5,388,353.45
Other comprehensive income	-151,851,722.68	-113,419,459.58
Surplus reserve	2,901,626,546.30	2,901,626,546.30

Item	Balances at the end of the period	Balances at the beginning of the period
General risk provisions		
Undistributed profit	17,791,690,149.11	17,947,323,289.73
Currency translation differences		
Total owner's equity attributable to the equity holders of the parent company	41,425,373,409.17	41,619,087,301.05
Minority interests	446,001,168.91	432,483,020.19
Total owners' equity (or shareholders' equity)	41,871,374,578.08	42,051,570,321.24
Total liabilities and owners' equity (or shareholders' equity)	90,360,750,263.34	89,537,157,719.77

4.2 Balance Sheet of the Parent Company

Item	Balances at the end of the period	Unit: RMB Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	10,987,846,659.41	13,706,194,633.86
Financial assets at fair value through profit or loss	1,331,279.56	4,458,007.60
Bill receivables	559,299,975.82	587,542,675.20
Account receivables	30,765,401,325.99	29,394,551,930.11
Prepayments	3,148,327,496.62	1,302,127,923.86
Interest receivable		
Dividends receivable		16,732,634.13
Other receivables	4,225,518,348.20	5,075,671,130.87
Inventories	8,620,177,110.59	6,271,087,123.76
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	365,518,842.93	396,634,579.03
Total current assets	58,673,421,039.12	56,755,000,638.42
Non-current assets:		
Available-for-sale financial assets	114,731,341.72	142,880,760.44
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	12,373,563,462.05	11,950,692,607.25
Investment property		
Fixed assets	3,592,491,382.87	3,682,208,048.92
Construction in progress	880,388,334.15	1,048,737,257.60
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	1,461,732,052.23	1,244,005,304.01
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	238,246,634.22	237,200,529.99

Item	Balances at the end of the period	Balances at the beginning of the period
Other non-current assets		
Total non-current assets	18,661,153,207.24	18,305,724,508.21
Total assets	77,334,574,246.36	75,060,725,146.63
Current liabilities:		
Short-term borrowings	4,503,812,664.69	2,116,924,611.59
Short-term factoring borrowings		831,935,512.60
Financial liabilities at fair value through profit or loss		
Bills payable	5,803,621,712.85	6,818,428,234.13
Account payable	10,567,036,235.05	10,955,202,907.22
Advances from customers	655,984,492.98	914,707,604.40
Accrued payroll	86,183,385.36	378,490,247.96
Taxes payable	150,444,898.25	1,156,589,792.33
Interest payable	35,748,375.00	53,622,562.50
Dividends payable	214,083,204.45	1,187,975.20
Other payables	4,785,356,297.08	4,557,197,166.54
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	1,942,937,990.00	1,421,928,035.61
Other current liabilities		
Total current liabilities	28,745,209,255.71	29,206,214,650.08
Non-current liabilities:		
Long-term borrowings	6,442,159,985.00	3,954,039,100.00
Bonds payable	1,097,084,223.42	1,095,802,004.29
Long-term payables		
Special payables		
Accrued liabilities		
Deferred income tax liabilities	76,321.73	668,701.14
Other non-current liabilities	215,395,425.00	220,581,984.00
Total non-current liabilities	7,754,715,955.15	5,271,091,789.43
Total liabilities	36,499,925,210.86	34,477,306,439.51
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	7,705,954,050.00	7,705,954,050.00
Capital reserve	14,613,470,366.00	14,649,381,470.58
Less: Treasury shares		
Special reserves	3,617,067.38	785,200.00
Other comprehensive income	-2,020,400.76	-2,674,080.56
Surplus reserve	2,900,627,300.78	2,900,627,300.78
General risk provisions		
Undistributed profit	15,613,000,652.10	15,329,344,766.32
Currency translation differences		
Total owners' equity (or shareholders' equity)	40,834,649,035.50	40,583,418,707.12
Total liabilities and owners' equity (or shareholders' equity)	77,334,574,246.36	75,060,725,146.63

4.3 Consolidated Income Statement for the Reporting Period

Item	Unit: RMB	
	Amount for the reporting period	Amount for the previous reporting period
I. Total operating income	5,777,303,099.44	8,732,320,690.29
Including: Operating income	5,777,303,099.44	8,732,320,690.29
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	5,653,372,614.00	7,722,465,403.66
Including: Operation cost	4,180,573,228.58	6,132,923,495.93
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 for operations	20,455,335.26	91,174,238.46
Selling expenses	783,886,163.51	854,983,723.70
Administrative expenses	409,317,165.17	409,544,358.05
Financial expenses	173,875,287.13	-55,807,588.18
Losses on assets impairment	85,265,434.35	289,647,175.70
Add: Gains from changes of fair value		
(“-” refers to loss)	8,002,696.73	4,365,855.63
Income from investment (“-” refers to loss)	546,670.95	4,533,073.65
Including: Investment income from associates and joint venture companies		
Exchange gains (“-” refers to loss)		
III. Operating profits (“-” refers to loss)	132,479,853.12	1,018,754,215.91
Add: Non-operating profits	49,111,092.74	40,326,206.01
Less: Non-operating expenses	33,698,973.13	15,132,198.19
Including: Losses on disposal of non-current assets		
IV. Total profits (“-” refers to loss)	147,891,972.73	1,043,948,223.73
Less: Income tax expenses	43,730,718.62	130,023,158.75
V. Net profits (“-” refers to loss)	104,161,254.11	913,925,064.98
Including: Net profits of acquired entity prior to the merger		
Net profits attributable to owners of the parent company	100,201,815.20	889,001,514.39
Net profits attributable to minority interests	3,959,438.91	24,923,550.59

Item	Amount for the reporting period	Amount for the previous reporting period
VI. Earnings per share:		
(1) Basic earnings per share	0.01	0.11
(2) Diluted earnings per share	0.01	0.11
VII. Other comprehensive income	-64,170,587.17	3,772,202.89
Including: Other comprehensive income items not to be reclassified into profit or loss in subsequent accounting periods		
Other comprehensive income items to be reclassified into profit or loss after meeting certain criteria in subsequent accounting periods	-64,170,587.17	3,772,202.89
VIII. Total comprehensive inc	39,990,666.94	917,697,267.87
Total comprehensive income attributable to owners of the parent company	35,984,995.42	899,688,144.47
Total comprehensive income attributable to minority shareholders	4,005,671.52	18,009,123.40

4.4 Income Statement for the Reporting Period of the Parent Company

Unit: RMB

Item	Amount for the reporting period	Amount for the previous reporting period
I. Operating income	4,581,716,399.81	8,329,765,414.80
Less: Operating cost	3,565,000,477.27	6,565,115,844.14
Taxes and surcharges for operations	13,211,138.95	78,581,971.70
Selling expenses	649,197,255.86	771,192,049.08
Administrative expenses	288,010,396.83	360,042,476.63
Financial expenses	-112,636,173.06	-229,270,882.93
Losses on assets impairment	81,332,185.62	144,325,098.49
Add: Gains from changes of fair value (“-” refers to loss)	2,026,517.81	4,365,855.63
Income from investment (“-” refers to loss)	36,462,676.89	89,792,502.86
Including: Investment income from associates and joint venture companies		
II. Operating profits (“-” refers to loss)	136,090,313.04	733,937,216.18
Add: Non-operating profits	17,423,778.65	17,459,891.10
Less: Non-operating expenses	27,452,153.45	12,797,945.91
Including: Losses on disposal of non-current assets		
III. Total profits (“-” refers to loss)	126,061,938.24	738,599,161.37
Less: Income tax expense	21,672,505.14	102,668,937.83
IV. Net profits (“-” refers to loss)	104,389,433.10	635,930,223.54
V. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		
VI. Other comprehensive income	639,240.53	229,590.64
Including: Other comprehensive income items not to be reclassified into profit or loss in subsequent accounting periods		
Other comprehensive income items to be reclassified into profit or loss after meeting certain criteria in subsequent accounting periods	639,240.53	229,590.64
VII. Total comprehensive income	105,028,673.63	636,159,814.18

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

Item	Unit: RMB	
	Amount for the reporting period	Amount for the previous reporting period
I. Total operating income	19,766,090,961.91	28,897,077,886.35
Including: Operating income	19,766,090,961.91	28,897,077,886.35
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	18,490,376,140.55	24,246,809,224.41
Including: Operation cost	14,117,993,730.04	19,823,689,706.38
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 for operations	132,699,318.40	211,532,880.07
Selling expenses	1,949,163,629.78	2,380,887,772.57
Administrative expenses	1,254,740,889.52	1,257,423,875.83
Financial expenses	567,315,335.36	-85,121,794.02
Losses on assets impairment	468,463,237.45	658,396,783.58
Add: Gains from changes of fair value		
(“-” refers to loss)	-5,860,664.88	7,426,179.53
Income from investment (“-” refers to loss)	13,917,506.91	32,444,399.01
Including: Investment income from associates and joint venture companies		
Exchange gains (“-” refers to loss)		
III. Operating profits (“-” refers to loss)	1,283,771,663.39	4,690,139,240.48
Add: Non-operating profits	208,315,897.93	115,911,694.15
Less: Non-operating expenses	225,616,136.37	173,388,839.02
Including: Losses on disposal of non-current assets		
IV. Total profits (“-” refers to loss)	1,266,471,424.95	4,632,662,095.61
Less: Income tax expenses	239,744,920.50	729,760,289.01
V. Net profits (“-” refers to loss)	1,026,726,504.45	3,902,901,806.60
Including: Net profits of acquired entity prior to the merger		
Net profits attributable to owners of the parent company	1,000,259,966.88	3,794,915,834.89
Net profits attributable to minority interests	26,466,537.57	107,985,971.71

Item	Amount for the reporting period	Amount for the previous reporting period
VI. Earnings per share:		
(1) Basic earnings per share	0.13	0.49
(2) Diluted earnings per share	0.13	0.49
VII. Other comprehensive income	-38,386,030.49	-52,622,681.02
Including: Other comprehensive income items not to be reclassified into profit or loss in subsequent accounting periods		
Other comprehensive income items to be reclassified into profit or loss after meeting certain criteria in subsequent accounting periods	-38,386,030.49	-52,622,681.02
VIII. Total comprehensive inc	988,340,473.96	3,850,279,125.58
Total comprehensive income attributable to owners of the parent company	961,827,703.78	3,742,335,648.85
Total comprehensive income attributable to minority shareholders	26,512,770.18	107,943,476.73

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

Item	Amount for the reporting period	Amount for the previous reporting period
		Unit: RMB
I. Operating income	16,154,604,062.18	27,720,423,099.80
Less: Operating cost	12,912,319,131.94	21,185,196,395.87
Taxes and surcharges for operations	98,600,091.01	165,401,033.07
Selling expenses	1,618,843,654.62	2,323,928,233.84
Administrative expenses	914,078,499.94	1,010,065,950.73
Financial expenses	-351,867,347.34	-627,135,806.88
Losses on assets impairment	351,364,527.78	363,585,002.40
Add: Gains from changes of fair value (“-” refers to loss)	-3,126,728.04	7,426,179.53
Income from investment (“-” refers to loss)	922,388,206.33	78,207,577.39
Including: Investment income from associates and joint venture companies		
II. Operating profits (“-” refers to loss)	1,530,526,982.52	3,385,016,047.69
Add: Non-operating profits	146,230,299.30	59,553,446.72
Less: Non-operating expenses	185,980,962.91	163,320,356.62
Including: Losses on disposal of non-current assets		
III. Total profits (“-” refers to loss)	1,490,776,318.91	3,281,249,137.79
Less: Income tax expenses	51,227,325.63	448,491,915.26
IV. Net profits (“-” refers to loss)	1,439,548,993.28	2,832,757,222.53
V. Earnings per share:	—	—
(1) Basic earnings per share		
(2) Diluted earnings per share		

Item	Amount for the reporting period	Amount for the previous reporting period
VI. Other comprehensive income	653,679.80	-475,164.90
Including: Other comprehensive income items not to be reclassified into profit or loss in subsequent accounting periods		
Other comprehensive income items to be reclassified into profit or loss after meeting certain criteria in subsequent accounting periods	653,679.80	-475,164.90
VII. Total comprehensive income	1,440,202,673.08	2,832,282,057.63

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

Item	Unit: RMB	
	Amount for the reporting period	Amount for the previous reporting period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	23,848,952,841.93	31,128,283,254.11
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 disposal of held-for-trading financial assets		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Refunds of taxes received	94,720,728.80	190,174,354.61
Cash received relating to other operating activities	686,335,078.97	589,229,159.43
Sub-total of cash flow from operating activities	24,630,008,649.70	31,907,686,768.15
Cash paid for purchasing goods and receiving services	21,932,576,495.59	23,413,417,592.15
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	2,364,901,939.52	2,698,412,581.07
Cash paid for taxed and surcharges	2,116,688,727.93	3,832,008,754.31
Cash paid relating to other operating activities	3,405,444,991.78	1,955,492,639.98
Sub-total of cash outflow from operating activities	29,819,612,154.82	31,899,331,567.51
Net cash flow from operating activities	-5,189,603,505.12	8,355,200.64

Item	Amount for the reporting period	Amount for the previous reporting period
II. Cash flow from investing activities:		
Cash received from disposal of investments	33,060,000.00	
Cash received from returns on investments	6,063,234.13	3,871,712.20
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	30,285,070.58	42,976,658.60
Net cash received from disposal of subsidiaries or other operating business units		
Cash received relating to other investing activities	721,958,540.78	
Sub-total of cash flow from investing activities	791,366,845.49	46,848,370.80
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	705,036,290.99	907,414,683.74
Cash paid for investment	2,141,359,804.49	22,070,272.88
Net increase in pledge loans		
Net cash paid for acquisition of subsidiaries and other operating business units	283,198,421.69	
Cash paid relating to other investing activities		597,778,026.93
Sub-total of cash outflow investing activities	3,129,594,517.17	1,527,262,983.55
Net cash flow from investing activities	-2,338,227,671.68	-1,480,414,612.75
III. Cash flow generated from financing activities:		
Cash received from investment		1,608,788.13
Including: Cash received by subsidiaries from the investment of minority shareholders		1,608,788.13
Cash received from borrowings	14,009,708,759.30	9,302,703,102.45
Cash received from issuing bonds		
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	14,009,708,759.30	9,304,311,890.58
Cash paid for repaying debts	8,604,787,990.03	9,328,019,829.13
Cash paid for distributing dividends and profits and interest repayment	1,853,659,496.18	1,948,769,723.73
Including: Dividends and profits paid by subsidiaries to minority shareholders	16,075,344.37	41,707,944.00
Cash paid related to other financing activities		1,474,319,157.77
Sub-total of cash outflow from financing activities	10,458,447,486.21	12,751,108,710.63
Net cash flow generated from financing activities	3,551,261,273.09	-3,446,796,820.05
IV. Effect of foreign exchange rate changes to cash and cash equivalents		
	-30,138,822.19	-57,317,045.01
V. Net increase in cash and cash equivalents		
	-4,006,708,725.90	-4,976,173,277.17
Add: Balance of cash and cash equivalents at beginning of period	16,657,419,383.74	20,083,971,225.53
VI. Balance of cash and cash equivalents at end of period		
	12,650,710,657.84	15,107,797,948.36

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

Item	Unit: RMB	
	Amount for the reporting period	Amount for the previous reporting period
1. Cash flow from operating activities:		
Cash received from selling goods and providing services	17,908,482,012.89	31,157,371,986.67
Refunds of taxes received	42,099,078.43	190,094,898.98
Cash received relating to other operating activities	1,006,697,366.51	3,055,546,941.08
Sub-total of cash flow from operating activities	18,957,278,457.83	34,403,013,826.73
Cash paid for purchasing goods and receiving services	19,432,189,607.52	23,003,277,901.05
Cash paid to and for employees	1,748,441,310.25	2,113,419,367.87
Cash paid for taxed and surcharges	1,614,285,341.34	3,005,670,021.68
Cash paid relating to other operating activities	-68,291,530.30	2,034,666,156.14
Sub-total of cash outflow from operating activities	22,726,624,728.81	30,157,033,446.74
Net cash flow from operating activities	-3,769,346,270.98	4,245,980,379.99
II. Cash flow from investing activities:		
Cash received from disposal of investments	33,060,000.00	
Cash received from returns on investments	918,154,113.26	92,879,700.83
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	11,033,369.22	25,249,722.56
Net cash received from disposal of subsidiaries or other operating business units		
Cash received relating to other investing activities		
Sub-total of cash flow from investing activities	962,247,482.48	118,129,423.39
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	480,854,550.30	812,940,099.46
Cash paid for investment	2,461,003,450.00	29,481,500.00
Net cash paid for acquisition of subsidiaries and other operating business units	78,977,703.40	
Cash paid relating to other investing activities	288,237,191.62	261,279,926.85
Sub-total of cash outflow investing activities	3,309,072,895.32	1,103,701,526.31
Net cash flow from investing activities	-2,346,825,412.84	-985,572,102.92

Item	Amount for the reporting period	Amount for the previous reporting period
III. Cash flow generated from financing activities:		
Cash received from investment		
Cash received from borrowings	9,425,534,018.15	6,105,440,625.85
Cash received from issuing bonds		
Cash received related to other financing activities		
Subtotal of cash inflow from financing activities	9,425,534,018.15	6,105,440,625.85
Cash paid for repaying debts	4,895,555,759.84	6,111,747,532.55
Cash paid for distributing dividends and profits and interest repayment	1,425,400,143.09	1,613,338,810.49
Cash paid related to other financing activities		
Sub-total of cash outflow from financing activities	6,320,955,902.93	7,725,086,343.04
Net cash flow generated from financing activities	3,104,578,115.22	-1,619,645,717.19
IV. Effect of foreign exchange rate changes to cash and cash equivalents	5,008,402.53	-2,930,554.99
V. Net increase in cash and cash equivalents	-3,006,585,166.07	1,637,832,004.89
Add: Balance of cash and cash equivalents at beginning of period	11,822,145,379.95	7,079,610,941.98
VI. Balance of cash and cash equivalents at end of period	8,815,560,213.88	8,717,442,946.87

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 2014

As at the date of this announcement, the executive directors of the Company are Dr. Zhan Chunxin and Mr. Liu Quan; the non-executive director is Mr. Qiu Zhongwei; and the independent non-executive directors are Dr. Qian Shizheng, Mr. Wang Zhile and Mr. Lian Weizeng.

* *For identification purpose only*