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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 2016**

### **SUMMARY**

The Board of Zoomlion Heavy Industry Science and Technology Co., Ltd.\* hereby announces the Third Quarterly Report of 2016 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 2016 (the “**Third Quarterly Report of 2016**”, the “**Report**”). The financial data contained in the Report has been prepared in accordance with China Accounting Standards for Business Enterprises. 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 2016 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 2016 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	Change in the end of the reporting period as compared with the end of last year
Total assets (RMB)		92,658,610,231.63	93,723,020,007.67	-1.14%
Net assets attributable to the equity shareholders of the Company (RMB)		37,377,477,968.37	39,936,600,440.37	-6.41%
	The Reporting Period	Increase/ decrease over corresponding period of last year	From the beginning of the year to the end of the reporting period	Change 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)	5,099,044,043.52	16.37%	14,102,837,171.54	-5.69%
Net profit attributable to equity shareholders of the Company (RMB)	34,237,829.89		-802,284,368.12	-54.82%
Net profit after extraordinary gain and loss attributable to equity shareholders of the Company (RMB)	-19,522,350.98	95.01%	-874,319,011.66	-10.66%
Net cash flow from operating activities (RMB)	—	—	355,669,249.35	
Basic earnings per share (RMB/share)	0.01		-0.10	-42.86%
Diluted earnings per share (RMB/share)	0.01		-0.10	-42.86%
Weighted average return on net assets	0.09%	An increase of 0.61 percentage points	-2.05%	A decrease of 0.77 percentage points

<b>Item</b>	Unit: RMB <b>Amount for the period from the beginning of the year to the end of the reporting period</b>
Profit/loss from the disposal of non-current assets (including write-off of provision for asset impairment)	423,441.93
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)	136,993,032.25
The investment cost acquired by the Company from subsidiaries, associates and joint venture companies is less than its investment income generated from the fair value of the identifiable net assets of investees	0.00
Profit or loss of the exchange of non-monetary assets	0.00
Profit/loss from debt restructuring	-24,274,502.14
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	11,925,166.71
Non-operating income and expenses other than those set out above	-18,710,775.77
Less: Income tax effect	15,646,209.30
Minority interests after tax	18,675,510.14
<b>Total</b>	<u><u>72,034,643.54</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 the shareholders as at the end of the Reporting Period	408,818	Total number of holders of preference shares whose right to vote is resumed (if any) as at the end of the reporting period	0
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### Top ten shareholders

Name of shareholders	Nature of shareholders	Shareholding percentage	Number of shares held
HKSCC NOMINEES LIMITED	Overseas legal person	18.08%	1,385,605,803
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	State-owned legal person	16.35%	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	5.04%	386,517,443
China Securities Finance Co., Ltd.	State-owned legal person	3.01%	230,408,951
GOOD EXCEL GROUP LIMITED	Overseas legal person	2.20%	168,635,680
Real Smart International	Overseas legal person	2.20%	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	Domestic non state-owned legal person	2.05%	156,864,942
Central Huijin Asset Management Ltd.	State-owned legal person	1.51%	115,849,400
China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002	Others	0.97%	74,549,938
Hony Capital Fund I (Tianjin), L.P.	Domestic non state-owned legal person	0.84%	64,600,000

## Top ten shareholders not subject to sales restriction

Name of shareholders	Number of shares held not subject to sales restriction	Class of shares	
		Class of shares	Number of shares
HKSCC NOMINEES LIMITED	1,385,605,803	Overseas listed foreign shares	1,385,605,803
State-owned Assets Supervision and Administration Commission of Hunan Provincial People's Government	1,253,314,876	Renminbi ordinary shares	1,253,314,876
Changsha Hesheng Science and Technology Investment Co., Ltd.	386,517,443	Renminbi ordinary shares	386,517,443
China Securities Finance Co., Ltd.	230,408,951	Renminbi ordinary shares	230,408,951
GOOD EXCEL GROUP LIMITED	168,635,680	Renminbi ordinary shares	168,635,680
Real Smart International	168,635,602	Renminbi ordinary shares	168,635,602
Changsha Yifang Science and Technology Investment Co., Ltd.	156,864,942	Renminbi ordinary shares	156,864,942
Central Huijin Asset Management Ltd.	115,849,400	Renminbi ordinary shares	115,849,400
China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002	74,549,938	Renminbi ordinary shares	74,549,938
Hony Capital Fund I (Tianjin), L.P.	64,600,000	Renminbi ordinary shares	64,600,000
Descriptions of any connected party relationships or concerted party relationships among the above shareholders	As at 30th September, 2016, Changsha Hesheng Science and Technology Investment Co., Ltd., Changsha Yifang Science and Technology Investment Co., Ltd., and GOOD EXCEL GROUP LIMITED are parties acting in concert, and the Company is not aware of other connected party relationships among other holders of shares not subject to sales restriction.		

### §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

Items	Amount at the end of the period	Amount at the beginning of the period	Percentage of changes	Reason of changes as compared with the beginning of the year
Bill receivables	2,465,066,935.10	1,186,077,418.79	107.83%	Mainly attributable to the decrease in discounted notes and endorsement.
Investment property	65,648,137.54			Mainly attributable to the income brought by the expansion of new merger.
Deferred income tax assets	1,144,471,716.01	855,386,684.99	33.80%	Mainly attributable to the increase of deductible temporary differences.
Other non-current assets	30,000,000.00	—		Mainly attributable to prepayment of investment.
Short-term factoring borrowings	9,620,145.26	4,353,591.26	120.97%	Mainly attributable to the increase in factor borrowing.
Financial liabilities at fair value through profit or loss	1,590,870.53	41,268,197.24	-96.15%	Mainly attributable to the due settlement of forward foreign exchange.
Accrued payroll	121,789,226.14	197,962,157.08	-38.48%	Mainly attributable to the payment of salary and bonus for the pervious year
Interest payable	660,238,959.25	213,644,945.81	209.04%	Mainly attributable to the effect of the interests of medium-term notes
Dividends payable	24,906,860.04	8,431,784.03	195.39%	Mainly attributable to the declaration and distribution of dividend for 2015 during the reporting period, and that the payment of dividend has not yet been completed.
Non-current liabilities due within one year	3,353,821,726.11	5,463,126,881.60	-38.61%	Mainly attributable to the Company's repayment of liabilities due within 1 year.
Other current liabilities	4,072,000,000.00			Mainly attributable to issuance of super short-term commercial paper.

Items	Amount at the end of the period	Amount at the beginning of the period	Percentage of changes	Reason of changes as compared with the beginning of the year
Long-term payables	233,093,178.51	355,360,207.08	-34.41%	Mainly attributable to the decrease in financial leasing business and deposit.
Other non-current liabilities	331,923,717.08			Mainly attributable to the effect of selling options arising from the acquisition of 納都勒公司.
Special reserves	17,474,654.34	11,245,106.20	55.40%	Mainly attributable to the withdrawal of the Safe Production special reserves.
Minority interests	1,003,951,036.33	672,504,497.82	49.29%	Mainly attributable to the effects of the addition of a non-wholly owned subsidiaries during the reporting period.
Losses on assets impairment	565,664,905.01	397,012,623.33	42.48%	Mainly attributable to increase in receivables provided for
Gains from changes of fair value	-964,361.69	-8,143,336.34	88.16%	Mainly attributable to the effects of due settlement of forward foreign exchange.
Income from investment	17,237,445.72	67,596,051.69	-74.50%	Mainly attributable to the effects of due settlement of forward foreign exchange.
Non-operating profits	183,539,937.33	378,228,990.33	-51.47%	Mainly attributable to the decrease in subsidy income.
Non-operating expenses	89,108,741.06	67,137,856.04	32.73%	Mainly attributable to the loss of disposal of assets.
Income tax expenses	-130,825,230.95	-28,388,627.22	-360.84%	Mainly attributable to the increase of deductible temporary differences.
Net cash flow from operating activities	355,669,249.35	-3,097,574,316.00		Mainly attributable to decrease in purchase amount.
Net cash flow from investing activities	-450,635,111.37	1,850,161,689.73		Mainly attributable to the cash inflow from consolidation and the effect of disposal of investments.
Net cash flow from financing activities	-3,691,130,367.13	516,431,905.65		Mainly attributable to increase in repayment of borrowing.

## §4. Appendix

### 4.1 Consolidated Balance Sheet

	Unit: RMB	
Item	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	9,787,461,171.70	13,535,350,463.53
Balance with clearing companies		
Placements with other financial institutions		
Financial assets at fair value through profit or loss	14,672,775.36	15,646,907.05
Derivative financial assets		
Bill receivables	2,465,066.935.10	1,186,077,418.79
Account receivables	31,036,553,035.14	29,744,509,323.58
Prepayments	383,517,139.24	347,197,829.82
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contract		
Interest receivable		
Dividends receivable	13,175,136.50	13,175,136.50
Other receivables	1,288,964,052.16	1,410,113,763.32
Purchases of resold financial assets		
Inventories	13,975,294,915.13	14,082,903,073.89
Assets classified as held-for-sale		
Non-current assets due within one year	12,612,530,065.81	12,645,266,868.29
Other current assets	1,600,321,147.59	1,604,611,398.62
<b>Total current assets</b>	<b>73,177,556,373.73</b>	<b>74,584,852,183.39</b>
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	208,325,161.49	181,036,417.59
Held-to-maturity investments		
Long-term receivables	2,271,116,581.72	2,593,608,237.17
Long-term equity investment	267,748,662.36	208,454,569.31
Investment property	65,648,137.54	
Fixed assets	7,577,956,789.79	7,800,033,385.31
Construction in progress	743,609,199.59	720,170,629.72
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	4,901,582,164.56	4,639,934,358.53
Development expenses	117,452,553.21	93,265,323.60
Goodwill	2,139,487,098.13	2,032,523,498.75
Long-term deferred expenditures	13,655,793.50	13,754,719.31
Deferred income tax assets	1,144,471,716.01	855,386,684.99
Other non-current assets	30,000,000.00	
<b>Total non-current assets</b>	<b>19,481,053,857.90</b>	<b>19,138,167,824.28</b>
<b>Total assets</b>	<b>92,658,610,231.63</b>	<b>93,723,020,007.67</b>

Item	Balances at the end of the period	Balances at the beginning of the period
Current liabilities:		
Short-term borrowings	5,758,662,361.70	7,818,558,712.56
Borrowings from the Central Bank		
Short-term factoring borrowings	9,620,145.26	4,353,591.26
Deposit received and inter-bank deposit		
Capital borrowed		
Financial liabilities at fair value through profit or loss	1,590,870.53	41,268,197.24
Derivative financial liabilities		
Bills payable	6,174,659,234.60	5,674,402,528.68
Account payable	6,965,113,932.96	6,393,055,129.25
Advances from customers	779,264,944.40	778,751,319.30
Funds from disposal of repurchased financial assets		
Handling charges and commissions payable		
Accrued payroll	121,789,226.14	197,962,157.08
Taxes payable	357,516,016.91	358,104,379.84
Interest payable	660,238,959.25	213,644,945.81
Dividends payable	24,906,860.04	8,431,784.03
Other payables	3,369,953,591.21	3,230,997,838.93
Reinsurance account payable		
Deposits for insurance contract		
Customer deposit for trading in securities		
Customer deposits for securities underwriting		
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	3,353,821,726.11	5,463,126,881.60
Other current liabilities	4,072,000,000.00	
<b>Total current liabilities</b>	<b>31,649,137,869.11</b>	<b>30,182,657,465.58</b>
Non-current liabilities:		
Long-term borrowings	8,240,273,228.42	6,453,054,600.00
Bonds payable	12,953,834,534.64	15,428,255,260.40
Including: Preference shares		
Perpetual liabilities		
Long-term payables	233,093,178.51	355,360,207.08
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	330,270,244.41	255,435,571.86
Deferred income tax liabilities	538,648,454.76	439,151,964.56
Other non-current liabilities	331,923,717.08	
<b>Total non-current liabilities</b>	<b>22,628,043,357.82</b>	<b>22,931,257,603.90</b>
<b>Total liabilities</b>	<b>54,277,181,226.93</b>	<b>53,113,915,069.48</b>

Item	Balances at the end of the period	Balances at the beginning of the period
Owners' equity:		
Share capital	7,664,132,250.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	12,627,376,756.14	13,065,494,649.57
Less: Treasury shares		
Other comprehensive income	-964,896,179.60	-789,566,258.50
Special reserves	17,474,654.34	11,245,106.20
Surplus reserve	2,917,182,178.98	2,917,182,178.98
General risk provisions		
Undistributed profit	15,116,208,308.51	17,068,112,514.12
<b>Total owner's equity attributable to the equity holders of the parent company</b>	<b>37,377,477,968.37</b>	<b>39,936,600,440.37</b>
Minority interests	1,003,951,036.33	672,504,497.82
<b>Total owners' equity</b>	<b>38,381,429,004.70</b>	<b>40,609,104,938.19</b>
<b>Total liabilities and owners' equity</b>	<b>92,658,610,231.63</b>	<b>93,723,020,007.67</b>

#### 4.2 Balance Sheet of the Parent Company

Unit: RMB		
Item	Balances at the end of the period	Balances at the beginning of the period
Current assets:		
Cash and cash equivalents	6,197,674,592.64	7,595,637,679.72
Financial assets at fair value through profit or loss	14,672,775.36	15,646,907.05
Derivative financial assets		
Bill receivables	1,904,561,170.82	890,687,323.58
Account receivables	32,486,357,110.35	31,981,806,709.86
Prepayments	834,009,482.88	840,429,231.81
Interest receivable		
Dividends receivable	13,175,136.50	13,175,136.50
Other receivables	6,560,411,636.45	3,078,406,431.29
Inventories	10,675,165,727.15	10,873,762,983.16
Assets classified as held-for-sale		
Non-current assets due within one year		
Other current assets	668,182,178.68	653,375,172.82
<b>Total current assets</b>	<b>59,354,209,810.83</b>	<b>55,942,927,575.79</b>

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current assets:		
Available-for-sale financial assets	203,950,639.12	177,986,417.59
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	16,279,698,971.12	16,216,631,172.48
Investment property		
Fixed assets	4,118,875,423.89	4,398,646,738.00
Construction in progress	500,252,102.38	520,569,468.78
Construction materials		
Disposal of fixed assets		
Biological assets for production		
Oil and gas assets		
Intangible assets	1,511,261,974.88	1,560,915,634.89
Development expenses	52,296,184.12	30,680,195.65
Goodwill		
Long-term deferred expenditures	8,024,593.12	9,267,639.48
Deferred income tax assets	488,031,369.68	340,430,258.75
Other non-current assets	30,000,000.00	
<b>Total non-current assets</b>	<b>23,192,391,258.31</b>	<b>23,255,127,525.62</b>
<b>Total assets</b>	<b>82,546,601,069.14</b>	<b>79,198,055,101.41</b>
Current liabilities:		
Short-term borrowings	5,103,074,112.97	3,838,410,166.75
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	5,038,819,339.10	4,582,638,586.48
Account payable	8,897,688,047.80	8,506,961,450.48
Advances from customers	1,134,531,300.62	605,548,436.28
Accrued payroll	3,670,478.80	44,732,072.39
Taxes payable	176,860,321.68	149,772,867.24
Interest payable	500,250,000.00	162,372,561.78
Dividends payable	24,906,860.04	8,431,784.03
Other payables	4,454,202,343.62	3,717,833,649.83
Liabilities classified as held-for-sale		
Non-current liabilities due within one year	673,052,880.00	3,493,163,824.37
Other current liabilities	3,700,000,000.00	
<b>Total current liabilities</b>	<b>29,707,055,684.63</b>	<b>25,109,865,399.63</b>

Item	Balances at the end of the period	Balances at the beginning of the period
Non-current liabilities:		
Long-term borrowings	6,417,985,520.00	5,803,564,600.00
Bonds payable	8,993,877,189.85	8,992,935,899.50
Including: Preference shares		
Perpetual liabilities		
Long-term payables		
Long-term accrued payroll		
Special payables		
Accrued liabilities		
Deferred income	206,411,920.80	214,870,990.80
Deferred income tax liabilities	2,452,166.73	2,697,980.83
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>15,620,726,797.38</b>	<b>15,014,069,471.13</b>
<b>Total liabilities</b>	<b>45,327,782,482.01</b>	<b>40,123,934,870.76</b>
Owners' equity:		
Share capital	7,664,132,250.00	7,664,132,250.00
Other equity instruments		
Including: Preference shares		
Perpetual liabilities		
Capital reserve	14,562,774,117.38	14,562,774,117.38
Less: Treasury shares		
Other comprehensive income	1,391,164.96	2,006,079.37
Special reserves	910,629.54	870,200.00
Surplus reserve	2,916,182,933.46	2,916,182,933.46
Undistributed profit	12,073,427,491.79	13,928,154,650.44
<b>Total owners' equity</b>	<b>37,218,818,587.13</b>	<b>39,074,120,230.65</b>
<b>Total liabilities and owners' equity</b>	<b>82,546,601,069.14</b>	<b>79,198,055,101.41</b>

### 4.3 Consolidated Income Statement during the reporting period

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Total operating income	5,099,044,043.52	4,381,764,777.22
Including: Operating income	5,099,044,043.52	4,381,764,777.22
Interest income		
Premium received		
Handling fee and commission income		
II. Total operation costs	5,112,774,101.84	4,854,208,087.81
Including: Operation cost	3,740,187,353.84	3,108,090,454.63
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	22,011,172.38	19,430,155.37
Selling expenses	472,784,841.69	619,460,263.85
Administrative expenses	461,095,038.04	418,661,575.21
Financial expenses	309,643,048.23	764,366,074.24
Losses on assets impairment	107,052,647.66	-75,800,435.49
Add: Gains from changes of fair value		
(“-” refers to loss)	-48,790,051.03	-16,714,270.53
Income from investment (“-” refers to loss)	54,740,950.27	18,083,588.01
Exchange gains (“-” refers to loss)		
III. Operating profits (“-” refers to loss)	-7,779,159.08	-471,073,993.11
Add: Non-operating profits	85,478,898.71	240,677,237.32
Less: Non-operating expenses	13,350,234.97	24,607,248.80
IV. Total profits (“-” refers to total loss)	64,349,504.66	-255,004,004.59
Less: Income tax expenses	13,041,317.44	-48,269,244.70
V. Net profits (“-” refers to net loss)	51,308,187.22	-206,734,759.89
Net profits attributable to owners of the parent company	34,237,829.89	-208,365,494.27
Net profits attributable to minority interests	17,070,357.33	1,630,734.38

Item	Amount during the reporting period	Amount during the previous period
VI. Net amount of other comprehensive income after tax	-11,302,479.53	-335,720,762.54
Net amount of other comprehensive income after tax attributable to owners of the parent company	-11,302,479.53	-335,720,762.54
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-11,302,479.53	-335,720,762.54
1. Share of other comprehensive income of the investees which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets	291,175.80	-2,067,513.28
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements	-11,593,655.33	-333,653,249.26
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	40,005,707.69	-542,455,522.43
Total comprehensive income attributable to owners of the parent company	22,935,350.37	-544,086,256.81
Total comprehensive income attributable to minority shareholders	17,070,357.32	1,630,734.38
VIII. Earnings per share:		
(1) Basic earnings per share	0.01	-0.03
(2) Diluted earnings per share	0.01	-0.03

#### 4.4 Income Statement of the Parent Company during the reporting period

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Operating income	3,439,091,481.87	2,762,992,748.92
Less: Operating cost	2,653,613,938.59	2,307,924,047.23
Taxes and surcharges for operations	14,998,229.41	3,679,236.05
Selling expenses	322,623,705.03	391,226,946.17
Administrative expenses	250,727,261.69	234,364,596.50
Financial expenses	154,482,702.07	433,582,267.27
Losses on assets impairment	106,032,638.02	-54,039,910.99
Add: Gains from changes of fair value		
("-" refers to loss)	-7,280,991.30	-489,840.34
Income from investment ("-" refers to loss)	16,945,306.22	52,327,689.96
II. Operating profits ("-" refers to loss)	-53,722,678.02	-501,906,583.69
Add: Non-operating profits	15,292,126.84	221,651,374.71
Less: Non-operating expenses	9,282,889.07	20,137,804.55
III. Total profits ("-" refers to total loss)	-47,713,440.25	-300,393,013.53
Less: Income tax expense	-9,815,344.38	-69,301,443.03
IV. Net profits ("-" refers to net loss)	-37,898,095.87	-231,091,570.50
V. Net amount of other comprehensive income after tax	291,175.80	-2,067,513.28
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes of net liabilities or net assets from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	291,175.80	-2,067,513.28
1. Share of other comprehensive income of the investees company which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets	291,175.80	-2,067,513.28

Item	Amount during the reporting period	Amount during the previous period
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements		
6. Others		
VI. Total comprehensive income	-37,606,920.07	-233,159,083.78
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 reporting period	Amount during the previous period	
I. Total operating income	14,102,837,171.54	14,953,114,785.92	
Including: Operating income	14,102,837,171.54	14,953,114,785.92	
Interest income			
Premium received			
Handling fee and commission income			
II. Total operation costs	15,125,217,579.43	15,893,658,743.56	
Including: Operation cost	10,520,557,785.73	11,150,352,623.55	
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	93,472,068.03	76,667,853.98	
Selling expenses	1,522,998,845.22	1,764,040,798.82	
Administrative expenses	1,425,523,411.85	1,321,441,142.94	
Financial expenses	997,000,563.59	1,184,143,700.94	
Losses on assets impairment	565,664,905.01	397,012,623.33	

Item	Amount during the reporting period	Amount during the previous period
Add: Gains from changes of fair value ("-" refers to loss)	-964,361.69	-8,143,336.34
Income from investment ("-" refers to loss)	17,237,445.72	67,596,051.69
Exchange gains ("-" refers to loss)		
III. Operating profits ("-" refers to loss)	-1,006,107,323.86	-881,091,242.29
Add: Non-operating profits	183,539,937.33	378,228,990.33
Less: Non-operating expenses	89,108,741.06	67,137,856.04
IV. Total profits ("-" refers to total loss)	-911,676,127.59	-570,000,108.00
Less: Income tax expenses	-130,825,230.95	-28,388,627.22
V. Net profits ("-" refers to net loss)	-780,850,896.64	-541,611,480.78
Net profits attributable to owners of the parent company	-802,284,368.12	-518,198,060.30
Net profits attributable to minority interests	21,433,471.48	-23,413,420.48
VI. Net amount of other comprehensive income after tax	-175,329,921.11	-349,395,629.51
Net amount of other comprehensive income after tax attributable to owners of the parent company	-175,329,921.11	-349,395,629.51
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes of net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-175,329,921.11	-349,395,629.51
1. Share of other comprehensive income of the investees which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets	-614,914.41	1,417,544.38
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		

Item	Amount during the reporting period	Amount during the previous period
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements	-174,715,006.70	-350,813,173.89
6. Others		
Net amount of other comprehensive income after tax attributable to minority shareholders		
VII. Total comprehensive income	-956,180,817.75	-891,007,110.29
Total comprehensive income attributable to owners of the parent company	-977,614,289.22	-867,593,689.81
Total comprehensive income attributable to minority shareholders	21,433,471.47	-23,413,420.48
VIII. Earnings per share:		
(1) Basic earnings per share	-0.10	-0.07
(2) Diluted earnings per share	-0.10	-0.07

#### 4.6 Income Statement of Parent Company from Beginning of Year to End of Reporting Period

			Unit: RMB	
Item	Amount during the reporting period	Amount during the previous period		
I. Operating income	8,558,868,288.27	9,523,603,774.23		
Less: Operating cost	6,579,388,005.33	7,688,825,817.97		
Taxes and surcharges for operations	58,802,678.35	28,906,991.83		
Selling expenses	998,630,041.14	1,191,738,463.14		
Administrative expenses	817,775,944.65	789,229,000.45		
Financial expenses	583,407,107.11	391,757,920.96		
Losses on assets impairment	449,893,915.47	302,597,015.73		
Add: Gains from changes of fair value (“-” refers to loss)	-964,361.69	-3,028,085.52		
Income from investment (“-” refers to loss)	50,659,905.89	65,880,136.60		
II. Operating profits (“-” refers to loss)	-879,333,859.58	-806,599,384.77		
Add: Non-operating profits	87,510,893.22	262,690,228.01		
Less: Non-operating expenses	60,577,306.04	51,164,352.36		

<b>Item</b>	<b>Amount during the reporting period</b>	<b>Amount during the previous period</b>
III. Total profits (“-” refers to total loss)	-852,400,272.40	-595,073,509.12
Less: Income tax expenses	-147,292,951.27	-137,046,297.13
IV. Net profits (“-” refers to net loss)	-705,107,321.13	-458,027,211.99
V. Net amount of other comprehensive income after tax	-614,914.41	1,417,544.38
(I) Other comprehensive income not to be reclassified into profit or loss subsequently		
1. Changes of net liabilities or net assets from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of the investees which cannot be reclassified into profit or loss under equity method		
(II) Other comprehensive income to be reclassified into profit or loss subsequently	-614,914.41	1,417,544.38
1. Share of other comprehensive income of the investees company which can be reclassified into profit or loss under equity method subsequently		
2. Profit or loss from the change of fair value of available-for-sale financial assets	-614,914.41	1,417,544.38
3. Profit or loss from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of profit or loss from cash flows hedges		
5. Exchange differences from translation of financial statements		
6. Others		
VI. Total comprehensive income	-705,722,235.54	-456,609,667.61
VII. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		

#### 4.7 Consolidated Cash Flow Statement from Beginning of Year to End of Reporting Period

Unit: RMB

Item	Amount during the reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	12,618,779,946.71	15,273,321,698.35
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in policy holder deposits and investments funds		
Net increase in the disposal of financial assets at fair value through profit or loss		
Cash received from interest, fees and commissions		
Net increase in capital borrowed		
Net increase in income from repurchase business		
Refunds of taxes received	109,587,695.84	218,283,487.25
Cash received relating to other operating activities	801,836,657.46	965,085,576.09
Sub-total of cash inflow from operating activities	13,530,204,300.01	16,456,690,761.69
Cash paid for purchasing goods and receiving services	8,973,027,564.46	13,864,593,057.01
Net increase in customer loans and advances to customers		
Net increase in deposit in central bank and due to banks and other financial institutions		
Cash paid for original insurance contract claimed		
Cash paid for interest, fees and commissions		
Cash paid for policy holder dividend		
Cash paid to and for employees	1,890,287,190.07	2,204,204,524.36
Cash paid for taxes and surcharges	720,041,301.00	726,460,544.62
Cash paid relating to other operating activities	1,591,178,995.13	2,759,006,951.70
Sub-total of cash outflow from operating activities	13,174,535,050.66	19,554,265,077.69
Net cash flow from operating activities	355,669,249.35	-3,097,574,316.00

Item	Amount during the reporting period	Amount during the previous period
II. Cash flow from investing activities:		
Cash received from disposal of investments	10,344,259.72	
Cash received from returns on investments	400,070.10	7,693,687.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	148,825,563.26	31,931,177.17
Net cash received from disposal of subsidiaries and other operating business		
Cash received relating to other investing activities	27,000,000.00	2,205,138,710.62
Net cash received from subsidiaries and other operating business units		1,005,488,491.25
Sub-total of cash inflow from investing activities	186,569,893.08	3,250,252,066.58
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	417,232,456.22	400,090,376.85
Cash paid for investment	75,136,862.37	
Net increase in pledge loans		
Net cash received from subsidiaries and other operating business units	34,491,356.19	
Cash paid relating to other investing activities	110,344,329.67	1,000,000,000.00
Sub-total of cash outflow from investing activities	637,205,004.45	1,400,090,376.85
Net cash flow from investing activities	-450,635,111.37	1,850,161,689.73
III. Cash flow generated from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from the investment of minority shareholders		
Cash received from borrowings	15,803,230,168.75	12,625,529,340.92
Cash received from issuing bonds	6,200,000,000.00	
Cash received related to other financing activities		
Sub-total of cash inflow from financing activities	22,003,230,168.75	12,625,529,340.92
Cash paid for repaying debts	23,780,077,029.57	10,206,061,552.27
Cash paid for distributing dividends and profits and interest repayment	1,862,868,714.24	1,177,108,150.44
Including: Dividends and profits paid by subsidiaries to minority shareholders	10,500,000.00	17,217,000.00
Cash paid related to other financing activities	51,414,792.07	725,927,732.56
Sub-total of cash outflow from financing activities	25,694,360,535.88	12,109,097,435.27
Net cash flow generated from financing activities	-3,691,130,367.13	516,431,905.65
IV. Effect of foreign exchange rate changes to cash and cash equivalents	-47,526,541.66	-60,895,809.00
V. Net increase in cash and cash equivalents	-3,833,622,770.81	-791,876,529.62
Add: Balance of cash and cash equivalents at beginning of period	11,486,750,848.39	14,483,416,992.37
VI. Balance of cash and cash equivalents at end of period	7,653,128,077.58	13,691,540,462.75

#### 4.8 Cash Flow Statement of Parent Company from Beginning of Year to End of Reporting Period

Item	Unit: RMB	
	Amount during the reporting period	Amount during the previous period
I. Cash flow from operating activities:		
Cash received from selling goods and providing services	8,401,094,549.59	8,885,634,806.66
Refunds of taxes received	29,005,154.10	172,551,865.12
Cash received relating to other operating activities	1,017,727,237.29	1,069,966,528.39
Sub-total of cash inflow from operating activities	9,447,826,940.98	10,128,153,200.17
Cash paid for purchasing goods and receiving services	5,793,144,114.66	8,776,722,584.89
Cash paid to and for employees	1,028,288,378.90	1,272,514,630.82
Cash paid for taxes and surcharges	278,909,667.72	368,142,137.55
Cash paid relating to other operating activities	4,524,280,400.40	2,129,999,763.10
Sub-total of cash outflow from operating activities	11,624,622,561.67	12,547,379,116.36
Net cash flow from operating activities	-2,176,795,620.69	-2,419,225,916.19
II. Cash flow from investing activities:		
Cash received from disposal of investments	10,344,259.72	878,093,790.00
Cash received from returns on investments	37,761,561.89	50,293,087.54
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	128,505,454.07	10,047,271.05
Net cash received from disposal of subsidiaries and other operating business units		
Cash received relating to other investing activities	402,486,073.23	1,681,141,028.38
Sub-total of cash inflow from investing activities	579,097,348.91	2,619,575,176.97
Cash paid for acquisition and construction of fixed assets, intangible assets and other long-term assets	284,657,835.98	250,401,750.36
Cash paid for investment	133,243,700.00	162,914,607.00
Net cash paid for acquisition of subsidiaries and other operating business units		1,415,656,148.00
Cash paid relating to other investing activities		1,000,000,000.00
Sub-total of cash outflow investing activities	417,901,535.98	2,828,972,505.36
Net cash flow from investing activities	161,195,812.93	-209,397,328.39
III. Cash flow generated from financing activities:		
Cash received from investment		
Cash received from borrowings	12,731,658,573.60	8,907,545,075.00
Cash received from issuing bonds	6,200,000,000.00	
Cash received related to other financing activities		
Subtotal of cash inflow from financing activities	18,931,658,573.60	8,907,545,075.00
Cash paid for repaying debts	16,323,980,175.38	5,664,036,550.88
Cash paid for distributing dividends and profits and interest repayment	1,611,355,434.83	919,457,926.00
Cash paid related to other financing activities		127,603,575.39
Sub-total of cash outflow from financing activities	17,935,335,610.21	6,711,098,052.27
Net cash flow generated from financing activities	996,322,963.39	2,196,447,022.73

<b>Item</b>	<b>Amount during the reporting period</b>	<b>Amount during the previous period</b>
IV. Effect of foreign exchange rate changes to cash and cash equivalents	23,799,830.52	15,261,412.81
V. Net increase in cash and cash equivalents	-995,477,013.85	-416,914,809.04
Add: Balance of cash and cash equivalents at beginning of period	6,309,775,143.79	11,233,634,029.11
VI. Balance of cash and cash equivalents at end of period	5,314,298,129.94	10,816,719,220.07

#### **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, 28 October 2016

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

\* *For identification purpose only*