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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)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Zoomlion Heavy Industry Science and Technology Co., Ltd.* (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The Company and all members of the board of directors confirm that all the information contained in this announcement is true, accurate and complete and that there is no false and misleading statement or material omission herein.

I. Estimated results of the period

1. Period to which the estimated results apply: 1 January 2016 to 31 December 2016
2. Type of estimated performance results: loss
3. Estimated results are as follows (estimated in accordance with China Accounting Standards for Business Enterprises):

Item	1 January 2016 to 31 December 2016	1 January 2015 to 31 December 2015
Net profit attributable to the equity shareholders of the Company	Loss: RMB700,000,000 to RMB800,000,000	Profit: RMB83,467,424
Basic earnings per share	Loss: RMB0.09 to RMB0.10	Profit: RMB0.01

II. Unaudited figures

This announcement is only based on the preliminary review of the unaudited management accounts of the Company, which has not been confirmed nor audited by the Company's auditors. No figures of the estimated results contained in this announcement have been audited by any certified public accountants firm.

III. Reasons for estimated decrease in the results

During the Reporting Period, the net profit for the full year of the Company was negative due to the factors including the continued shrink in the construction machinery industry in the first half of the year, the compensation for loss of office and the change in structure for sales of products.

In the second half of 2016, the construction machinery industry in China gradually picked up and the growth rate rebounded significantly, as a result, the operation of the Company has been also stabilised and improved. The Company preliminarily expected a year-on-year increase in the operating income of the Company in the second half of 2016, the net profit will be profitable in the second half of the year, and the operating cash flow has achieved its first positive result in recent three years, representing a significant improvement compared to 2015.

Since the beginning of this round of adjustment for the construction machinery industry, the Company actively carried forward its industrial transformation and upgrading and management reform. The Company proactively carried out the regional marketing reform, which was further close to its market and customers, and established a brand-new model of leading overall markets by regional markets, achieved simplified organizational workflow and streamlined staff, as well as steadily launched a series of "4.0 products" to promote product upgrading. Based on the abovementioned measures, the staff of the Company have been optimized and its management has gained a more horizontal and efficient organizational structure. Also, the sales cost has been reduced and the quality of its products has been enhanced and thus its industrial structure has become more reasonable, offering a solid foundation for its future development.

IV. Others

Details of the financial information of the Company for the year 2016 will be disclosed in the 2016 annual report of the Company.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Changsha, the PRC, 24 January 2017

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