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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)

ANNOUNCEMENT

This announcement is made by Zoomlion Heavy Industry Science and Technology Co., Ltd. (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance.

The board of directors (the “**Board**”) of the Company noted a press article dated 27 May 2013 (the “**Press Article**”) which contained certain allegations relating to the Company’s financial information.

The Company wishes to clarify its position with regard to the Press Article and state as follows:

1. All the allegations relating to fictitious sales referred to in the Press Release are false, groundless and misleading.
2. For the period from August 2012 to November 2012, the aggregate sales of the Group in the Central China Region was RMB908 million, and the aggregate amounts of products returned in the same region was RMB567 million. For the year ended 31 December 2012, the total sales of the Group in the Central China Region was RMB6.088 billion and the total amount of products returned in the same region was RMB1.364 billion.
3. In the course of operation of the Company, exchange or replacement of products does occur but it is also the normal practice of other industries and companies. The exchange or replacement of goods is due to reasons including product defects, change in commercial terms, change in consumers’ specifications and requirements, technological advancement and risk control measures of the Company, etc. All incidents relating to exchange and replacement of products of the Company were recognized strictly in accordance with the applicable accounting standards. The aggregate sales amount of the Company in the period from August 2012 to November 2012 was comparatively less than that of the whole year of 2012 and the aggregate amount of products returned in the same period was higher than that of the whole year of 2012 due to the following reasons: the continual market decline which was beyond expectation, stringent commercial terms of contracts and the overall strengthened risk control of the Company, etc.

4. The Press Article refers to certain information regarding three of the Company's customers. The Company wishes to clarify as follows:

- (a) Hunan Qirun Industrial Co., Ltd. (湖南祺潤工業有限公司) is a company established in 2011 and relocated to the Hanshou Economic Development Zone and Industrial Park (Taizimiao Industrial Park) in mid-2011 with an area of approximately 100 mu. Currently, the construction of its factory has been completed.

In 2012, the sales revenue of the Company derived from such customer was RMB31.588 million, of which RMB31.588 million was attributable by concrete machinery and equipment.

- (b) Wuhan Yeed Construction Services Co., Ltd. (武漢翼達建設服務股份有限公司) is a leading player in construction machinery service company in China and also a conglomerate providing comprehensive services including production, leasing, training and agency sales. It has a registered capital of RMB225 million and total assets of RMB1.5 billion, and approximately 3,000 employees. Its headquarters is located at Hubei Gedian Economic Development Zone, an economic and development zone at the state level. It has more than 20 branches and offices located in different places including Beijing, Shanghai, Tianjin, Nanjing, Ezhou, Chongqing, Hunan, Lanzhou, Jiangxi, Kunming, Hefei, Fujian, Yunan, etc, in the PRC.

In 2012, the sales revenue of the Company derived from such customer was RMB275.1236 million, of which RMB181.4804 million was attributable by concrete machinery and equipment.

- (c) Mr Wu Pingren (吳平仁) is one of the truck-mounted pump lessees owning the largest number of truck-mounted pumps in Jiangxi, having 15 years of experience in the construction machinery leasing industry. The registered company under his control is Jiangxi Dingsheng Machinery and Equipment Co., Ltd.(江西鼎盛機械設備有限公司), which now has approximately 150 employees, engaging in the leasing of concrete machinery and equipment and provision of on-site concrete mixing and earth works service.

In 2012, the sales revenue of the Company derived from such customer was RMB46.2173 million, of which RMB46.2173 million was attributable by concrete machinery and equipment.

5. The above three customers of the Company, namely Hunan Qirun Industrial Co., Ltd., (湖南祺潤工業有限公司) Wuhan Yida Construction Machinery Co., Ltd. (武漢翼達建設服務股份有限公司) and Mr Wu Pingren (吳平仁) have respectively issued formal statements confirming the true existence of their transactions with the Company. They expressed deep resentment and reprimanded the media for their false reports maliciously distorting the fact of normal sale and purchase transactions between them and the Company.

6. Since the fourth quarter of 2012, the market condition has become increasingly difficult with slow recovery of macro-economy and weak product demand in construction machinery industry. According to the sales revenue and net profit figures of six PRC-listed companies in

the construction machinery industry in the fourth quarter of 2012 as disclosed in their respective annual reports for the same year, the sales revenue of those companies in average decreased by 20.1% and the net profit decreased by 90.6%. In addition, due to the slowdown of the entire industry and risk control measures, the Company took the initiative to readjust the operation strategies, strengthen control on recovery of trade receivables and improve commercial terms of the contracts for the purpose of strengthening risk control and upgrading quality of operation in the fourth quarter of 2012. As a result, the sales revenue of the Company in the fourth quarter of 2012 decreased by 31.7% and net profit by 82.4% compared to the same period in the previous year, which was lower than the average decrease of the aforesaid six listed companies by 8.2 percentage points.

7. The sales of the Company were recognized strictly in accordance with the Company's revenue recognition policy in compliance with China Accounting Standards for Business Enterprises and International Financial Reporting Standards. The financial report of the Company for 2012 was audited by Baker Tilly and KPMG and audit reports were issued by them with unqualified opinion. These two accounting firms highly concerned about the false media reports relating to the Central China business of the Company during the auditing period and they would examine the relevant matters in details and extend their review to other places and regions for benefit of shareholders of the Company and themselves.

The Company welcomes the media and the public to monitor its operation and performance. The Company will continue to be accountable to the community and investors and ensure the Company to achieve sound and lawful operation. However, the Company hereby reprimands the media for the repeatedly false and misleading reports.

The Company will continue to use its best endeavors to safeguard the harmonious and healthy development of the construction machinery industry in China.

Suspension and resumption of trading in shares

At the request of the Company, trading in the Company's shares on the Stock Exchange was suspended with effect from 9:38 a.m. on 27 May 2013 pending the release of this announcement. Application has been made by the Company for resumption of trading in its shares on the Stock Exchange with effect from 9:00 a.m. on 29 May 2013.

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

Hong Kong, 28 May 2013

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 Mr. Liu Changkun, Dr. Qian Shizheng, Mr. Wang Zhile and Mr. Lian Weizeng.

* for identification purpose only