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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)

CLARIFICATION ANNOUNCEMENT AND RESUMPTION OF TRADING

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 refers to a press article which appeared in Ming Pao Daily News on 8 January 2013 (the “**Press Article**”) and 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 the Group’s financial information as reported in the Press Article are false, groundless and misleading.
- 2 The Company’s interim financial report for the six months ended 30 June 2012 (the “**2012 Interim Report**”) was prepared in compliance with the International Accounting Standard 34, “Interim Financial Reporting” issued by the International Accounting Standards Board. Although it was unaudited, the 2012 Interim Report has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Report Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants. The Group’s sales figures for the three months ended 31 March 2012 formed part of its sales figures for the six months ended 30 June 2012 and were therefore reflected in the 2012 Interim Report.
- 3 According to the Group’s unaudited results for the three months ended 31 March 2012, the Group’s sales in the eastern China region were approximately RMB1.319 billion, representing an increase of approximately 31.64% from approximately RMB1.002 billion of the corresponding period in 2011.

- 4 Income of the Company was 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.
- 5 The Company's sales are not classified into different types. All the Company's sales are "ordinary sales" which refers to sales with purchase orders that have been duly placed by the purchasers in which terms and conditions such as exact date of delivery and date of payment have been fixed. The Company has never recognized potential purchase orders as sales, nor has it ever "fabricated any fictitious sales in which the existing clients are disguised as some other clients" as alleged in the Press Article.
- 6 Although the Company has not had the opportunity to review those alleged "internal sales documents" as mentioned in the Press Articles, the Company re-iterates its position in paragraph 5 above and firmly denies the existence of any documents which reflect or suggest that the Company's sales are classified into different types.
- 7 The Company has outperformed other players in the industry and recorded a double-digit growth in profit because the Company has further enhanced its product technology, quality and services and recorded an increase in sales orders. It is also due to improved profit margin and optimised product mix of the Company.

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 9:02 a.m. on 8 January 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 9 January 2013.

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

Hong Kong, 8 January 2013

As of 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*