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Zhengzhou Coal Mining Machinery Group Company Limited
鄭州煤礦機械集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 00564)

DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS OF
SHANGHAI PUDONG DEVELOPMENT BANK

The Board of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) is pleased to announce that, on 12 October 2019, the Company subscribed for a wealth management product issued by Shanghai Pudong Development Bank (the “**Transaction**”) at a consideration of RMB100 million (“**Wealth Management Product No. 7**”).

On 18 September 2019, Zhengzhou Zhima Street Industrial Co., Ltd., a wholly-owned subsidiary of the Company, subscribed for two wealth management products issued by Shanghai Pudong Development Bank, Bai Hua Road Sub-branch of Zhengzhou, the considerations of which were both RMB30 million (“**Wealth Management Product No. 6**” and “**Wealth Management Product No. 5**”). On 25 July 2019, the Company subscribed for two wealth management products issued by Shanghai Pudong Development Bank, Dong Feng Sub-branch of Zhengzhou, the considerations of which were both RMB100 million (“**Wealth Management Product No. 4**” and “**Wealth Management Product No. 3**”). On 11 July 2019, the Company subscribed for a wealth management product issued by Shanghai Pudong Development Bank, Dong Feng Sub-branch of Zhengzhou at a consideration of RMB100 million (“**Wealth Management Product No. 2**”). On 28 May 2019, the Company subscribed for a wealth management product issued by Shanghai Pudong Development Bank, Dong Feng Sub-branch of Zhengzhou at a consideration of RMB100 million (“**Wealth Management Product No. 1**”) (the six subscriptions are collectively referred to as the “**Previous Transactions**”).

Pursuant to Rule 14.22 of the Listing Rules, the Transaction shall be aggregated with the Previous Transactions. The aggregate subscription amount of Wealth Management Products No. 1, No. 2, No. 3, No. 4, No. 5, No. 6 and No. 7 within a 12-month period is RMB560 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but are lower than 25%, the Transaction therefore constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules but exempt from the Shareholders’ approval requirement.

THE SUBSCRIPTIONS

1. Subscription for Wealth Management Product No. 7

| | |
|---|---|
| Date of subscription: | 12 October 2019 |
| Term of investment: | 12 October 2019 – 14 April 2020 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, as well as interest rate-linked option products. |
| Parties: | <p>The Company and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed with floating income |
| Consideration of subscription: | RMB100 million |
| Expected annual yield rate: | 3.8% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

2. Subscription for Wealth Management Product No. 6

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|---|--|
| Date of subscription: | 18 September 2019 |
| Term of investment: | 19 September 2019 – 18 October 2019 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, as well as interest rate-linked option products. |
| Parties: | <p>Zhengzhou Zhima Street Industrial Co., Ltd. (a wholly-owned subsidiary of the Company) and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed with floating income |
| Consideration of subscription: | RMB30 million |
| Expected annual yield rate: | 3.25% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

3. Subscription for Wealth Management Product No. 5

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|---|---|
| Date of subscription: | 18 September 2019 |
| Term of investment: | 19 September 2019 – 18 December 2019 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, among others, the yields of which will be increased by the bank's active management and the use of relevant financial instruments with simple structures and lower risk profiles. |
| Parties: | <p>Zhengzhou Zhima Street Industrial Co., Ltd. (a wholly-owned subsidiary of the Company) and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed and income guaranteed |
| Consideration of subscription: | RMB30 million |
| Expected annual yield rate: | 3.8% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

4. Subscription for Wealth Management Product No. 4

| | |
|---|---|
| Date of subscription: | 25 July 2019 |
| Term of investment: | 26 July 2019 – 27 July 2020 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, as well as interest rate-linked option products. |
| Parties: | <p>The Company and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed with floating income |
| Consideration of subscription: | RMB100 million |
| Expected annual yield rate: | 3.95% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

5. Subscription for Wealth Management Product No. 3

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|---|---|
| Date of subscription: | 25 July 2019 |
| Term of investment: | 26 July 2019 – 3 February 2020 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, as well as interest rate-linked option products. |
| Parties: | <p>The Company and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed with floating income |
| Consideration of subscription: | RMB100 million |
| Expected annual yield rate: | 4% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

6. Subscription for Wealth Management Product No. 2

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|---|---|
| Date of subscription: | 11 July 2019 |
| Term of investment: | 12 July 2019 – 10 October 2019 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, as well as interest rate-linked option products. |
| Parties: | <p>The Company and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed with floating income |
| Consideration of subscription: | RMB100 million |
| Expected annual yield rate: | 4.1% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

7. Subscription for Wealth Management Product No. 1

| | |
|---|---|
| Date of subscription: | 28 May 2019 |
| Term of investment: | 29 May 2019 – 2 July 2019 |
| Investment portfolio: | Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, midterm notes, interbank lendings, borrowings and deposits, bonds or repurchases of bills, among others, the yields of which will be increased by the bank's active management and the use of relevant financial instruments with simple structures and lower risk profiles. |
| Parties: | <p>The Company and Shanghai Pudong Development Bank</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p> |
| Type of wealth management product: | Principal-guaranteed and income guaranteed |
| Consideration of subscription: | RMB100 million |
| Expected annual yield rate: | 3.7% |
| Interests calculation: | $\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$ |

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors of the Company confirmed that the consideration of the subscriptions for the Wealth Management Products set forth above were determined on the basis of commercial terms negotiated at arm's length.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

As the Wealth Management Products offer better returns to the Company when compared to the fixed-term deposit interest rates offered by commercial banks in the PRC, the Directors consider that the subscriptions for the Wealth Management Products are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The principal activities of the Company are the manufacturing of comprehensive coal mining and excavating equipment.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.22 of the Listing Rules, the Transaction shall be aggregated with the Previous Transactions. The aggregate subscription amount of Wealth Management Products No. 1, No. 2, No. 3, No. 4, No. 5, No. 6 and No. 7 within a 12-month period is RMB560 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but are lower than 25%, the Transaction therefore constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules but exempt from the Shareholders' approval requirement.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

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| “Board” | the board of Directors |
| “Company” | Zhengzhou Coal Mining Machinery Group Company Limited (鄭州煤礦機械集團股份有限公司), a company incorporated in the People's Republic of China with limited liability and listed on the Main Board of the Stock Exchange and Shanghai Stock Exchange (Stock Code: 0564.HK and 601717.SH) |
| “Director(s)” | the director(s) of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People's Republic of China |
| “Independent Third Parties” | third parties independent from the Company and its connected persons (within the meaning of the Listing Rules) |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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|------------------------------------|---|
| “PRC” | the People’s Republic of China, but for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shanghai Pudong Development Bank” | Shanghai Pudong Development Bank Co., Ltd., a licensed bank incorporated under the law of the People’s Republic of China and is listed on the Shanghai Stock Exchange (Stock Code: 600000.SH) |
| “Share(s)” | share(s) of RMB1.00 each in the capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Wealth Management Products” | the Wealth Management Products No. 1, No. 2, No. 3, No. 4, No. 5, No. 6 and No. 7 to be issued or issued by Shanghai Pudong Development Bank, the main terms of which have been summarized in this announcement |
| “%” | percent |

By order of the Board
Zhengzhou Coal Mining Machinery Group Company Limited
Jiao Chengyao
Chairman

Zhengzhou, PRC, 12 October 2019

As at the date of this announcement, the executive directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. XIANG Jiayu, Mr. FU Zugang, Mr. WANG Xinying and Mr. WANG Bin and the independent non-executive directors of the Company are Ms. LIU Yao, Mr. JIANG Hua and Mr. LI Xudong.