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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 THE BANK OF COMMUNICATIONS

The Board of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) is pleased to announce that, on 13 February 2020, the Company subscribed for two wealth management products issued by Bank of Communications (the “**Transaction**”) at a consideration of RMB300 million and RMB200 million (“**Wealth Management Product No. 3**” and “**Wealth Management Product No. 2**”), respectively.

On 27 December 2019, the Company subscribed for a wealth management product issued by Bank of Communications (“**Previous Transaction**”) at a consideration of RMB100 million (“**Wealth Management Product No. 1**”).

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, within a 12-month period is RMB600 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. 3

Date of subscription: 13 February 2020

Term: 14 February 2020 – 21 December 2020

Parties: The Company and Bank of Communications

Bank of Communications is a licensed bank incorporated under the PRC law. To the knowledge of the Company, as of 30 September 2019, shareholders holding more than 10% of the shareholding of Bank of Communications were Ministry of Finance of the People's Republic of China, HKSCC Nominees Limited and The Hongkong and Shanghai Banking Corporation Limited, which held 26.53%, 20.15% and 18.70% of the shareholding, respectively, and the remaining shareholding was held by certain other shareholders, each holding less than 10% of the shareholding. To the best knowledge, information and belief of the Directors, Bank of Communications and its ultimate beneficial owners are Independent Third Parties.

Type of wealth management product: Periodic structured deposits

Consideration of subscription: RMB300 million

Expected annualized yield rate: 4.10%

Range of floating yield rate: 1.82% (lowest yield rate) – 4.10% (highest yield rate) (annualized)

Product settlement date: Maturity date of the product

Linked subject: Closing contract price of AU99.99 as quoted on the Shanghai Gold Exchange (based on the data published on the official website of the Shanghai Gold Exchange)

Date of observation:	16 December 2020, or if it falls on a non-trading day of Shanghai Gold Exchange for AU99.99, the next trading day of Shanghai Gold Exchange for AU99.99
Exercise price:	RMB255/g
Principal amount and yield:	The bank shall provide the Company with full coverage for the principal amount, and pay the Company the yield that it is entitled to (if any) based on the price performance of the linked subject in accordance with relevant provisions as stipulated in the agreement of this product
Determination on yield of the product:	Yield of the product will be determined with reference to the closing contract price of AU99.99 as quoted on the Shanghai Gold Exchange on the date of observation. If the closing contract price of AU99.99 on the date of observation is higher than the exercise price (i.e. RMB255/g), the actual annualized yield rate obtained by the Company during the entire duration will be the highest yield rate, and vice versa.
Interests calculation:	$\text{Yield} = \text{principal of subscription} \times \text{effective annualized yield rate} \times \text{actual term (number of the actual days from the product establishment date to the product maturity date, excluding the day of the product maturity date)}/365$

2. Subscription for Wealth Management Product No. 2

Date of subscription: 13 February 2020

Term: 14 February 2020 – 21 September 2020

Parties: The Company and Bank of Communications

Bank of Communications is a licensed bank incorporated under the PRC law. To the knowledge of the Company, as of 30 September 2019, shareholders holding more than 10% of the shareholding of Bank of Communications were Ministry of Finance of the People's Republic of China, HKSCC Nominees Limited and The Hongkong and Shanghai Banking Corporation Limited, which held 26.53%, 20.15% and 18.70% of the shareholding, respectively, and the remaining shareholding was held by certain other shareholders, each holding less than 10% of the shareholding. To the best knowledge, information and belief of the Directors, Bank of Communications and its ultimate beneficial owners are Independent Third Parties.

Type of wealth management product: Periodic structured deposits

Consideration of subscription: RMB200 million

Expected annualized yield rate: 4.10%

Range of floating yield rate: 1.82% (lowest yield rate) – 4.10% (highest yield rate) (annualized)

Product settlement date: Maturity date of the product

Linked subject: Closing contract price of AU99.99 as quoted on the Shanghai Gold Exchange (based on the data published on the official website of the Shanghai Gold Exchange)

Date of observation:	16 September 2020, or if it falls on a non-trading day of Shanghai Gold Exchange for AU99.99, the next trading day of Shanghai Gold Exchange for AU99.99
Exercise price:	RMB260/g
Principal amount and yield:	The bank shall provide the Company with full coverage for the principal amount, and pay the Company the yield that it is entitled to (if any) based on the price performance of the linked subject in accordance with relevant provisions as stipulated in the agreement of this product
Determination on yield of the product:	Yield of the product will be determined with reference to the closing contract price of AU99.99 as quoted on the Shanghai Gold Exchange on the date of observation. If the closing contract price of AU99.99 on the date of observation is higher than the exercise price (i.e. RMB260/g), the actual annualized yield rate obtained by the Company during the entire duration will be the highest yield rate, and vice versa.
Interests calculation:	$\text{Yield} = \text{principal of subscription} \times \text{effective annualized yield rate} \times \text{actual term (number of the actual days from the product establishment date to the product maturity date, excluding the day of the product maturity date)} / 365$

3. Subscription for Wealth Management Product No. 1

Date of subscription:	27 December 2019
Term:	30 December 2019 – 29 June 2020
Parties:	<p>The Company and Bank of Communications</p> <p>Bank of Communications is a licensed bank incorporated under the PRC law. To the knowledge of the Company, as of 30 September 2019, shareholders holding more than 10% of the shareholding of Bank of Communications were Ministry of Finance of the People's Republic of China, HKSCC Nominees Limited and The Hongkong and Shanghai Banking Corporation Limited, which held 26.53%, 20.15% and 18.70% of the shareholding, respectively, and the remaining shareholding was held by certain other shareholders, each holding less than 10% of the shareholding. To the best knowledge, information and belief of the Directors, Bank of Communications and its ultimate beneficial owners are Independent Third Parties.</p>
Type of wealth management product:	Periodic Structured Deposits
Consideration of subscription:	RMB100 million
Expected annualized yield rate:	4.10%
Range of floating yield rate:	4.10% (lowest yield rate) – 4.20% (highest yield rate) (annualized)
Product settlement date:	Maturity date of the product
Linked subject:	Middle exchange rate of EUR against USD (based on the data published on Reuters TKFE)

Date of observation of the exchange rate:	22 June 2020. If it is a holiday, data about the linked subject on the previous working day will be applied
Initial exchange rate:	Initial exchange rate shall be the middle exchange rate of EUR against USD as announced on Reuters TKFE at 9:00am (Tokyo time) on the product establishment date
Final exchange rate:	Final exchange rate shall be the middle exchange rate of EUR against USD as announced on Reuters TKFE at 15:00pm (Tokyo time) on the date of observation
Principal amount and yield:	The bank shall provide the Company with full coverage for the principal amount, and pay the Company the yield that it is entitled to (if any) based on the price performance of the linked subject in accordance with relevant provisions as stipulated in the agreement of this product
Determination on yield of the product:	Yield of the product will be determined with reference to the difference between the final exchange rate of EUR against USD on the date of observation of the exchange rate and the initial exchange rate of EUR against USD on the product establishment date. If the final exchange rate on the date of observation of the exchange rate is higher than the initial exchange rate on the product establishment date by 1200BP, the actual annualized yield rate obtained by customers during the entire duration will be the highest yield rate, and vice versa.
Interests calculation:	$\text{Yield} = \text{principal of subscription} \times \text{effective annualized yield rate} \times \text{actual term (number of the actual days from the product establishment date to the product maturity date, excluding the day of the product maturity date)} / 365$

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, they are beneficial to the Company for increasing its capital income and realizing better maintenance and appreciation of its capital value. 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, within a 12-month period is RMB600 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:

“Bank of Communications”	Bank of Communications Company Limited, a licensed bank incorporated under the law of the People's Republic of China and is listed on the Shanghai Stock Exchange (Stock Code: 601328.SH) and the Stock Exchange (Stock Code: 03328)
“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 PRC 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
“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
“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 and No. 3 to be issued or issued by Bank of Communications, 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, 13 February 2020

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 are Ms. LIU Yao, Mr. JIANG Hua, Mr. LI Xudong and Mr. CHENG Jinglei.