

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 CHINA GUANGFA BANK**

The Board of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) is pleased to announce that, on 2 November 2020, the Company subscribed for a wealth management product issued by China Guangfa Bank (the “**Transaction**”) at a consideration of RMB250 million (“**Wealth Management Product No. 5**”).

On 11 September 2020, the Company subscribed for a wealth management product issued by China Guangfa Bank at a consideration of RMB250 million (“**Wealth Management Product No. 4**”). On 5 August 2020, the Company subscribed for a wealth management product issued by China Guangfa Bank at a consideration of RMB300 million (“**Wealth Management Product No. 3**”). On 17 July 2020, the Company subscribed for a wealth management product issued by China Guangfa Bank at a consideration of RMB100 million (“**Wealth Management Product No. 2**”). On 30 April 2020, the Company subscribed for a wealth management product issued by China Guangfa Bank at a consideration of RMB100 million (“**Wealth Management Product No. 1**”) (the four 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 the Wealth Management Products No. 1, No. 2, No. 3, No. 4 and No.5 within a 12-month period is RMB1,000 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 constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules but exempt from the Shareholders’ approval requirement.

THE SUBSCRIPTIONS

1. Subscription for Wealth Management Product No. 5

Date of subscription:	2 November 2020
Term of investment:	2 November 2020 – 30 April 2021
Parties:	The Company and Zhengzhou Huanghe Road Branch of China Guangfa Bank Co., Ltd. China Guangfa Bank is a licensed bank incorporated under the PRC laws. To the best knowledge, information and belief of the Directors, China Guangfa Bank and its ultimate beneficial owners are Independent Third Parties
Type of product:	Principal-guaranteed floating-income RMB structured deposits
Consideration of subscription:	RMB250 million
Expected annualized yield rate:	0.8%~3.6%
Investment portfolio:	The principal of the structured deposits is operated and managed with bank capital on a collective basis. The proportion of investment in monetary market instruments (including but not limited to bank deposits, interbank borrowings, repurchases, etc.) ranges from 20% to 100%, and the proportion of investment in bonds (including but not limited to treasury bonds, central bank bills, financial bonds, short-term commercial papers, enterprise bonds, medium-term notes and corporate bonds) and other financial assets ranges from 0% to 80%, with the yield invested in financial derivatives linked to the exchange rate of USD against JPY. The yield of the structured deposits depends on the performance of USD against JPY during the observation period.
Linked subject:	<p>The yield rate on structured deposits is linked to the exchange rate of USD against JPY.</p> <p>The exchange rate of USD against JPY refers to the exchange rate of USD1 against JPY shown under the “MID” heading on the Bloomberg “BFIX” page or its succeeding page (the “Bloomberg Page”) at 15:00 on each trading day (Tokyo time) for the duration of this wealth management product.</p>

Fixing price:	The exchange rate of USD against JPY shown under the “MID” heading on the Bloomberg Page at 15:00 on a trading day (Tokyo time)
Opening price:	The fixing price on the establishment date of structured deposits, i.e., 2 November 2020
Upper limit of the observation range:	Opening price +4.2
Lower limit of the observation range:	Opening price –4.2
Effective days:	The number of days when the daily closing price of the linked subject sits between the upper and lower limits of the observation range (both limits inclusive) among all trading days for the duration of this wealth management product
Determination on the yield of the product:	$(\text{Annualized}) \text{ yield rate} = 0.8\% + 2.8\% \times \text{effective days} / \text{trading days}$
Yield calculation:	$\text{Yield} = \text{principal of structured deposits} \times \text{annualized yield rate to maturity} \times \text{actual days of structured deposits (from the establishment date (inclusive) to the maturity date (exclusive))} / 365$

2. Subscription for Wealth Management Product No. 4

Date of subscription:	11 September 2020
Term of investment:	11 September 2020 – 15 March 2021
Parties:	The Company and Zhengzhou Huanghe Road Branch of China Guangfa Bank Co., Ltd. China Guangfa Bank is a licensed bank incorporated under the PRC laws. To the best knowledge, information and belief of the Directors, China Guangfa Bank and its ultimate beneficial owners are Independent Third Parties
Type of product:	Principal-guaranteed floating-income RMB structured deposits
Consideration of subscription:	RMB250 million
Expected annualized yield rate:	0.8%~3.65%

Investment portfolio:	The principal of the structured deposits is operated and managed with bank capital on a collective basis. The proportion of investment in monetary market instruments (including but not limited to bank deposits, interbank borrowings, repurchases, etc.) ranges from 20% to 100%, and the proportion of investment in bonds (including but not limited to treasury bonds, central bank bills, financial bonds, short-term commercial papers, enterprise bonds, medium-term notes and corporate bonds) and other financial assets ranges from 0% to 80%, with the yield invested in financial derivatives linked to the exchange rate of USD against JPY
Linked subject:	<p>The yield rate on structured deposits is linked to the exchange rate of USD against JPY.</p> <p>The exchange rate of USD against JPY refers to the exchange rate of USD1 against JPY shown under the “MID” heading on the Bloomberg “BFIX” page or its succeeding page (the “Bloomberg Page”) at 15:00 on each trading day (Tokyo time) for the duration of this wealth management product.</p>
Fixing price:	The exchange rate of USD against JPY shown under the “MID” heading on the Bloomberg Page at 15:00 on a trading day (Tokyo time)
Opening price:	The fixing price on the establishment date of structured deposits, i.e., 11 September 2020
Upper limit of the observation range:	Opening price +5.05
Lower limit of the observation range:	Opening price -5.55
Effective days:	The number of days when the daily closing price of the linked subject sits between the upper and lower limits of the observation range (both limits inclusive) among all trading days for the duration of this wealth management product
Determination on the yield of the product:	$(\text{Annualized}) \text{ yield rate} = 0.8\% + 2.85\% \times \text{effective days} / \text{trading days}$
Yield calculation:	$\text{Yield} = \text{principal of structured deposits} \times \text{annualized yield rate to maturity} \times \text{actual days of structured deposits (from the establishment date (inclusive) to the maturity date (exclusive))} / 365$

3. Subscription for Wealth Management Product No. 3

Date of subscription:	5 August 2020
Term of investment:	5 August 2020 – 5 February 2021
Parties:	The Company and Zhengzhou Huanghe Road Branch of China Guangfa Bank Co., Ltd. China Guangfa Bank is a licensed bank incorporated under the PRC laws. To the best knowledge, information and belief of the Directors, China Guangfa Bank and its ultimate beneficial owners are Independent Third Parties
Type of product:	Principal-guaranteed floating-income RMB structured deposits
Consideration of subscription:	RMB300 million
Expected annualized yield rate:	1.2%~3.7%
Investment portfolio:	The principal of the structured deposits is operated and managed with bank capital on a collective basis. The proportion of investment in monetary market instruments (including but not limited to bank deposits, interbank borrowings, repurchases, etc.) ranges from 20% to 100%, and the proportion of investment in bonds (including but not limited to treasury bonds, central bank bills, financial bonds, short-term commercial papers, enterprise bonds, medium-term notes and corporate bonds) and other financial assets ranges from 0% to 80%, with the yield invested in financial derivatives linked to the exchange rate of USD against JPY
Linked subject:	<p>The yield rate on structured deposits is linked to the exchange rate of USD against JPY.</p> <p>The exchange rate of USD against JPY refers to the exchange rate of USD1 against JPY shown under the “MID” heading on the Bloomberg “BFIX” page or its succeeding page (the “Bloomberg Page”) at 15:00 on each trading day (Tokyo time) for the duration of this wealth management product.</p>
Fixing price:	The exchange rate of USD against JPY shown under the “MID” heading on the Bloomberg Page at 15:00 on a trading day (Tokyo time)

Opening price:	The fixing price on the establishment date of structured deposits, i.e., 5 August 2020
Upper limit of the observation range:	Opening price +4.5
Lower limit of the observation range:	Opening price -5.0
Effective days:	The number of days when the daily closing price of the linked subject sits between the upper and lower limits of the observation range (both limits inclusive) among all trading days for the duration of this wealth management product
Determination on the yield of the product:	$(\text{Annualized}) \text{ yield rate} = 1.2\% + 2.5\% \times \text{effective days} / \text{trading days}$
Yield calculation:	$\text{Yield} = \text{principal of structured deposits} \times \text{annualized yield rate to maturity} \times \text{actual days of structured deposits (from the establishment date (inclusive) to the maturity date (exclusive))} / 365$

4. Subscription for Wealth Management Product No. 2

Date of subscription:	17 July 2020
Term of investment:	17 July 2020 – 22 January 2021
Parties:	The Company and Zhengzhou Huanghe Road Branch of China Guangfa Bank Co., Ltd. China Guangfa Bank is a licensed bank incorporated under the PRC laws. To the best knowledge, information and belief of the Directors, China Guangfa Bank and its ultimate beneficial owners are Independent Third Parties
Type of product:	Principal-guaranteed floating-income RMB structured deposits
Consideration of subscription:	RMB100 million
Expected annualized yield rate:	1.5%~3.65%

Investment portfolio:	The principal of the structured deposits is operated and managed with bank capital on a collective basis. The proportion of investment in monetary market instruments (including but not limited to bank deposits, interbank borrowings, repurchases, etc.) ranges from 20% to 100%, and the proportion of investment in bonds (including but not limited to treasury bonds, central bank bills, financial bonds, short-term commercial papers, enterprise bonds, medium-term notes and corporate bonds) and other financial assets ranges from 0% to 80%, with the yield invested in financial derivatives linked to the exchange rate of USD against JPY
Linked subject:	<p>The yield rate on structured deposits is linked to the exchange rate of USD against JPY.</p> <p>The exchange rate of USD against JPY refers to the exchange rate of USD1 against JPY shown under the “MID” heading on the Bloomberg “BFIX” page or its succeeding page (the “Bloomberg Page”) at 15:00 on each trading day (Tokyo time) for the duration of this wealth management product.</p>
Fixing price:	The exchange rate of USD against JPY shown under the “MID” heading on the Bloomberg Page at 15:00 on a trading day (Tokyo time)
Opening price:	The fixing price on the establishment date of structured deposits, i.e., 17 July 2020
Upper limit of the observation range:	Opening price +4.7
Lower limit of the observation range:	Opening price -4.7
Effective days:	The number of days when the daily closing price of the linked subject sits between the upper and lower limits of the observation range (both limits inclusive) among all trading days for the duration of this wealth management product
Determination on the yield of the product:	$(\text{Annualized}) \text{ yield rate} = 1.5\% + 2.15\% \times \text{effective days} / \text{trading days}$
Yield calculation:	$\text{Yield} = \text{principal of structured deposits} \times \text{annualized yield rate to maturity} \times \text{actual days of structured deposits (from the establishment date (inclusive) to the maturity date (exclusive))} / 365$

5. Subscription for Wealth Management Product No. 1

Date of subscription:	30 April 2020
Term of investment:	30 April 2020 – 30 October 2020
Parties:	The Company and Zhengzhou Huanghe Road Branch of China Guangfa Bank Co., Ltd. China Guangfa Bank is a licensed bank incorporated under the PRC laws. To the best knowledge, information and belief of the Directors, China Guangfa Bank and its ultimate beneficial owners are Independent Third Parties
Type of product:	Principal-guaranteed floating-income RMB structured deposits
Consideration of subscription:	RMB100 million
Expected annualized yield rate:	1.2% or 3.9%
Investment portfolio:	The principal of the structured deposits is operated and managed with bank capital on a collective basis. The proportion of investment in monetary market instruments (including but not limited to interbank deposits, interbank borrowings, repurchases, etc.) ranges from 20% to 100%, and the proportion of investment in bonds (including but not limited to treasury bonds, central bank bills, financial bonds, short-term commercial papers, enterprise bonds, medium-term notes and corporate bonds) ranges from 0% to 80%, with the yield invested in financial derivatives linked to CSI 500 Index. The yield of the structured deposits depends on the performance of CSI 500 Index during the observation period
Linked subject:	The yield rate on structured deposits is linked to the stock index price level of CSI 500 Index. The stock index price of CSI 500 Index refers to the closing price of CSI 500 Index published on the website of Shanghai Stock Exchange (http://www.sse.com.cn) on each trading day. The security code of CSI 500 Index is “000905”
Exercise price:	Closing price of CSI 500 Index on 30 April 2020 × 101.3%

Determination on the yield of the product:

On any trading day for the duration of this wealth management product, if the closing price of CSI 500 Index is higher than or equal to the exercise price, the Company can gain an annualized yield of 3.9%; if the closing price of CSI 500 Index is lower than the exercise price, the Company will gain an annualized yield of 1.2%

Yield calculation:

$$\text{Yield} = \text{principal of structured deposits} \times \text{annualized yield rate to maturity} \times \text{actual days of structured deposits (calendar days from the establishment date (inclusive) to the maturity date (exclusive))} / 365$$

REASONS FOR AND BENEFITS OF 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, such products 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, fair and reasonable, and 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 the Wealth Management Products No. 1, No. 2, No. 3, No. 4 and No. 5 within a 12-month period is RMB1,000 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 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:

“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 Boards of the Stock Exchange and Shanghai Stock Exchange (Stock Codes: 0564.HK and 601717.SH)

“Board”

the board of Directors of the Company

“Director(s)”	the director(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“China Guangfa Bank”	China Guangfa Bank Co., Ltd., a licensed bank incorporated under the law of the People’s Republic of China
“Wealth Management Products”	the Wealth Management Products No. 1, No. 2, No. 3, No. 4 and No. 5 to be issued or issued by China Guangfa Bank, the principal terms of which are summarized in this announcement
“PRC”	the People’s Republic of China, but for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Independent Third Parties”	third parties independent of the Company and its connected persons (within the meaning of the Listing Rules)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company with a nominal value of RMB1.00 each
“%”	per cent

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

Zhengzhou, PRC, 2 November 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 Mr. JIANG Hua, Mr. LI Xudong and Mr. CHENG Jinglei.