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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)

ANNOUNCEMENT

**ADJUSTMENT TO THE EXERCISE PRICE OF
THE 2019 SHARE OPTION INCENTIVE SCHEME**

References are made to the announcements dated 28 July 2019, 9 August 2019, 21 October 2019 and 4 November 2019 and the circular dated 23 September 2019 of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) in relation to, among others, the 2019 A Share Option Incentive Scheme of the Company; and the announcement of the Company dated 18 June 2021 in relation to the adjustment of the amount of cash Dividends per share under the 2020 profit distribution plan.

**I. REASONS FOR ADJUSTING THE EXERCISE PRICE OF THE SHARE
OPTIONS**

The amount of cash Dividends per share under the Company's 2020 profit distribution plan has been adjusted to RMB0.2099 (tax inclusive), with the implementation of the Company's 2020 profit distribution plan completed.

According to the relevant requirements as set out in the 2019 Share Option Incentive Scheme (Revised Draft) of the Company, in the event of distribution of dividends, capitalisation of capital reserves, bonus issue, share subdivision, rights issue, share consolidation and other issues prior to the exercise of any share options, the exercise price of the share options shall be adjusted accordingly.

II. ADJUSTMENT METHOD OF THE EXERCISE PRICE OF THE SHARE OPTIONS AND THE RESULTS

(i) Adjustment Method

According to the provision of “Chapter 9 Methods and Procedures for Adjustment of the Scheme” of the 2019 Share Option Incentive Scheme (Revised Draft) of the Company, in the event of dividend distribution by the Company, the adjustment method of the exercise price shall be as follows:

$$P = P_0 - V$$

Where: P_0 represents the exercise price prior to the adjustment; V represents the distribution amount per share; and P represents the exercise price after the adjustment. After adjustment for distribution of dividends, P shall still be higher than 1.

(ii) Adjustment Results

The Company declared a cash bonus of RMB0.2099 (tax inclusive) per share pursuant to the 2020 profit distribution plan. Based on the aforementioned adjustment method, the exercise price of the share options under the Share Option Incentive Scheme of the Company has been adjusted as follows:

$$\text{Adjusted exercise price} = 5.795 - 0.2099 = \text{RMB}5.5851 \text{ per share.}$$

III. IMPACT OF THE ADJUSTMENT ON THE COMPANY

The exercise price of the share options under the 2019 Share Option Incentive Scheme of the Company has been adjusted as a result of equity distribution for the year 2020, which will not have any substantive impacts on the financial position and operating performance of the Company.

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

Zhengzhou, PRC, 3 August 2021

As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. XIANG Jiayu, Mr. JIA Hao, Mr. FU Zugang and Mr. WANG Xinying, the non-executive Director is Mr. CUI Kai and the independent non-executive Directors are Mr. CHENG Jinglei, Mr. JI Feng, Ms. GUO Wenqing and Mr. FANG Yuan.