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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)**

**CONNECTED TRANSACTION**  
**FURTHER INFORMATION IN RELATION TO**  
**THE ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT**

Reference is made to the announcement of Zhengzhou Coal Mining Machinery Group Company Limited (鄭州煤礦機械集團股份有限公司) (the “**Company**”) dated 4 July 2023 (the “**Announcement**”) in relation to the entering into of the Capital Increase Agreement between ASIMCO, a subsidiary of the Company, and the Company, the Business Partners and Strategic Investors. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

Save as the information provided in the Announcement, the Company wishes to provide Shareholders and potential investors with the following additional information regarding the capital increase agreement:

Regarding this capital increase, the basis for determining the price under the capital increase agreement is the valuation as set out in the valuation report prepared by Beijing Zhongtianhua Asset Appraisal Co., Ltd. (北京中天華資產評估有限責任公司) using the asset-based approach and 31 December 2022 as the valuation date, and the price is determined by the relevant parties to the capital increase on a voluntary, fair and equitable basis.

Certain financial information of ASIMCO for the two financial years ended 31 December 2022 and 31 December 2021 is set out below:

	<b>For the year ended 31 December 2022/ As of 31 December 2022 RMB'0,000</b>	<b>For the year ended 31 December 2021/ As of 31 December 2021 RMB'0,000</b>
Total assets	546,223.40	485,430.65
Net assets	358,695.24	339,446.82
Operating income	329,377.22	345,277.72
Profit before tax	23,535.69	41,102.01
Profit after tax	22,613.51	36,067.55

*Note:* The financial information of ASIMCO includes the consolidated financial information of its subsidiaries.

As stated in the Announcement, prior to the execution and implementation of the capital increase agreement, the Company holds 100% equity interest in ASIMCO, and ASIMCO is a wholly-owned subsidiary of the Company. Upon completion of the capital increase, the Company will hold 83.3919% equity interest in ASIMCO, and ASIMCO will remain a non-wholly owned subsidiary of the Company, and its results of operations, financial position and cash flows will continue to be consolidated into the Group's consolidated financial statements. The deemed disposal arising from the entering into of the capital increase agreement will be accounted for as an equity transaction and no gain or loss will be recognized in the Group's consolidated statement of profit or loss. For the proceeds from this capital increase, ASIMCO plans to use those proceeds for business expansion, working capital for daily operations and other purposes determined based on the budgets and business plans approved by the board of directors and/or general meeting of ASIMCO.

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

Zhengzhou, the PRC, 7 July 2023

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