

**FURTHER INFORMATION ABOUT OUR COMPANY****1. INCORPORATION**

We were incorporated in the PRC on December 28, 2008 as a joint stock company with limited liability. Our A Shares were listed on the Shanghai Stock Exchange on August 3, 2010.

We have established a place of business in Hong Kong at 3907-08, 39/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on April 13, 2012. Ms. Chan Yin Wah has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company to be served on our Company in Hong Kong.

As our Company is established in the PRC, it is subject to the relevant laws and regulations of the PRC and the Articles of Association. Certain relevant aspects of the relevant laws and regulations of the PRC and a summary of certain relevant provisions of the Articles of Association are set out in Appendices VI and VII to this prospectus, respectively.

**2. CHANGES IN THE REGISTERED CAPITAL OF OUR GROUP****(a) Our Company**

On August 3, 2010, our Company issued 140,000,000 A Shares of RMB1.00 each which are listed on the Shanghai Stock Exchange. Immediately upon the A Share Offering, the Company's registered capital increased to RMB700,000,000, comprising 700,000,000 A Shares of RMB1.00 each. Please refer to the section headed "History, Development and Corporate Structure — History and Development — Listing on the Shanghai Stock Exchange in 2010" of this prospectus in respect of further details regarding the A Share Offering.

Pursuant to the shareholders' resolutions passed at the 2011 annual general meeting of the Company held on February 28, 2012, the Company has, by way of capitalization of the capital reserves, issued 700,000,000 new A Shares (on the basis of the Company's total issued share capital comprising 700,000,000 A Shares as of December 31, 2011) to all holders of A Shares whose names appeared on the Company's register of members as at the closing of trading on the Shanghai Stock Exchange on March 12, 2012, on the basis of ten new A Shares for every ten then issued A Shares. The registered capital of the Company has thereby increased to RMB1,400,000,000, comprising 1,400,000,000 A Shares of RMB1.00 each. The shareholding percentage of the holders of A Shares in the Company's registered capital was unchanged immediately after such capital increase. Trading of the A Shares newly issued under such capital increase commenced on the Shanghai Stock Exchange on March 14, 2012.

Immediately after completion of the Global Offering, but without taking into account the exercise of the Over-allotment Option, our total issued share capital will increase to RMB1,621,122,000 divided into 1,377,887,800 A Shares and 243,234,200 H Shares, which will be held as follows:

| Name of Shareholder                                | Shares   | Number of Shares           | Approximate percentage of then enlarged issued share capital |
|--|----------|----------------------------|--|
| Henan SASAC .....                                  | A Shares | 521,087,800 <sup>(1)</sup> | 32.14%   |
| Other holders of A Shares<br>(including NSSF)..... | A Shares | 856,800,000                | 52.86%   |
| Holder of H Shares<br>(including NSSF).....        | H Shares | 243,234,200 <sup>(2)</sup> | 15.00%   |
| Total .....  |          | <u>1,621,122,000</u>       | <u>100%</u>  |

*Notes:*

- (1) Such A Shares are directly held by Henan SASAC.
- (2) Such 243,234,200 H Shares comprise (i) 221,122,000 H Shares to be issued pursuant to the Global Offering; and (ii) 22,112,200 H Shares to be converted from A Shares which are to be transferred by Henan SASAC to NSSF in accordance with the relevant PRC regulations on reduction of state-owned shares.

Immediately after completion of the Global Offering, and assuming that the Over-allotment Option is exercised in full, our total issued share capital will be as follows:

| Name of Shareholder                                | Shares   | Number of Shares           | Approximate percentage of then enlarged issued share capital |
|--|----------|----------------------------|--|
| Henan SASAC .....                                  | A Shares | 517,770,980 <sup>(1)</sup> | 31.30%   |
| Other holders of A Shares<br>(including NSSF)..... | A Shares | 856,800,000                | 51.79%   |
| Holder of H Shares<br>(including NSSF).....        | H Shares | 279,719,220 <sup>(2)</sup> | 16.91%   |
| Total .....  |          | <u>1,654,290,200</u>       | <u>100%</u>  |

*Notes:*

- (1) Such A Shares are directly held by Henan SASAC.
- (2) Such 279,719,220 H Shares comprise (i) 254,290,200 H Shares to be issued pursuant to the Global Offering (including upon exercise of the Over-allotment Option in full); and (ii) 25,429,020 H Shares to be converted from A Shares which are to be transferred by Henan SASAC to NSSF in accordance with the relevant PRC regulations on reduction of state-owned shares.

Save as disclosed in this prospectus, there has been no alteration in the total issued share capital of our Company since our Company was incorporated as a joint stock company with limited liability.

**(b) Our subsidiaries**

Our subsidiaries (for the purposes of the Hong Kong Listing Rules) as of the date of this prospectus include the entities set out on pages 2 to 3 of the accountants' report in Appendix I to this Prospectus, except for Huaxuan Investment.

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus:

- *ZMJ Comprehensive Equipment*

The registered capital of ZMJ Comprehensive Equipment, a direct non wholly-owned subsidiary of the Company, increased from RMB30,000,000 to RMB100,000,000 on May 5, 2011.

- *ZMJ Siberia*

ZMJ Siberia, a direct wholly-owned subsidiary of the Company, was established on June 2, 2011 with a total investment amount of US\$200,000 of which US\$100,000 (which represents the amount of its registered capital as shown in the relevant foreign investment certificate issued by MOFCOM) has been paid up and contributed by the Company.

- *ZMJ Foundry*

ZMJ Foundry, a non wholly-owned subsidiary of the Company, was established on November 25, 2011 with a registered capital of RMB30,000,000 which has been fully paid-up. Please refer to the section headed "History, Development and Corporate Structure — History and Development — Establishment of ZMJ Foundry in 2011" of this prospectus in respect of details regarding the capital structure of ZMJ Foundry.

- *ZMJ Hong Kong*

ZMJ Hong Kong, a direct wholly-owned subsidiary of the Company, was incorporated on November 8, 2012 with an authorized and issued share capital of US\$7.5 million divided into 7.5 million shares of US\$1.0 each, all of which were issued to the Company and were unpaid as of the Latest Practicable Date.

Save as disclosed in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years preceding the date of this prospectus.

### 3. SUBSTANTIAL SHAREHOLDERS OF OUR SUBSIDIARIES

The following sets out the substantial shareholders (other than members of the Group) of our non wholly-owned subsidiaries:

- **ZMJ Comprehensive Equipment**

Zhengzhou Hua Yuan Investment Company Limited\* (鄭州華源投資股份有限公司) is a substantial shareholder of ZMJ Comprehensive Equipment holding an approximately 31.11% equity interest in it.

- **ZMJ Longwall Machinery**

Shanghai Wan You Dynamic Technology Company Limited\* (上海萬友動力科技有限公司) is a substantial shareholder of ZMJ Longwall Machinery holding a 40% equity interest in it.

- **ZMJ Shun Li Machinery**

Huainan Mining is a substantial shareholder of ZMJ Shun Li Machinery holding an approximately 37.40% equity interest in it.

- **ZMJ Lu An Xinjiang**

Lu Xin Coal Chemical is a substantial shareholder of ZMJ Lu An Xinjiang holding a 40% equity interest in it.

- **ZMJ Foundry**

Zhengzhou Dongdian Technology Company Limited\* (鄭州東點科技股份有限公司) is a substantial shareholder of ZMJ Foundry holding an approximately 34.73% equity interest in it.

### 4. SHAREHOLDERS' RESOLUTIONS PASSED AT THE 2011 FIRST EXTRAORDINARY GENERAL MEETING OF OUR COMPANY ON SEPTEMBER 28, 2011

At the 2011 first extraordinary general meeting of our Company held on September 28, 2011, the following resolutions, among others, were passed and approved:

- (a) the issue by our Company of the H Shares of nominal value of RMB1.00 each and the listing of such H Shares on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued under the Global Offering not being more than 20% of the total issued share capital of our Company as enlarged by the Global Offering, and the grant to the Joint Global Coordinators the Over-allotment Option comprising not more than 15% of the number of H Shares initially available under the Global Offering;

- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on the Listing Date and the authorization to the Board and persons authorized by the Board to amend the Articles of Association in accordance with the requirements by the relevant regulatory authorities in accordance with the relevant laws and regulations; and
- (d) authorization in favor of the Board and persons authorized by the Board to handle all matters relating to the Global Offering and the issue and listing of the H Shares.

## FURTHER INFORMATION ABOUT OUR BUSINESS

### 1. SUMMARY OF MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years immediately preceding the date of this prospectus, which have not been terminated and are or may be material to us:

- (a) a capital contribution agreement dated May 17, 2012 entered into between the Company and Longmay Group, pursuant to which, among other things, the Company and Longmay Group agreed to each contribute RMB38.0 million for the establishment of the Zhenglong Joint Venture;
- (b) a framework agreement dated September 2, 2012 entered into between the Company and Huainan Mining, pursuant to which the Group will supply to the Huainan Mining Group coal mining and excavating equipment produced by the Group from time to time, and the Group will purchase certain raw materials and accessories from or sourced by the Huainan Mining Group from time to time, all in accordance with the agreement. Further details of this agreement are set out in the section headed “Connected Transactions — Non-Exempt Continuing Connected Transactions — Framework Agreement with Huainan Mining” of this prospectus;
- (c) a cornerstone investment agreement dated November 20, 2012 entered into between the Company, the Joint Global Coordinators and Eldon Development Ltd., details of which are included in the section headed “Cornerstone Investors” of this prospectus;
- (d) a cornerstone investment agreement dated November 20, 2012 entered into between the Company, the Joint Global Coordinators and China Huadian HongKong Company Limited, details of which are included in the section headed “Cornerstone Investors” of this prospectus;
- (e) a cornerstone investment agreement dated November 20, 2012 entered into between the Company, the Joint Global Coordinators and Topful Holdings Limited, details of which are included in the section headed “Cornerstone Investors” of this prospectus;

- (f) a cornerstone investment agreement dated November 20, 2012 entered into between the Company, the Joint Global Coordinators and Yitai (Group) HK Co., Ltd., details of which are included in the section headed “Cornerstone Investors” of this prospectus; and
- (g) the Hong Kong Underwriting Agreement.

## **FURTHER INFORMATION ABOUT OUR DIRECTORS, MANAGEMENT AND STAFF**

### **1. DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS**

None of our Directors or Supervisors has or is proposed to have a service agreement with any member of our Group (excluding agreements expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

As of the date of this prospectus, none of our Directors had provided personal guarantees in favor of lenders in connection with banking facilities granted to our Company.

### **2. DIRECTORS’ AND SUPERVISORS’ REMUNERATION**

The aggregate amounts of remuneration in the form of salaries, allowance, benefits in kind, discretionary bonuses and retirement scheme contributions made on their behalf granted to the Directors and the Supervisors in respect of the financial years ended December 31, 2009, 2010, 2011 and the six months ended June 30, 2012 were approximately RMB4.0 million, RMB4.4 million, RMB5.2 million and RMB2.1 million, respectively. Save as disclosed under note 15 to the accountants’ report included in Appendix I to this prospectus, no Director or Supervisor received other remuneration from our Company in respect of the three financial years ended December 31, 2011 and the six months ended June 30, 2012.

Under the arrangements currently in force, the aggregate amount of remuneration payable to, and benefits in kind receivable by, the Directors and Supervisors from our Company in respect of the financial year ending December 31, 2012 is estimated to be approximately RMB4.0 million.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors and Supervisors

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), as far as our Directors are aware, the following persons will have an interest or short position in the shares, underlying shares or debentures of our Company or of any of its associated corporations within the meaning of Part XV of the SFO which (i) will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Hong Kong Listing Rules, in each case once the H Shares are listed on the Hong Kong Stock Exchange. For this purpose, the relevant regulatory provisions as mentioned above shall be deemed to apply to the Supervisors to the same extent as they apply to the Directors:

| Name                              | Nature of Interest | Relevant company<br>(including associated<br>corporations) | A Shares held immediately after<br>completion of the Global Offering<br>(assuming that the Over-allotment<br>Option is not exercised) |   |
|-----------------------------------|--------------------|--|---|---|
|                                   |                    |  | Number  | Approximate<br>percentage of then<br>enlarged issued<br>share capital |
| Mr. Jiao Chengyao<br>(焦承堯) .....  | Personal interest  | The Company  | 4,789,120   | 0.30  |
| Mr. Shao Chunsheng<br>(邵春生) ..... | Personal interest  | The Company  | 4,789,120   | 0.30  |
| Mr. Xiang Jiayu<br>(向家雨) .....    | Personal interest  | The Company  | 3,368,960   | 0.21  |
| Mr. Fu Zugang<br>(付祖岡) .....      | Personal interest  | The Company  | 3,368,960   | 0.21  |
| Mr. Wang Xinying<br>(王新瑩) .....   | Personal interest  | The Company  | 3,368,960   | 0.21  |
| Mr. Ding Hui<br>(丁輝) .....        | Personal interest  | The Company  | 3,192,000   | 0.20  |
| Mr. Ni Heping<br>(倪和平) .....      | Personal interest  | The Company  | 3,192,000   | 0.20  |

**(b) Substantial Shareholder**

Immediately following the completion of the Global Offering (assuming that the Over-allotment Option is not exercised), as far as our Directors are aware, the following person will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO once the H Shares are listed:

| Name of Shareholder | Nature of interest  | A Shares held immediately after completion of the Global Offering (assuming that the Over-allotment Option is not exercised) |  |
|---------------------|---------------------|--|--|
|                     |                     | Number   | Approximate percentage of then enlarged issued share capital |
| Henan SASAC .....   | Beneficial interest | 521,087,800  | 32.14  |

Save as disclosed in this prospectus, but not taking into account any H Shares which may be taken up under the Global Offering, our Directors are not aware of any legal person or individual (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering, have any interest or short position in the Shares or underlying Shares which would fall to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, save as set out or referred to under “Further Information about Our Company — 3. Substantial Shareholders of Our Subsidiaries” in this Appendix VIII to this prospectus.

**(c) Disclaimers**

Save as disclosed in this prospectus:

- (a) none of our Directors or Supervisors is interested in the promotion of any member of our Group, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and
- (b) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.



**OTHER INFORMATION****(a) Taxation***(i) Estate duty*

Our Directors have been advised by our PRC Legal Advisers that currently there is no PRC law imposing liability for estate duty and therefore no material liability for estate duty under the laws of the PRC is likely to be imposed on the Company and its subsidiaries in the PRC.

*(ii) Consultation with professional advisers*

Intending holders of the H Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares or exercising rights attaching to them. None of our Company, the Directors, the Joint Sponsors, the Joint Global Coordinators, the Underwriters, any of their respective directors, officers, employees, agents, representatives, advisers or the other parties involved in the Global Offering accepts responsibility or liability for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in H Shares or exercise of any rights attaching to them.

**(b) Litigation**

So far as our Directors are aware, as of the Latest Practicable Date, no member of our Group was involved in any material litigation, arbitration, claim or administrative proceedings that would, individually or in the aggregate, have a material adverse effect on our financial condition. So far as our Directors are aware, as of the Latest Practicable Date, no material litigation, arbitration, claim or administrative proceedings were pending or threatened against any member of our Group.

**(c) No Material Adverse Change**

Our Directors confirm that, as of the date of this prospectus, there has been no material adverse change to our financial or trading position or prospects since June 30, 2012, being the date to which our most recent audited consolidated financial statements were prepared, and since that date, there has been no event up to the date of this prospectus that would materially affect the information shown in our consolidated financial statements included in the accountants' report set out in Appendix I to this prospectus, in each case except as otherwise disclosed in this prospectus.

**(d) Joint Sponsors**

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, on the Main Board of the Hong Kong Stock Exchange the H Shares to be issued under the Global Offering including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option and any H Shares to be converted from A Shares in accordance with the relevant PRC regulations on reduction of state-owned shares.

As regards the independence of each of the Joint Sponsors:

- (i) UBS Securities Hong Kong Limited has met the criteria under Rule 3A.07 of the Hong Kong Listing Rules and is an independent sponsor of our Company; and

- (ii) J.P. Morgan Securities (Far East) Limited has met the criteria under Rule 3A.07 of the Hong Kong Listing Rules and is an independent sponsor of our Company.

**(e) Preliminary Expenses**

The estimated preliminary expenses incurred or proposed to be incurred in respect of the Global Offering (including the underwriting commissions) amount to approximately HK\$150 million and are payable by our Company.

**(f) Promoters**

We had 39 promoters consisting of Henan SASAC, 12 enterprises and 26 individuals when our Company was incorporated as a joint stock limited company on December 28, 2008. These promoters include Mr. Jiao Chengyao, Mr. Shao Chunsheng, Mr. Xiang Jiayu, Mr. Fu Zugang and Mr. Wang Xinying, being five of our Directors, and Mr. Ding Hui and Mr. Ni Heping, being two of our Supervisors. Save as disclosed in this prospectus, no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this prospectus, or is proposed to be paid, allotted or given, to our promoters in connection with the Global Offering.

**(g) Qualification of Experts**

| Name  | Qualifications  |
|---|---|
| UBS Securities Hong Kong Limited                            | Licensed under the SFO to conduct types 1, 6 and 7 regulated activities under the SFO |
| J.P. Morgan Securities (Far East) Limited                   | Licensed under the SFO to conduct types 1, 4 and 6 regulated activities under the SFO |
| Zhong Lun Law Firm  | Registered law firm in the PRC  |
| Deloitte Touche Tohmatsu                                    | Certified public accountants  |
| Jones Lang LaSalle Corporate Appraisal and Advisory Limited | Property valuer and consultant  |

**(h) Consents of Experts**

Each of the Joint Sponsors, Zhong Lun Law Firm (as PRC legal advisers of our Company), Deloitte Touche Tohmatsu (as independent reporting accountants of our Company), and Jones Lang LaSalle Corporate Appraisal and Advisory Limited (as independent property valuer and consultant of our Company) has given and has not withdrawn its respective written consent to the issue of this prospectus with copies of its report(s), letter(s) or opinion(s) (as the case may be) and the references to its name or summaries of report(s), letter(s) or opinion(s) (as the case may be) included in this prospectus in the form and context in which they are respectively included.

**(i) Interests of Experts in our Company**

Save as disclosed in this prospectus, none of the experts named in paragraph (g) above is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate person to subscribe for any shares or securities in any member of our Group.

Save as disclosed in this prospectus, none of the experts named in paragraph (g) above is interested in the promotion of any member of our Group, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

**(j) Miscellaneous**

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid up otherwise than in cash;
- (b) no share or loan capital of our Company or of any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued any founder or management or deferred shares;
- (d) none of our Company or any of our subsidiaries has any outstanding convertible debt securities or debentures;
- (e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been paid or granted (as the case may be) in connection with the issue or sale of any capital of our Company;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (h) other than the A Shares which are listed on the Shanghai Stock Exchange, no part of the equity or debt securities or our Company, if any, is currently listed on or dealt in on any other stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought.

Our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the *Sino-foreign Joint Venture Law of the PRC* (中華人民共和國中外合資經營企業法).

Our Company has adopted a code of conduct regarding Directors' and Supervisors' securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Hong Kong Listing Rules with effect from the Listing Date.

All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

**(k) Binding Effect**

This prospectus shall have the effect, if any application is made in pursuance hereto, of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**(l) Bilingual Prospectus**

The English language and Chinese language versions of the prospectus are being published separately, in reliance upon the exemption provided under section 4 of the *Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice* (Chapter 32L of the Laws of Hong Kong).