

*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.*

*This announcement is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



**ZMJ**

**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)**

## **VERY SUBSTANTIAL ACQUISITION**

### **THE PROPOSED ACQUISITION**

The Company is pleased to announce that after trading hours on 2 May 2017, the Purchaser, the Company, Robert Bosch GmbH, SMG Acquisition Luxembourg and the Seller entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire from the Seller the Sale Share at a cash consideration of EUR 545 million and subject to final adjustment in accordance with the terms and conditions set out in the Share Purchase Agreement.

Pursuant to the Acquisition, the Purchaser will acquire the entire issued share capital of SG Holding. Upon completion of the Acquisition, SG Holding will become an indirect non-wholly-owned subsidiary of the Group.

### **LISTING RULES IMPLICATIONS**

As certain of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) applicable to the Company exceed 100%, the entering into of the Share Purchase Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

As certain of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) applicable to the Company exceed 5%, the payment of the Signing Collateral Amount by the Purchaser on the date of the Share Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

## GENERAL

A general meeting will be convened to consider and, if thought fit, approve matters including the Share Purchase Agreement and the Acquisition contemplated thereunder. Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, none of the Shareholders are materially interested in the Acquisition. Accordingly, none of the Shareholders shall be required to abstain from voting on the relevant resolution approving the Share Purchase Agreement and the Acquisition contemplated thereunder.

A circular containing, inter alia, (a) further details of the Acquisition; (b) the accountants' report on the SG Group; (c) the pro forma financial information of the Group following the Completion; and (d) the notice convening the Shareholders' General Meeting, is expected to be despatched to the Shareholders on or before 23 November 2017, which is more than 15 business days after the publication of this announcement, as the Company requires more time to prepare the information to be included in the circular.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, saved as disclosed in this announcement, the Company does not own any other inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## WARNING

**The Acquisition is conditional upon the satisfaction of a number of conditions including approval being obtained from the Shareholders, and such conditions may or may not be satisfied. Shareholders and potential investors of the Company shall exercise caution in their dealing or proposed dealing in the Shares or other securities of the Company.**

## 1. OVERVIEW OF THE VERY SUBSTANTIAL ACQUISITION

The Company is pleased to announce that after trading hours on 2 May 2017, the Purchaser, the Company, Robert Bosch GmbH and the Seller entered into the Share Purchase Agreement, pursuant to which the Purchaser conditionally agreed to acquire from the Seller the Sale Share at a cash consideration of EUR 545 million, subject to final adjustment in accordance with the terms and conditions set out in the Share Purchase Agreement.

Upon completion of the Share Purchase Agreement, the Company will be interested as to not less than 86.16% of SG Holding. The Company intends to consolidate, the accounts of SG Holding into the accounts of the Company. The operations of the SG Group are separate and independent from Robert Bosch GmbH and the Seller.

## 2. SHARE PURCHASE AGREEMENT

### **Date:**

2 May 2017

### **Parties:**

New Neckar Autoparts Holdings and Operations GmbH & Co., KG (as Purchaser)

Zhengzhou Coal Mining Machinery Group Company Limited

Robert Bosch GmbH

SMG Acquisition Luxembourg SARL

Robert Bosch Investment Nederland B.V. (as Seller)

### **Shares to be acquired:**

The Sale Share, representing the entire issued share capital of SG Holding.

### **Consideration:**

The Purchaser conditionally agreed to acquire from the Seller the Sale Share. The purchase price for the Sale Share (the “**Purchase Price**”) shall be equal to EUR 545 million, which was determined after arm’s length negotiation with reference to the enterprise value of SG Group based on the valuation of comparable companies and comparable transactions and taking into account of provisions made in relation to personnel, pension and other business losses. The Company referred to the overall valuation of both comparable trading companies and precedent transactions when determining the enterprise value of SG Group. The valuation of EUR 545 million represents an enterprise value/EBITDA ratio of 6.7 of SG Group based on the estimated EBITDA for the financial year ended 31 December 2016, which is in line with the overall valuation of comparable trading companies but lower than the overall valuation of precedent transactions. In addition, the Company also considered the value of SG Group’s technology and research and development capability, customer base and established global sales network, which are not reflected in the net asset value of SG Group.

The Purchase Price shall be settled by way of a lump sum payment on the Closing Date payable in EUR. It is estimated that not more than EUR 440 million (representing approximately 80.7% of the Purchase Price) will be funded by the internal resources of the Company and CRCI while the remaining portion of the Purchase Price will be funded by way of external bank financing obtained by the Purchaser.

## Conditions to the Completion:

The obligations of the Purchaser and the Seller to consummate the Completion are subject to the satisfaction, at or prior to the Completion, of the following conditions (“**Closing Conditions**”):

- (a) **Merger Control Approval.** The respective merger control authorities in the PRC, Poland, Portugal, Slovak Republic, Spain and Ukraine having granted approval or the expiration of any applicable waiting period and the absence of an order by the respective competent authority or court preliminarily or permanently prohibiting the consummation of the transactions contemplated by the Share Purchase Agreement.
- (b) **AWV Clearance.** The transactions contemplated by the Share Purchase Agreement not being prohibited pursuant to Sections 4 para. 1 no. 4, 5 para. 2 of the German Foreign Trade and Payments Act and Section 59 para. 1 sentence 1 of the German Foreign Trade Ordinance.
- (c) **CFIUS Clearance.** The transactions contemplated by the Share Purchase Agreement not being prohibited pursuant to the relevant provisions for a voluntary filing with the Committee on Foreign Investment in the United States.
- (d) **NDRC Filing.** The acquisition of the Sale Share by the Purchaser shall have been filed with, and a filing notice shall have been issued by the National Development and Reform Commission or its local counterpart.
- (e) **MOFCOM Approval.** The filing with, and issuance of the enterprise outbound investment certificate by, MOFCOM or its competent local counterparts.
- (f) **SAFE Approval.** The approval(s) of, or registration(s) with SAFE, if required by applicable laws or Governmental Entity, for the portion of the Purchase Price subject to foreign exchange registration having been duly obtained from SAFE by the Purchaser.
- (g) **No Employee Objection.** The Seller not having obtained valid objections from 90% or more of the Robert Bosch Starters Motors Generators GmbH employees employed in (i) management levels from SL1 through SL5P, (ii) management levels from SL3 through SL5P, (iii) research and development, (iv) sales and marketing (such individuals collectively “**Managerial Employees**”), to the transfer of their employment relationship to SG Holding within one month and two weeks after their due information. In case 75% or more but less than 90% of the Managerial Employees do not have a valid objection to the transfer of their employment relationship to SG Holding in place at the end of this period, Seller may elect, by means of appropriate undertakings of any of its Affiliates or service agreements, but excluding any subcontracting to or sourcing from third parties) to provide or procure to provide continued services to SG Holding by the respective objecting employees or substantially equally qualified employees for a time period of at least 18 months following the Closing Date at the same cost to the extent that

the 90% threshold is met. If the Seller elects to do so and informs the Purchaser hereof in writing within four weeks after the period stated in the first sentence hereof has expired, this condition precedent shall be deemed fulfilled.

- (h) **Completion of Carve-Out.** The Seller delivering a written confirmation to the Purchaser that the agreements necessary to complete the Carve-Out (i) have been executed and completed; or (ii) will be completed on or prior to the Effective Date except for steps and actions which are ancillary or secondary obligations or expressly stated to be completed after the Effective Date pursuant to such agreements.
- (i) **Supplemental Agreement.** The Supplemental Agreement having been executed.
- (j) **Consent from Customers.** The Seller, any Seller's Group Company or any SG Company having received the consents of certain important customers to transfer their customer contract from the Seller's Group Company to the relevant SG Company.
- (k) **No Bankruptcy.** No bankruptcy, insolvency, liquidation or similar proceedings have been opened over the assets of Seller or any SG Company and there are no circumstances which would require, under the laws of incorporation of the respective entity, filing for or opening of such proceedings.
- (l) **Shareholders' Approval.** The approval from the Shareholders at the Shareholders' General Meeting shall have been obtained in respect of the transactions contemplated under the Share Purchase Agreement being (i) a Material Asset Organisation under the Administrative Measures on Material Asset Restructuring of Listed Companies promulgated by the CSRC; and (ii) a very substantial acquisition under the Listing Rules.

To the extent permitted by applicable law or regulations, the Seller and the Purchaser may jointly waive any of the Closing Conditions. All Closing Conditions waived shall be deemed satisfied as from the day when the waiver is declared. As at the date of this announcement, none of the conditions have been fulfilled.

### **Completion:**

The consummation of the transactions contemplated in the Share Purchase Agreement (the "**Completion**") will take place upon the completion of the following actions ("**Closing Actions**"), amongst others:

- (a) **Share Transfer Agreement.** Execution by the Seller and the Purchaser of the share transfer agreement regarding the Sale Share including a power of attorney granting Purchaser the right to exercise the Seller's rights as shareholder of SG Holding after the Closing Date with respect to the Sale Share.

- (b) **Assignment of Inter-Group Receivables.** Execution by the Seller and the Purchaser of the receivables sale and assignment agreement pursuant to which Seller shall sell and assign receivables and any accrued interest thereon of the Seller's Group to SG Group.
- (c) **Closing Payment Amount.** Payment by the Purchaser of the Closing Payment Amount (which in any event will not exceed EUR 545 million).
- (d) **Payment of Preliminary Carve-Out Costs Compensation Amount by Seller.** Payment of the costs and expenses associated with the Carve-Out by the Seller to the Purchaser as estimated by the Seller or as adjusted by the Seller in good faith following discussions between the Purchase and the Seller before the Closing Date.
- (e) **Return of Signing Collateral to Purchaser.** The Seller shall return the original of the Signing Collateral (defined below) to the Purchaser in accordance with the terms of the Share Purchase Agreement.
- (f) **Delivery of Post-Closing Guarantee.** Delivery of the Post-Closing Guarantee (defined below) by the Purchaser to the Seller or conclusion by the Seller and the Purchaser, and funding by the Purchaser, of a Post-Closing Escrow (defined below).
- (g) **Release of Guarantees.** Delivery by the Purchaser of (i) evidence of that all guarantees provided by the Seller or the Seller's Group in favour of, or on behalf of, any SG Company to banks, other financial institutions, suppliers, customers or other third parties have been fully and unconditionally released; or (ii) one or more unconditional and irrevocable bank guarantees issued by a first class European or US bank or a European branch of a first class PRC bank, of international standing and payable upon first demand covering the Seller's remaining exposure.
- (h) **Directors' Resignation.** Seller shall deliver to the Purchaser the resignations, effective prior to or on the Closing Date, of board members of the SG Companies who act as representatives of the Seller on such boards.
- (i) **Delivery of Ancillary Agreements.** Delivery by the Seller of certain executed business and service agreements between the relevant SG Companies and the Seller's Group Companies to ensure the smooth transition of OEM customers of the SG Companies after the Closing Date.
- (j) **Delivery of Deed of Accession.** Delivery by the Seller of a guarantee and accession deed executed by SG Holding relating to the due performance of all obligations and liabilities of any SG Company pursuant to or in connection with any agreements relating to the Carve-Out.
- (k) **Reimbursement of Accountants.** Reimbursement by or on behalf of the Company of 50% of the reasonable costs and expenses incurred by the Seller's Group Companies for their accountants, up to an amount of EUR 5 million.



Upon completion of all Closing Actions, the Seller and the Purchaser shall sign a closing memorandum stating that (i) all Closing Conditions have been either fulfilled or, where permitted, waived; (ii) all Closing Actions have been either completed or waived; (iii) the exact time of the payment of the portion of the Purchase Price to be paid on the Closing Date has been made; and (iv) the Closing has occurred. The Seller and the Purchaser will submit a joint instruction and authorization to the acting notary public to immediately file an updated shareholders' list of SG Holding reflecting the change in the shareholding structure with the competent commercial register in Germany.

**Break Fee:**

On the date of the Share Purchase Agreement, the Purchaser will deliver to the Seller the original deed of a guarantee for the benefit of the Seller in the amount of EUR 54.5 million (the “**Signing Collateral Amount**”) issued by the Luxembourg branch of China Merchant Bank (such guarantee the “**Signing Collateral**”), payable upon first demand and for the time period until and including 4 May 2018.

The Purchaser shall pay, and the Seller shall be entitled to draw under the Signing Collateral as a contractual penalty if the Share Purchase Agreement is not consummated, if, irrespective of fault:

- (a) either (i) the Seller or the Purchaser has terminated this Agreement and any of Closing Conditions (a), (d), (e), (f) or (l) as set out in this announcement have not been satisfied or waived by the Long-Stop Date, or (ii) the Seller has terminated this Agreement, in each case provided that Closing Conditions (b), (c), (g), (h), (i), (j) and (k) as set out in this announcement have been satisfied or waived; or
- (b) Purchaser does not pay the Closing Payment Amount on the Closing Date for whatever reason,

in the case of (a) above, however, the Seller shall only be entitled to draw under the Signing Collateral after having given the Company the opportunity to arrange for payment, within five Business Days upon the Seller's respective written request, of the Signing Collateral Amount to Seller, and the Company fails to do so; it being understood that the proviso to give the Company the opportunity to arrange for payment shall not apply if the term of the Signing Collateral expires five Business Days or less following the delivery by Seller of the payment demand to the guarantor (the “**Proviso**”).

If either Party terminates the Share Purchase Agreement but Closing Conditions (a), (d), (e), (f) and (l) have been satisfied, the Seller shall return the original of the Signing Collateral to the Purchaser promptly after such termination by the Purchaser or the Seller becomes effective. The Seller shall also return the original of the Signing Collateral promptly upon receipt of payment of the Signing Collateral Amount by or on behalf of the Purchaser in accordance with the Proviso.

At the Closing Date, the Seller shall return the original of the Signing Collateral to the Purchaser.

At the Closing Date, the Purchaser shall provide an unconditional and irrevocable guarantee for the benefit of the Seller, issued by a first class European or US bank or a European branch of a first class PRC bank of international standing in the amount of EUR 34 million, payable upon first demand and for the time period until and including 31 December 2020 to serve as collateral for the performance of all payment obligations of Purchaser under this Agreement to the extent they are becoming due after the Closing Date (“**Post-Closing Guarantee**”). On or after the Closing Date, the Purchaser may elect to substitute the Post-Closing Guarantee by an escrow arrangement, to be negotiated with Seller in good faith, (“**Post-Closing Escrow**”), in the same amount and for the same duration. In case the Purchaser elects for such substitution of the Post-Closing Guarantee by a Post-Closing Escrow after the Closing Date, the Seller shall promptly return the original Post-Closing Guarantee to the Purchaser and such release shall be effected concurrently against the conclusion and funding of such Post-Closing Escrow.

Any obligation of the Purchaser to provide a Post-Closing Guarantee or a Post-Closing Escrow shall terminate on 31 December 2020 and the Seller shall promptly undertake all actions necessary to permit, to the extent not securing any payment claims which are subject to then pending arbitration proceedings, (i) the refund of any amounts in escrow (including accrued interest) to the Purchaser in accordance with the Post-Closing Escrow, or (ii) the release and return of any Post-Closing Guarantee, within five Business Days thereafter.

Break fees are not uncommon in cross-border merger and acquisition transactions. After consulting its advisors, the Company agreed to the break fee arrangement in order to increase its chance of securing the Acquisition. Based on the preliminary communications with the relevant PRC regulatory bodies, the Directors do not foresee any difficulty in obtaining the regulatory approvals which form the subject of the abovementioned break fee.

### **3. DETAILS OF THE CARVE-OUT**

Prior to the date of the Share Purchase Agreement, the Seller had initiated the separation of SG Group and its business from the other businesses operated by the Seller’s Group Companies by execution of certain local asset sale and transfer agreements, hive-down agreements, asset contribution agreements and business transfer agreements (“**Transfer Agreements**”).



The transfer of all assets to the SG Companies as set forth in the Transfer Agreements and the payment of the related purchase prices, where applicable, have occurred prior to the date of the Share Purchase Agreement. Furthermore, prior to the date of the Share Purchase Agreement, transitional services agreements, a claims management agreement, lease agreements, and distribution agreements as well as other carve-out related agreements have been entered into between the Seller's Group Companies on the one hand and the SG Companies on the other hand in order to define and establish the contractual relationships between the Seller's Group and the SG Companies for the time period until and after the Closing Date. Finally, prior to the Signing Date, Seller's Group Companies and SG Companies entered into various interim patent and trademark license agreements, manufacturing agreements, name agreements and distribution agreements and which terminate at the Closing Date. Please refer to the Appendix for details of the structure of the SG Group and the principal activities of the SG Companies as at the date of the Share Purchase Agreement, upon completion of the Carve-Out and upon Completion.

#### **4. INFORMATION OF ROBERT BOSCH GMBH**

Robert Bosch GmbH is a multinational engineering and electronics company and as at the date of this announcement, the ultimate controller of the SG Group. Robert Bosch GmbH is a limited liability company incorporated under the laws of Germany and the sole shareholder of the Seller. Robert Bosch GmbH's core products include automotive components, industrial products and building products.

#### **5. INFORMATION OF THE SELLER**

The Seller is a limited liability company incorporated under the laws of the Netherlands and the owner of the entire issued share capital of SG Holding and a directly wholly-owned subsidiary of Robert Bosch GmbH.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller and the ultimate beneficial owners of the Seller (including Robert Bosch GmbH) are Independent Third Parties of the Company and its connected persons and from Bain Capital Asia Integral Investors L.P. and its ultimate beneficial owners. Please refer to the announcement of the Company dated 24 March 2016 in relation to a very substantial acquisition and connected transaction for further details of Bain Capital Asia Integral Investors L.P.

#### **6. INFORMATION OF THE SG GROUP**

The SG Group represents the divested starter motors and generators division from Robert Bosch GmbH. Prior to and upon completion of the Carve-Out, SG Holding was and will continue to be the parent company of a standalone group of companies principally engaged in the worldwide starter motors and generators business comprising the development, manufacturing, distribution and sale of starter motors and generators as well as boost recuperation machines for passenger cars and commercial vehicles, including starter motors and generators for gasoline and diesel engines and starter motors for use in fuel-saving start-stop and boost recuperation machines for mild-hybrid systems. Please refer to the Appendix for details of the structure of the SG Group and the principal activities of the SG Companies as at the date of the Share Purchase Agreement, upon completion of the Carve-Out and upon Completion.

## 7. FINANCIAL INFORMATION OF THE SG GROUP

Based on the information provided by the Seller, which is unaudited and subject to change, the net profit before and after tax and the net asset value of the SG Group for each period are set out below:

	Year ended on 31 December	
	2015 (EUR million)	2016 (EUR million)
Net asset value	271	323
Net profit before tax	20	25
Net profit after tax	4	2

## 8. INFORMATION OF THE PURCHASER

The Purchaser is a limited partnership incorporated under the laws of Germany and is indirectly wholly-owned by SMG Acquisition Fund, in which the Company and CRCI will directly or indirectly hold not less than 86.36% and not more than 13.64% of the limited partnership interest in SMG Acquisition Fund, respectively.

## 9. INFORMATION OF CRCI

CRCI is a limited liability company incorporated in the Cayman Islands. CRCI is the manager of certain private investment funds incorporated in the Cayman Islands focused on investing in businesses operating in or with a strong nexus with Greater China.

## 10. INFORMATION OF THE GROUP

The Company is principally engaged in the manufacturing and sales of automotive components and hydraulic roof supports and related components for comprehensive coal mining and provision of related services. Products of the Company are manufactured according to sales orders and tailor-made to suit customers' specific requirements. Research and development, design, procurement, production and sales of the major products of the Company are all completed internally.

## 11. REASONS FOR AND BENEFITS OF THE ACQUISITION

Prior to the Acquisition, the Company was principally engaged in the manufacturing of coal mining equipment and automotive components as well as the research and production of hydraulic roof support. Since the manufacturing of coal mining equipment and the research and production of hydraulic roof support are easily affected by the downstream coal industries with its long industrial cycle and being vulnerable to macroeconomic conditions and policies, in order to enhance the profitability of the Company, incubate new centres for profit growth, the Company has actively pursued business transformation and identified new centres for profit growth, with a view to better arrangement for its development in the automotive components sector. The Company has benefitted from the synergy of the coal mining equipment and automotive components manufacturing businesses, in particular, lower the manufacturing costs of hydraulic roof supporting by adopting the foundry techniques used in the manufacturing of automotive components.

Upon completion of this Acquisition, the Group's automotive components segment will be further developed and the incorporation of the SG Group will represent an important step for the Company to expand and build a stable foundation for the automotive components market. The 16 companies to be acquired under this Acquisition are involved in different sectors along the automotive component industry chain. The Directors believe that the Acquisition will complement the Company's existing business and give rise to further synergy, which will effectively foster their respective business development.

The Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of the Shareholders as a whole.

## **12. LISTING RULES IMPLICATION**

As certain of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) applicable to the Company exceed 100%, the entering into of the Share Purchase Agreement constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

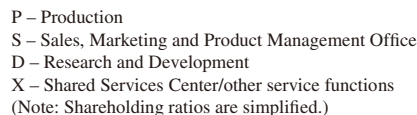
As certain of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) applicable to the Company exceed 5%, the payment of the Signing Collateral Amount by the Purchaser on the date of the Share Purchase Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements thereunder.

## **13. GENERAL**

A Shareholders' General Meeting will be convened to consider and, if thought fit, approve, inter alia, the Share Purchase Agreement and the Acquisition contemplated thereunder. Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, none of the Shareholders are materially interested in the Acquisition. Accordingly, none of the Shareholders shall be required to abstain from voting on the relevant resolution approving the Share Purchase Agreement and the Acquisition contemplated thereunder.

A circular containing, inter alia, (a) further details of the Acquisition; (b) the accountants' report on the SG Group; (c) the pro forma financial information of the Group following the Completion; and (d) the notice convening the Shareholders' General Meeting, is expected to be despatched to the Shareholders on or before 23 November 2017, which is more than 15 business days after the publication of this announcement, as the Company requires more time to prepare the information to be included in the circular.

### Structure Chart of SG Group as at date of Share Purchase Agreement



The organizational chart illustrates the ownership structure of Robert Bosch GmbH. At the top is Robert Bosch GmbH, which owns 100% of RB Investment Nederland B.V. RB Investment Nederland B.V. owns 100% of SG Holding (Germany). SG Holding (Germany) owns 100% of SGCN (China), 100% of SGUS (USA), 100% of RBET (Spain), >99.99% of SGIN (India), >99.99% of SGBR (Brazil), 100% of SGHU (Hungary), and >99.99% of GMMX (Mexico). SGCN (China) owns 1% of SGMS (Mexico) and 99% of SGPT (Portugal). SGUS (USA) owns 1% of SGMV (Mexico) and 99% of SGPT (Portugal). RBET (Spain) owns 100% of SGZA (South Africa). SGIN (India) owns 100% of SGJP (Japan). SGBR (Brazil) owns 100% of SGKR (Korea). SGHU (Hungary) owns 100% of SGFR (France). GMMX (Mexico) owns 100% of SGIT (Italy). SGPT (Portugal) owns 100% of SGPT (Portugal). The chart also includes a legend for the letters P, S, D, X and a note about shareholding ratios.

```

graph TD
    RBG[Robert Bosch GmbH] -- 100% --> RBN[RB Investment Nederland B.V.]
    RBN -- 100% --> SGH[SG Holding Germany]
    SGH -- 100% --> SGCN[SGCN China]
    SGH -- 100% --> SGUS[SGUS USA]
    SGH -- 100% --> RBET[RBET Spain]
    SGH -- ">99.99%" --> SGIN[SGIN India]
    SGH -- ">99.99%" --> SGBR[SGBR Brazil]
    SGH -- 100% --> SGHU[SGHU Hungary]
    SGH -- ">99.99%" --> GMMX[GMMX Mexico]
    SGCN -- 1% --> SGMS[SGMS Mexico]
    SGCN -- 99% --> SGPT[SGPT Portugal]
    SGUS -- 1% --> SGMV[SGMV Mexico]
    SGUS -- 99% --> SGPT
    RBET -- 100% --> SGZA[SGZA South Africa]
    SGIN -- 100% --> SGJP[SGJP Japan]
    SGBR -- 100% --> SGKR[SGKR Korea]
    SGHU -- 100% --> SGFR[SGFR France]
    GMMX -- 100% --> SGIT[SGIT Italy]
    SGPT -- 100% --> SGPT
  
```

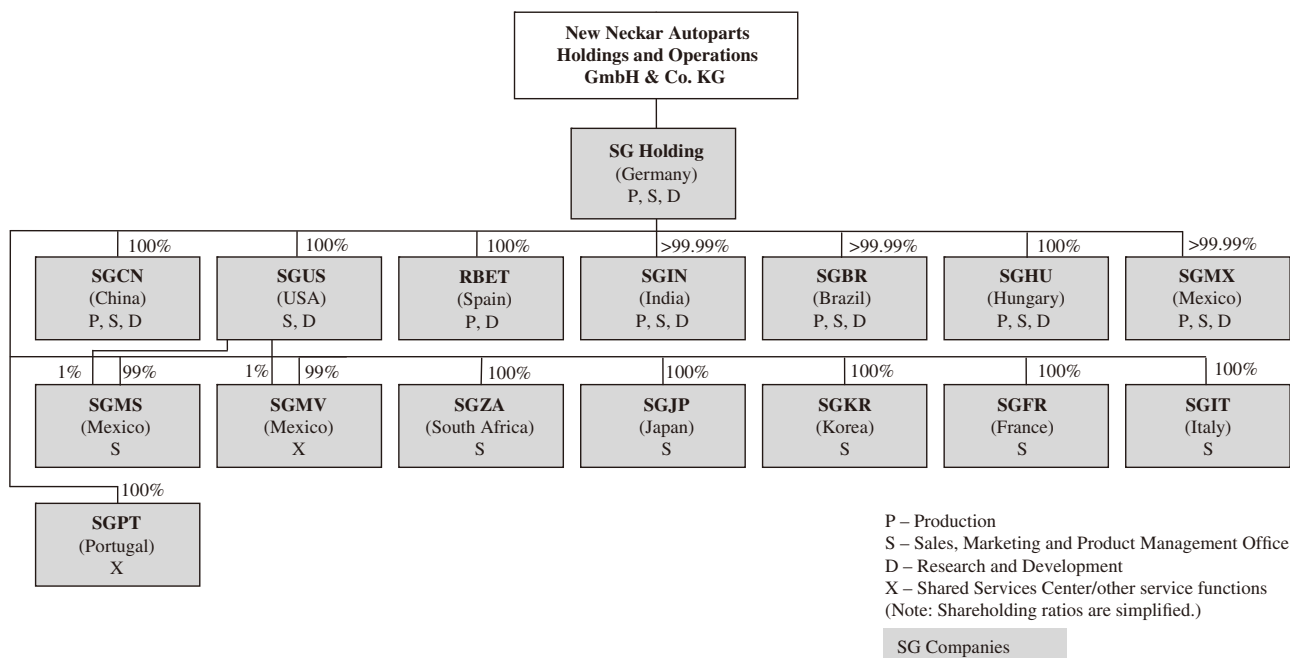
Legend:

- P – Production
- S – Sales, Marketing and Product Management Office
- D – Research and Development
- X – Shared Services Center/other service functions

(Note: Shareholding ratios are simplified.)

SG Companies

## Structure Chart of SG Group upon Completion



## DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall be defined as follows:

“Acquisition”	the acquisition of the Sale Share by the Purchaser from the Seller under the Share Purchase Agreement
“Board”	the board of directors of the Company
“Business Day”	any day other than a Saturday, Sunday or other day on which banks in Stuttgart, Germany, Shanghai and Hong Kong are generally closed
“Carve-Out”	the 100% divestment by Robert Bosch GmbH and its subsidiaries of the starter motors and generators division into the SG Group

“Closing Date”	the first Business Day following the end of the month on which all of the Closing Actions shall have taken place or shall have been duly waived and which all Closing Conditions shall have been satisfied for the first time (the “ <b>CP Fulfillment Date</b> ”), provided that if following such CP Fulfillment Date, less than ten Business Days remain until (and excluding) the last day of the then current month, the Closing Date shall be the first Business Day of the second month immediately following the CP Fulfillment Date provided, however, that in case the CP Fulfillment Date falls at a date in the time period which is less than ten Business Days before 30 November 2017 and more than ten (10) Business Days before 31 December 2017, Closing Date shall be 29 December 2017, or such other date as the Seller and the Purchaser may mutually agree upon
“Closing Payment Amount”	the purchase price as adjusted by the Seller (at its reasonable discretion following any discussions with the Purchaser) to be paid on the Closing Date (which in any event will not exceed EUR 545 million)
“Commerce Authorities”	the Ministry of Commerce or relevant local authorities of the PRC
“Company”	Zhengzhou Coal Mining Machinery Group Company Limited (鄭州煤礦機械集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 00564)
“Completion”	the consummation of the transactions contemplated in the Share Purchase Agreement
“CRCI”	China Renaissance Capital Investment Inc., a limited liability company incorporated under the laws of the Cayman Islands
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“EBITDA”	Earnings before interest, taxes, depreciation and amortization
“Effective Date”	the relevant date for the determination of the purchase price which shall be the last day of the month ending prior to the Closing Date, provided, however, that in case the Closing Date falls on 29 December 2017, the Effective Date shall be 31 December 2017
“EUR”	Euro, the lawful currency of the member states of the European Union



“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long-Stop Date”	the date falling on the first anniversary of the date of the Share Purchase Agreement
“Material Asset Reorganization”	the material asset reorganization to be implemented by the Purchaser according to the relevant rules to be promulgated by the CSRC, pursuant to which the Purchaser will acquire the Sale Share by the payment of cash to the Seller
“MOFCOM”	Ministry of Commerce of the PRC
“OEM”	Original equipment manufacturer
“PRC”	the People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	New Neckar Autoparts Holdings and Operations GmbH & Co. KG (currently known as Blitz17-706 GmbH), a limited partnership incorporated under the laws of Germany and a directly wholly-owned subsidiary of SMG Acquisition Luxembourg and an indirectly wholly-owned subsidiary of SMG Acquisition Fund
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange or relevant local authorities of the PRC
“Sale Share”	The one (1) share with a nominal amount of EUR 25,000 in SG Holding, representing the entire issued share capital of SG Holding
“Seller”	Robert Bosch Investment Nederland B.V., a limited liability company incorporated under the laws of the Netherlands and an Independent Third Party
“Seller’s Group”	the Seller and all entities affiliated with Robert Bosch GmbH other than the SG Companies

“Seller’s Group Company(ies)”	any company(ies) in the Seller’s Group
“SG Company(ies)”	any company(ies) in the SG Group
“SG Group”	SG Holding together with its subsidiaries
“SG Holding”	Robert Bosch Starter Motors Generators Holding GmbH, a limited liability company incorporated under the laws of Germany
“Share(s)”	the share(s) of RMB1.00 each of the Company
“Share Purchase Agreement”	the share purchase agreement dated 2 May 2017 entered into among the Purchaser, the Company, the Seller and Robert Bosch GmbH
“Shareholder(s)”	holders of the Share(s)
“Shareholders’ General Meeting”	the general meeting of the shareholders of the Company
“SMG Acquisition Fund”	SMG Acquisition Fund, L.P., an exempted limited partnership incorporated under the laws of the Cayman Islands which will be directly held as to not less than 86.36% by the Company and indirectly held as to not more than 13.64% by CRCI
“SMG Acquisition Luxembourg”	SMG Acquisition Luxembourg Holdings SARL, a limited liability company incorporated under the laws of Grand Duchy of Luxembourg
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	the United States of America
“%”	per cent

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

Zhengzhou, PRC, 2 May 2017

*As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. XIANG Jiayu, Mr. WANG Xinying, Mr. GUO Haofeng and Mr. LIU Qiang and the independent non-executive Directors are Ms. LIU Yao, Mr. JIANG Hua, Mr. LI Xudong and Mr. WU Guangming.*