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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)

DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

The Board is pleased to announce that, on 27 August 2014, the Company entered into subscription of wealth management product (“**Wealth Management Product No. 1**”) with the Bank of Communications at a consideration of RMB255 million. On 15 October 2013, the Company subscribed another wealth management product (“**Wealth Management Product No. 2**”) issued by the Bank of Communications at a consideration of RMB100 million. The aggregate subscription amount of Wealth Management Product No. 2 together with the subscription of Wealth Management Product No. 1 within a 12-month period is RMB355 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but lower than 25%, the relevant transaction therefore 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 of Wealth Management Product No. 1

Subscribing date: 27 August 2014

Term of investment: from 2 September 2014 to 2 March 2015

Investment portfolio: the principal of the Wealth Management Product No. 1 will be incorporated in the capital of the Bank of Communications for unified operation and management, to be invested in the monetary market as well as in bond market instruments and financial derivatives with public ratings at investment grade or above

Parties: the Company and the Bank of Communications

The Bank of Communications is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, the Bank of Communications and its ultimate beneficial owners are Independent Third Parties.

Consideration of subscription: RMB255 million

Expected annual yield: 4.5%

Interests calculation: yield of Wealth Management Product No. 1 = cost of subscription × effective annual yield × actual interests-bearing days/365

2. Subscription of Wealth Management Product No. 2

Subscribing date: 15 October 2013

Term of investment: Wealth Management Product No. 2 is redeemable on request on any business day in the PRC

Investment portfolio: The principal of Wealth Management Product No. 2 will mainly be invested in national debt, financial bond, central bank bill, high credit rating bond, interbank offer, due to bank, interbank borrowing, bond repurchase and money funds

Parties: the Company and the Bank of Communications

The Bank of Communications is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, the Bank of Communications and its ultimate beneficial owners are Independent Third Parties.

Consideration of subscription: RMB100 million

Expected annual yield: 2.1% for deposits with a term of investment (depending on the date of redemption) from one to six days; 2.7% for deposits with a term of investment period from seven to 13 days; 3.2% for deposits with a term of investment period from 14 to 29 days; 3.4% for deposits with a term of investment period from 30 to 89 days; and 3.6% for deposits with a term of investment period not less than 90 days. The Bank of Communications is entitled to adjust the expected annual yield based on the operation of the Structured Deposits by making an announcement of the adjustment at least three business days prior to the effective date.

Interests calculation: $\text{yield of Wealth Management Product No. 2} = \text{cost of subscription} \times \text{effective annual yield} \times \text{actual interests-bearing days}/365$

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors of the Company confirmed that the consideration of the subscriptions of Wealth Management Products set forth above were determined on the basis of arm-length commercial terms.

REASONS AND BENEFITS FOR 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, the Directors consider that the subscriptions of the Wealth Management Products are on normal commercial terms and are fair and reasonable and are 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

The aggregate subscription amount of Wealth Management Product No. 2 together with the subscription of Wealth Management Product No. 1 within a 12-month period is RMB355 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but lower than 25%, the relevant transaction therefore 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.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Bank of Communications”	Bank of Communications Co., Ltd., a licensed bank incorporated under the law of the People’s Republic of China and is listed on the Main Board of the Stock Exchange (Stock Code: 03328)
“Board”	the board of Directors
“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 People’s Republic of China with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 00564)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third-parties independent to the Company and its connected person
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Wealth Management Products” Wealth Management Products No. 1 and Wealth Management Products No. 2 to be issued or issued by Bank of Communications, the main terms of which were summarized in this announcement

“%” percent

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

Zhengzhou, PRC, 27 August 2014

As at the date of this announcement, the executive Directors are Mr. JIAO Chengyao, Mr. SHAO Chunsheng, Mr. XIANG Jiayu, Mr. FU Zugang and Mr. WANG Xinying and the independent non-executive Directors are Mr. LI Bin, Mr. GAO Guoan, Mr. LUO Jiamang and Ms. LIU Yao.