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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The following is the full text of Dividend Distribution Plan for Shareholders for the Next Three Years (2016–2018) published by Zhengzhou Coal Mining Machinery Group Company Limited on the website of the Shanghai Stock Exchange for information purpose only.

By order of the Board

Zhengzhou Coal Mining Machinery Group Company Limited

Jiao Chengyao

Chairman

Zhengzhou, PRC, 29 April 2016

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.

Zhengzhou Coal Mining Machinery Group Company Limited
Dividend Distribution Plan for Shareholders for the Next Three Years (2016–2018)

Pursuant to the requirements in the Notice Regarding Further Implementation of Cash Dividend Distribution of Listed Companies (《關於進一步落實上市公司現金分紅有關事項的通知》) and Guideline No. 3 for the Supervision of Listed Companies – Cash Dividend Distribution of Listed Companies (《上市公司監管指引第3號 – 上市公司現金分紅》) issued by China Securities Regulatory Commission, in order to better define the Company’s reasonable investment return to shareholders, enhance the transparency and ease of implementation of decision-making in relation to profit distribution, and facilitate shareholders’ supervision over the operation and profit distribution of the Company, the Company has formulated the Zhengzhou Coal Mining Machinery Group Company Limited – Dividend Distribution Plan for Shareholders for the Next Three Years (2016–2018), which has been considered and approved by the thirteenth meeting of the third session of the board of directors of the Company. Details of the dividend distribution plan for shareholders for 2016 to 2018 are as follows:

I. Factors Considered in the Formulation of the Plan

The Company is committed to achieving stable, healthy and sustainable development. Taking into account key factors including the actual operating conditions, strategic development goals, operational plans and profitability of the Company, intention and requirements of the shareholders, external financing costs and financing environment and cashflow position of the Company, the Company strikes a balance between the short-term benefits of and long-term returns to shareholders and has established for its investors a sustainable, stable and scientific dividend distribution plan and mechanism so that arrangements concerning profit distribution are built-in to the system to ensure the continuity and stability of the profit distribution policy of the Company.

II. Principles for Formulation of the Plan

The plan has been formulated on the basis of rules concerning profit distribution stipulated under laws and regulations and normative documents including the Company Law as well as the Articles of Association, with due regard to the opinions of shareholders (particularly minority shareholders), independent directors and supervisors, and attaching importance to the reasonable investment returns to shareholders and the needs of the Company for sustainable development. It adheres to the basic principle of handling profit distribution in a proactive and scientific manner, to achieve continuity and stability in the profit distribution policy of the Company.

III. The Dividend Distribution Plan of the Company for the Next Three Years

1. Profit may be distributed by way of cash, stock or a combination of both, or otherwise in accordance with methods permitted under laws and regulations. Where the Company is in a position for distribution by way of cash, it shall do so by way of cash. Distribution of stock dividend shall be on genuine and reasonable grounds including the growth of the Company and the dilution of net assets per share. The board of directors of the Company may propose interim dividend distribution based on the profitability, cashflow and capital requirements for the current period.

2. Where the retained profit of the Company is positive and the distributable profit (i.e. the post-tax profit of the Company after making for losses and transferring to reserve funds) for the current period is positive and the cashflow of the Company is sufficient for the normal operation and sustainable development of the Company, distribution by way of cash is made once a year in principle. The cumulative profit distribution of the Company by way of cash for the next three years (2016 to 2018) shall in principle be not less than 30% of the average annual distributable profit to be achieved in the next three years. Details of the percentage of distribution for each year shall be proposed by the board of directors of the Company based on the annual profit and future plans for the use of funds.
3. Profit distribution proposals shall be devised by the board of directors of the Company taking into account factors including the Company's operation and development, intention of shareholders, costs of social funds and external financing environment as well as the opinions of the independent directors of the Company. Profit distribution proposals shall be considered and approved by the board of directors of the Company before submitting to the general meeting of shareholders for consideration and approval. The Company remains open to suggestions of and supervision by shareholders, independent directors and supervisors regarding and over the Company's profit distribution.

IV. Mechanism for Decision-making regarding Dividend Distribution Plan for Shareholders

1. Proposals for dividend distribution plan for shareholders shall be formulated by the board of directors of the Company with due regard to the strategic development goals, actual operating conditions, profit scale and cashflow of the Company and taking into account the opinions of the shareholders (particularly minority shareholders), independent directors and supervisors of the Company. Proposals for dividend distribution plan for shareholders shall be considered and approved by the board of directors of the Company before submitting to the Company's general meeting of shareholders for consideration and approval.
2. Where adjustments need to be made to the dividend distribution plan for shareholders due to material changes in external operating environment or internal operating conditions, the Company shall prioritize the protection of shareholders' interest and substantiate and elaborate on reasons therefor in detail. Decision-making procedures shall be strictly followed, and no contravention with relevant provisions of the Articles of Association shall be allowed. Any adjustment to the dividend distribution plan for shareholders shall be considered and approved by the board of directors of the Company before submitting to the general meeting of shareholders for consideration and approval.
3. Dividend distribution plan shall be reviewed at least once every three years. The plan for a particular period of time shall be devised based on the operating conditions and opinions of the shareholders (particularly minority shareholders) of the Company.

V. Supplementary Provisions

In case of any matter that has not been covered in this plan, the laws, regulations, normative documents and the Articles of Association shall apply. The responsibility for providing explanation of this plan and its amendments shall be vested in the board of directors of the Company. This plan, and any amendments thereof, shall become effective from the date on which it is/they are considered and approved at the general meeting of shareholders of the Company.

Zhengzhou Coal Mining Machinery Group Company Limited
28 April 2016