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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)**

**ANNOUNCEMENT**

This announcement is made by Zhengzhou Coal Mining Machinery Group Company Limited (“**Company**” or “**ZMJ**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached Third Quarterly Report of 2016 released by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and newspapers in the People's Republic of China on 28 October 2016.

By order of the Board

**Zhengzhou Coal Mining Machinery Group Company Limited**

**Jiao Chengyao**

*Chairman*

Zhengzhou, PRC, 28 October 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.*

## 2016 Third Quarterly Report



**ZMJ**

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### **IMPORTANT NOTICE**

The Board of Directors, the Supervisory Committee, and the Directors, Supervisors and Senior Management of the Company warrant that there are no misstatements, misleading representations or material omissions in this report, and shall assume joint and several liability for the truthfulness, accuracy and completeness of its contents.

The financial report in this report is prepared under the PRC GAAP and is not audited. The currency unit in this report is RMB unless otherwise specified.

For the purpose of this quarterly report, the Company and its subsidiaries together shall be collectively referred to as the "Group". This quarterly report was approved on 28 October 2016 at the 17th meeting of the 3rd session of the Board of Directors of the Company.

Board of Directors

**Zhengzhou Coal Mining Machinery Group Company Limited**

Jiao Chengyao (Chairman), Guo Desheng and Zhou Dehai (Senior Management responsible for finance and accounting) warrant the truthfulness and completeness of the financial reports included in this quarterly report.

Stock Code: 601717

Abbreviation: ZMJ

# **Zhengzhou Coal Mining Machinery Group Company Limited**

## **Third Quarterly Report of 2016**

## Contents

<b>§1 Important Notice</b> .....	3
<b>§2 Key Financial Data and Changes in Shareholders of the Company</b> .....	3
<b>§3 Significant Events</b> .....	9
<b>§4 Appendices</b> .....	13

## §1 IMPORTANT NOTICE

- 1.1 The board of directors, supervisory committee of the Company and its directors, supervisors and members of senior management warrant that the information included in this quarterly report is true, accurate and complete without any false statement, misleading representation or material omission, and they assume several and joint liability thereof.
- 1.2 All directors of the Company attended the meetings of the board of directors and reviewed the quarterly report.
- 1.3 Jiao Chengyao, being the person-in-charge of the Company, Guo Desheng, being the person-in-charge of the accounting matters and Zhou Dehai, being the person-in-charge of accounting department of the Company (head of the accounting department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The financial statements in the third quarterly report of the Company are unaudited.

## §2 KEY FINANCIAL DATA AND CHANGES IN SHAREHOLDERS OF THE COMPANY

### 2.1 Key financial data

Unit: Yuan  
Currency: RMB

	As at the end of the reporting period	As at the end of the previous year	Increase or decrease as at the end of the reporting period from the end of the previous year (%)
Total assets	12,001,813,394.72	12,054,653,613.62	-0.44
Net assets attributable to the shareholders of the listed company	9,621,213,025.17	9,502,573,209.61	1.25
	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)	Increase or decrease from the same period last year (%)
Net cash flow from operating activities	399,653,861.54	272,558,064.97	46.63
	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)	Increase or decrease from the same period last year (%)

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Operating revenue	2,754,336,250.34	3,548,845,274.02	-22.39
Net profit attributable to the shareholders of the listed company	128,147,400.80	44,715,347.13	186.58
Net profit after extraordinary profit and loss attributable to the shareholders of the listed company	80,739,073.60	6,759,698.90	1,094.42
Weighted average return on net assets (%)	1.33	0.47	Increase by 0.86 percentage point
Basic earnings per share (RMB per share)	0.08	0.03	166.67
Diluted earnings per share (RMB per share)	0.08	0.03	166.67

Extraordinary profit and loss items and amounts

✓ Applicable  Not applicable

Unit: Yuan  
Currency: RMB

Items	Amount for the period (July to September)	Amount from beginning of the year to the end of the reporting period (January to September)	Description
Profit or loss from disposal of non-current assets	2,590,357.74	3,154,441.93	
Tax rebate or tax concessions with unauthorised approval or without official approval documents or on an occasional basis			
Government grants included in profit or loss for the current period other than those closely related to the normal operation of the Company, in compliance with national policies and regulations, as well as the government grants entitled continuously based on certain standard quota or quantity	620,000.00	3,930,827.86	
Fund possession cost received from non-financial enterprises and included in the current profit or loss			
Gains arising from investment costs for acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition			

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Profit or loss from exchange of non-monetary assets			
Gains or losses from discretionary investment or asset management	1,224,575.34	18,751,926.71	Wealth management income
Provision for impairment of assets due to force majeure such as natural disaster			
Profit or loss from debt restructuring	-560,000.00	-741,108.47	
Corporate restructuring expenses, such as expenses on employee placement, integration costs, etc.			
Profit or loss from the excess of the fair value of a transaction of unfair consideration			
Current net profit or loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger			
Profit or loss from contingencies irrelevant to the normal operations of the Company			
Profit or loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment gain from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than effective hedging business relating to the normal operations of the Company		25,548,689.25	
Write back of the provision for impairment of receivables that are individually tested for impairment			
Gains or losses from external entrusted loans			
Profit or loss from changes in fair value of investment properties using the fair value model for subsequent measurement			
Effects to current profit or loss of one-off adjustment to current profit or loss in accordance with laws and regulations on taxation and accounting, etc.			
Income of entrustment fees from entrusted operations			
Other non-operating income and expenses other than the above items	154,786.26	-592,835.25	
Other profit and loss items falling within the meaning of extraordinary profit and loss			
Amount of effects on income tax	-615,326.11	-1,157,309.22	

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Amount of effects on minority interests (after tax)	5,529,278.47	-1,486,305.61	
Total	8,943,671.70	47,408,327.20	

2.2 The table below sets out the total number of shareholders, the shareholdings of the top 10 shareholders and the top 10 holders of tradable shares (or holders of shares not subject to trading moratorium) as at the end of the reporting period

Unit: Share

The total number of shareholders (Units)						61,304
The shareholdings of the top 10 shareholders						
Name of shareholders (Full name)	Shareholdings as at the end of the reporting period	Proportion (%)	Number of shares subject to trading moratorium	Pledged or frozen		Nature of shareholders
				Status of shares	Number of shares	
Henan Machinery Investment Group Co., Ltd.	521,087,800	32.14%		Nil		State-owned legal person
HKSCC NOMINEES LIMITED	220,480,990	13.60%		Unknown		Foreign legal person
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	28,608,500	1.76%		Unknown		State-owned legal person
Industrial and Commercial Bank of China Ltd. – China Universal Value Selection Stock Fund (中國工商銀行股份有限公司 - 匯添富價值精選混合型證券投資基金)	28,000,000	1.73%		Unknown		Others
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	1.38%		Unknown		Foreign legal person

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

China Construction Bank Corporation – CUAM Environment Protection Industry Fund (中國建設銀行股份有限公司 - 匯添富環保行業股票型證券投資基金)	15,000,052	0.93%		Unknown		Others
Zeng Yuanbin	12,610,161	0.78%		Unknown		Domestic natural person
Agricultural Bank of China Limited – Fargo China Securities State-owned Enterprise Reform Index Graded Securities Investment Fund (中國農業銀行股份有限公司 - 富國中證國有企業改革指數分級證券投資基金)	12,565,904	0.78%		Unknown		Others
Industrial and Commercial Bank of China Ltd. – China Universal Equilibrium Growth Mixed Stock Fund (中國工商銀行 - 匯添富均衡增長混合型證券投資基金)	10,000,000	0.62%		Unknown		Others
Zhang Liqun	9,748,041	0.60%		Unknown		Domestic natural person

The shareholdings of the top 10 holders of shares not subject to trading moratorium			
Name of shareholders	Number of tradable shares not subject to trading moratorium	Type and number of shares	
		Type of shares	Number of shares
Henan Machinery Investment Group Co., Ltd.	521,087,800	Ordinary shares in RMB	521,087,800
HKSCC NOMINEES LIMITED	220,480,990	Overseas listed foreign shares	220,480,990
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	28,608,500	Ordinary shares in RMB	28,608,500
Industrial and Commercial Bank of China Ltd. – China Universal Value Selection Stock Fund (中國工商銀行股份有限公司 - 匯添富價值精選混合型證券投資基金)	28,000,000	Ordinary shares in RMB	28,000,000
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	Overseas listed foreign shares	22,399,200
China Construction Bank Corporation – CUAM Environment Protection Industry Fund (中國建設銀行股份有限公司 - 匯添富環保行業股票型證券投資基金)	15,000,052	Ordinary shares in RMB	15,000,052
Zeng Yuanbin	12,610,161	Ordinary shares in RMB	12,610,161
Agricultural Bank of China Limited – Fargo China Securities State-owned Enterprise Reform Index Graded Securities Investment Fund (中國農業銀行股份有限公司 - 富國中證國有企業改革指數分級證券投資基金)	12,565,904	Ordinary shares in RMB	12,565,904

Industrial and Commercial Bank of China Ltd. – China Universal Equilibrium Growth Mixed Stock Fund(中國工商銀行 - 匯添富均衡增長混合型證券投資基金)	10,000,000	Ordinary shares in RMB	10,000,000
Zhang Liquan	9,748,041	Ordinary shares in RMB	9,748,041
Description of the connected relationship or acting in concert of the above shareholders			
Description of holders of preference shares with voting rights restored and number of shareholdings			

Note: As of 30 September 2016, the total number of shareholders of the Company was 61,304, including 61,202 holders of A shares and 102 holders of H shares.

2.3 The table below sets out the total number of holders of preference shares, the shareholdings of the top 10 holders of preference shares and the top 10 holders of preference shares not subject to trading moratorium as at the end of the reporting period

Applicable  Not applicable

### §3 SIGNIFICANT EVENTS

3.1 Material changes in major items of accounting statements and the financial indicators of the Company and the reason thereof

Applicable  Not applicable

Items	Balance at the end of the period	Balance at the beginning of the year	Rate of change	Reason for the change
Prepayments	245,260,579.86	52,329,466.19	368.69%	Mainly due to the increase in prepayments for steel
Long term receivables	196,418,833.60	148,208,414.89	32.53%	Mainly due to the increase in receivables for finance lease equipment
Receipts in advance	257,376,117.74	198,887,640.55	29.41%	Mainly due to the increase in receipts in advance for products
Tax payable	63,794,243.67	43,083,478.10	74.39%	Mainly due to the increase in value-added tax payable and enterprise income tax

Items	January to September 2016	January to September 2015	Rate of change	Reason for the change
Finance costs	-54,936,194.34	-40,590,081.19	35.34%	Mainly due to the changes in foreign exchange gains and losses
Assets impairment loss	121,484,482.89	217,617,771.17	-44.18%	Mainly due to the increase in recovery of accounts receivable
Investment income	30,176,530.70	66,049,026.92	-54.31%	Mainly due to the decrease in income from wealth management products from banks
Net cash flows from operating activities	399,653,861.54	272,558,064.97	46.63%	Mainly due to the increase in cash received from sales of goods and provision of labor
Net cash flows from investing activities	-37,855,993.72	-953,358,912.46	-96.03%	Mainly due to the decrease in the purchase of wealth management products from banks
Net cash flows from financing activities	24,443,723.78	-120,717,528.77	-120.25%	Mainly due to the decrease in acceptance deposits received

3.2 Analysis and explanation of progress and impact of significant events and their solutions  
 Applicable     Not applicable

- The Company is in the process of arranging for material asset reorganization, to acquire assets by way of the issue of shares and cash payment, and fundraising, including the proposed acquisition of 100% interest in ASIMCO International Casting Co., Ltd. (Shanxi) from ASIMCO China Limited (“ASIMCO China”) by way of the non-public issue of A shares; the proposed acquisition of 8.07% interest in ASIMCO NVH Technologies Co., Ltd. (Anhui) (“ASIMCO NVH”) from ASIMCO China by way of the non-public issue of A shares; the proposed acquisition of 14.93% and 77% interest in ASIMCO NVH respectively from ASIMCO China and ASIMCO Technologies Hong Kong Limited by way of cash payment (i.e. 100% interest in ASIMCO NVH will be acquired in aggregate); the proposed acquisition of 63% interest in ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd., 70% interest in ASIMCO Foundry (Yizheng) Co., Ltd. and 63% interest in ASIMCO Camshaft (Yizheng) Co., Ltd. from Axle ATL Cayman Limited by way of cash payment; and the proposed acquisition of 100% interest in CACG I from ASIMCO Technologies Limited by way of cash payment.

In addition, the Company has proposed to issue shares specifically to not more than 10 qualified targets including Hua Tai Mei Ji No. 1 Targeted Asset Management Scheme (the ESO Scheme of ZMJ) on a non-public basis by way of price consultation for fundraising, the proceeds of which shall not be more than RMB550 million.

As of the end of the reporting period, the Company has replied to the Notice of the First Feedback Opinions on Projects under Inspection for Administrative Permission from the China Securities Regulatory Commission. Such material asset

reorganization has passed through the anti-monopoly inspection of the concentration of undertakings conducted by the Ministry of Commerce. The material asset reorganization further requires the approval from the China Securities Regulatory Commission. The obtaining of the aforesaid approval for this transaction and the timing of obtaining such approval are subject to uncertainties. (For details, please refer to the Announcement on the Reply to the Notice of the First Feedback Opinions on Projects under Inspection for Administrative Permission from the China Securities Regulatory Commission of Zhengzhou Coal Mining Machinery Group Company Limited (Announcement No.: Lin 2016-055) published by the Company on the website of Shanghai Stock Exchange on 7 September 2016 and the relevant reply documents, and the Announcement on the Passing of Anti-monopoly Inspection of the Concentration of Undertakings Conducted by the Ministry of Commerce on the Material Asset Reorganization of Zhengzhou Coal Mining Machinery Group Company Limited (Announcement No.: Lin 2016-056) published by the Company on 20 September 2016.)

2. On 21 August 2015, the Resolution Concerning the Partial Transfer of Interest in Subsidiary Huainan ZMJ Shun Li Machinery Co., Ltd. was passed on the sixth meeting of the third session of the board of directors of the Company, agreeing to the partial transfer by the Company of interest in Huainan ZMJ Shun Li Machinery Co., Ltd. Upon completion of the transfer, the Company shall no longer hold majority stakes in Huainan ZMJ Shun Li Machinery Co., Ltd. In addition, it was agreed that the Company shall waive its right of first refusal regarding the transfer of shares held by natural-person shareholder(s) of Huainan ZMJ Shun Li Machinery Co., Ltd.

On 20 July 2016, the Company and Huainan Li Cheng Mining Machinery Co., Ltd. entered into the Equity Transfer Contract, pursuant to which the 35.369% equity interest in Huainan ZMJ Shun Li Machinery Co., Ltd. shall be transferred to Huainan Li Cheng Mining Machinery Co., Ltd. at a price of RMB22,484,900. Upon completion of the equity transfer, the Company will retain 22.6% equity interest in Huainan ZMJ Shun Li Machinery Co., Ltd.

As of the end of the reporting period, the Company has received the consideration of such equity transfer, for which the procedures for changes in industrial and commercial registration were still pending. (For details, please refer to the Announcement on the Progress of the Transfer of Equity Interests in a Controlling Subsidiary of Zhengzhou Coal Mining Machinery Group Company Limited (Announcement No.: Lin 2016-046) published by the Company on the website of Shanghai Stock Exchange on 22 July 2016.)

## 3.3 Performance of undertakings by the Company and the shareholders with shareholdings of 5% or above

✓ Applicable    □ Not applicable

Background of undertaking	Category of undertaking	Undertaking party	Contents of undertaking	Validity period of undertaking	Any deadline for performance	Whether strictly performed in a timely manner
Undertakings made in an acquisition report or equity change report	Share lock-up	Henan Machinery Investment Group Co., Ltd.	Not to transfer or entrust the management of shares in Zhengzhou Coal Mining Machinery Group Company Limited (ZMJ) held by Henan Machinery Investment Group Co., Ltd. within 12 months from the date on which those state-owned shares were transferred to Henan Machinery Investment Group Co., Ltd., nor shall those shares be repurchased by ZMJ. The requirements stipulated by China Securities Regulatory Commission shall apply upon expiry of such undertaking.	From 22 December 2015 to 21 December 2016	Yes	Yes

## 3.4 Warning and explanation in the forecast of any possible loss in the accumulated net profit from the beginning of the year to the end of next reporting period or any material changes compared to that of corresponding period last year

□ Applicable    ✓ Not applicable

Name of company  
Legal representative  
Date

Zhengzhou Coal Mining Machinery Group Company Limited  
Jiao Chengyao  
28 October 2016

## §4 APPENDICES

## 4.1 Financial Statements

**Consolidated Balance Sheet**

30 September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
Currency: RMB  
Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>		
Monetary capital	2,656,034,181.68	2,289,301,400.11
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss	25,548,689.25	
Derivative financial assets		
Bills receivable	910,319,129.77	1,004,412,860.17
Accounts receivable	2,766,857,006.23	3,135,307,118.54
Prepayments	245,260,579.86	52,329,466.19
Premiums receivable		
Accounts receivable from reinsurance		
Contract reserves receivable from reinsurance		
Interest receivable	5,989,050.00	2,922,120.00
Dividend receivable		950,000.00
Other receivables	16,847,152.84	17,121,863.00
Buying back financial assets resold		
Inventories	951,327,726.55	1,175,828,734.95
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	1,226,409,660.97	1,170,522,855.17
Total current assets	8,804,593,177.15	8,848,696,418.13
<b>Non-current assets:</b>		
Loans and advances granted		
Available-for-sale financial assets	31,967,396.66	31,173,723.69
Held-to-maturity investments	401,079,314.22	390,027,314.22
Long-term receivables	196,418,833.60	148,208,414.89
Long-term equity investment	406,030,713.40	422,806,164.55
Investment properties	45,995,588.44	47,187,358.09
Fixed assets	1,420,822,303.58	1,442,374,421.77
Construction in progress	123,786,583.28	157,249,591.43
Construction materials		
Liquidation of fixed assets	1,063,828.50	1,076,233.13
Biological assets for production		

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Fuel assets		
Intangible assets	385,825,500.83	394,023,660.89
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	184,230,155.06	171,830,312.83
Other non-current assets		
Total non-current assets	3,197,220,217.57	3,205,957,195.49
Total assets	12,001,813,394.72	12,054,653,613.62
<b>Current liabilities:</b>		
Short-term borrowings		
Borrowings from central bank		
Deposit taking and deposits from peer companies		
Loans from other banks		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	492,490,158.93	698,335,951.37
Accounts payable	1,172,323,289.01	1,188,824,519.92
Receipts in advance	257,376,117.74	198,887,640.55
Disposal of repurchased financial assets		
Handling charges and commission payable		
Staff remuneration payable	66,492,997.68	68,302,459.86
Tax payable	63,794,243.67	43,083,478.10
Interest payable		
Dividend payable		
Other payable	179,809,581.29	197,552,679.19
Reinsurance accounts payable		
Insurance contract reserves		
Customer deposits for trading securities		
Customer deposits for undertaking securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	2,232,286,388.32	2,394,986,728.99
<b>Non-current liabilities:</b>		
Long-term borrowings		
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term staff remuneration payable		
Special projects payable	13,153,260.79	12,894,455.00
Accrued liabilities		
Deferred income	28,665,783.99	24,312,666.68
Deferred income tax liabilities		

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Other non-current liabilities		
Total non-current liabilities	41,819,044.78	37,207,121.68
<b>Total liabilities</b>	<b>2,274,105,433.10</b>	<b>2,432,193,850.67</b>
<b>Owner's equity</b>		
Share capital	1,621,122,000.00	1,621,122,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	3,493,343,716.86	3,493,343,716.86
Less: Treasury stock		
Other comprehensive income	1,576,504.86	-1,884,885.90
Special projects reserve		
Surplus reserve	525,072,302.65	525,072,302.65
Provisions for general risk		
Undistributed profit	3,980,098,500.80	3,864,920,076.00
Total equity attributable to owners of the parent company	9,621,213,025.17	9,502,573,209.61
Minority interests	106,494,936.45	119,886,553.34
Total owners' equity	9,727,707,961.62	9,622,459,762.95
<b>Total liabilities and owners' equity</b>	<b>12,001,813,394.72</b>	<b>12,054,653,613.62</b>

Legal representative: Jiao Chengyao  
 Person-in-charge of accounting matters: Guo Desheng  
 Head of accounting department: Zhou Dehai

**Balance Sheet of the Parent Company**

30 September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
 Currency: RMB  
 Unaudited

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>		
Monetary capital	2,562,814,483.90	2,196,849,349.70
Financial assets at fair value through profit or loss	25,548,689.25	
Derivative financial assets		
Bills receivable	852,675,894.07	906,962,281.72
Accounts receivable	2,412,691,928.16	2,762,020,961.78
Prepayments	417,648,666.13	205,181,022.34
Interest receivable	5,989,050.00	2,922,120.00
Dividend receivable		
Other receivables	12,262,086.76	12,521,115.75
Inventories	737,010,865.63	978,615,057.37
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	1,223,000,000.00	1,166,001,770.89
Total current assets	8,249,641,663.90	8,231,073,679.55

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

<b>Non-current assets:</b>		
Available-for-sale financial assets	1,880,532.61	1,880,532.61
Held-to-maturity investments	401,079,314.22	390,027,314.22
Long-term receivables	269,874,633.60	219,638,014.89
Long-term equity investment	593,962,244.20	610,866,520.34
Investment properties	45,995,588.44	47,187,358.09
Fixed assets	1,065,910,939.70	1,152,795,934.49
Construction in progress	36,526,588.70	14,965,979.17
Construction materials		
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	231,349,268.18	236,655,217.88
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	166,490,547.09	154,601,274.15
Other non-current assets		
Total non-current assets	2,813,069,656.74	2,828,618,145.84
Total assets	11,062,711,320.64	11,059,691,825.39
<b>Current liabilities:</b>		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	491,147,678.93	706,217,494.93
Accounts payable	704,886,297.33	991,481,647.50
Receipts in advance	227,173,597.44	139,726,006.93
Staff remuneration payable	61,869,081.74	62,608,232.00
Tax payable	52,395,452.53	33,834,191.48
Interest payable		
Dividend payable		
Other payable	65,192,679.18	71,790,842.59
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,602,664,787.15	2,005,658,415.43
<b>Non-current liabilities:</b>		
Long-term borrowings		
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term staff remuneration payable		
Special projects payable	13,153,260.79	12,894,455.00
Accrued liabilities		
Deferred income	17,009,783.99	12,656,666.68

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	30,163,044.78	25,551,121.68
Total liabilities	1,632,827,831.93	2,031,209,537.11
<b>Owner's equity:</b>		
Share capital	1,621,122,000.00	1,621,122,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	3,494,255,255.78	3,494,255,255.78
Less: Treasury stock		
Other comprehensive income		
Special projects reserve		
Surplus reserve	525,072,302.65	525,072,302.65
Undistributed profit	3,789,433,930.28	3,388,032,729.85
Total owners' equity	9,429,883,488.71	9,028,482,288.28
<b>Total liabilities and owners' equity</b>	<b>11,062,711,320.64</b>	<b>11,059,691,825.39</b>

Legal representative: Jiao Chengyao  
 Person-in-charge of accounting matters: Guo Desheng  
 Head of accounting department: Zhou Dehai

**Consolidated Statement of Income**

January to September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
 Currency: RMB  
 Unaudited

Items	Amount for the current period (July to September)	Amount for the last period (July to September)	Amount from beginning of the year to the end of the reporting period (January to September)	Amount from beginning of last year to the end of the reporting period last year (January to September)
1. Total operating income	986,317,890.90	1,235,130,465.47	2,754,336,250.34	3,548,845,274.02
Including: Operating income	986,317,890.90	1,235,130,465.47	2,754,336,250.34	3,548,845,274.02
Interest income				
Premiums earned				
Handling charges and commission income				
2. Total operating cost	892,424,684.75	1,281,819,523.73	2,680,347,644.66	3,589,408,429.77
Including: Operating cost	808,062,432.38	1,029,023,886.63	2,223,172,897.08	2,966,786,112.22
Interest expenses				
Handling charges and commission expenses				
Surrenders				

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Net expenditure for compensation payments				
Net drawing on provision for insurance contracts				
Expenditures for policy dividend				
Reinsurance expenditures				
Business tax and surcharges	4,951,640.78	2,858,468.17	18,912,219.53	25,387,319.95
Selling expenses	36,498,677.75	56,835,879.04	110,353,653.58	136,733,227.65
Administration expenses	86,967,973.17	96,943,209.81	261,360,585.92	283,474,079.97
Finance costs	-8,965,537.63	-30,295,896.39	-54,936,194.34	-40,590,081.19
Asset impairment losses	-35,090,501.70	126,453,976.47	121,484,482.89	217,617,771.17
Add: Gain from changes in fair value (loss is represented by “-”)			25,548,689.25	
Gain from investments (loss is represented by “-”)	5,525,753.81	21,794,547.03	30,176,530.70	66,049,026.92
Including: Gain from investments in associates and joint ventures	-360,572.47	1,753,192.28	871,273.05	20,472,020.11
Gain from foreign exchange (loss is represented by “-”)				
3. Profit from operations (loss is represented by “-”)	99,418,959.96	-24,894,511.23	129,713,825.63	25,485,871.17
Add: Non-operating income	5,183,259.37	1,997,027.14	10,569,445.15	8,639,580.64
Including: Profit from disposal of non-current assets	2,829,824.24	-1,481,399.64	4,041,915.79	3,287,271.72
Less: Non-operating expenses	2,378,115.37	162,747.99	4,817,142.54	1,042,882.19
Including: Loss from disposal of non-current assets	239,466.50	50,323.94	887,473.86	783,140.79
4. Total profit (total loss is represented by “-”)	102,224,103.96	-23,060,232.08	135,466,128.24	33,082,569.62
Less: Income tax expense	16,039,931.33	-1,019,382.86	20,710,344.33	13,370,847.43
5. Net profit (net loss is represented by “-”)	86,184,172.63	-22,040,849.22	114,755,783.91	19,711,722.19

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Net profit attributable to owners of the parent company	85,929,666.11	-14,128,810.17	128,147,400.80	44,715,347.13
Gain or loss attributable to minority interests	254,506.52	-7,912,039.05	-13,391,616.89	-25,003,624.94
6. Net other comprehensive income after tax	3,328,880.12	-15,401,455.50	3,461,390.76	-13,851,960.58
Net other comprehensive income attributable to owners of the parent company after tax	3,328,880.12	-15,401,455.50	3,461,390.76	-13,851,960.58
(1) Other comprehensive income not to be reclassified into profit or loss in subsequent periods				
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan				
2. Share of investees' other comprehensive income not to be reclassified into profit or loss using the equity method				
(2) Other comprehensive income to be reclassified into profit or loss in subsequent periods	3,328,880.12	-15,401,455.50	3,461,390.76	-13,851,960.58
1. Share of investees' other comprehensive income to be reclassified into profit or loss using the equity method		-2,967,175.72		-6,066,242.68
2. Gains or losses from changes in fair value of available-for-sale financial assets		-12,680,821.01		-7,516,795.51
3. Gains or losses from the reclassification of held- to-maturity investments to financial assets available for sale				

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

4. Effective portion of cash flow from hedging gains and losses				
5. Exchange differences on foreign currency financial statements	3,328,880.12	246,541.23	3,461,390.76	-268,922.39
6. Others				
Net other comprehensive income attributable to minority owners after tax				
7. Total comprehensive income	89,513,052.75	-37,442,304.72	118,217,174.67	5,859,761.61
Total comprehensive income attributable to owners of the parent company	89,258,546.23	-29,530,265.67	131,608,791.56	30,863,386.55
Total comprehensive income attributable to minority interests	254,506.52	-7,912,039.05	-13,391,616.89	-25,003,624.94
8. Earnings per share:				
(1) Basic earnings per share (RMB per share)	0.05	-0.01	0.08	0.03
(2) Diluted earnings per share (RMB per share)	0.05	-0.01	0.08	0.03

There was a merger of entities under common control during the current period. The net profit realized by the merged party before the merger was RMB \_\_\_\_\_, and the net profit realized by the merged party for the previous period was RMB \_\_\_\_\_.

Legal representative: Jiao Chengyao  
 Person-in-charge of accounting matters: Guo Desheng  
 Head of accounting department: Zhou Dehai

**Statement of Income of the Parent Company**

January to September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
 Currency: RMB  
 Unaudited

Items	Amount for the current period (July to September)	Amount for the last period (July to September)	Amount from beginning of the year to the end of the reporting period (January to September)	Amount from beginning of last year to the end of the reporting period last year (January to September)
1. Operating income	597,411,043.06	769,237,893.86	1,786,557,281.40	2,394,444,505.23
Less: Operating cost	474,501,970.63	628,957,644.87	1,436,343,475.95	1,987,075,081.64
Business tax and surcharges	3,523,104.48	1,117,845.36	14,647,108.18	20,567,579.52

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Selling expenses	26,878,118.31	46,010,351.80	81,976,945.42	103,845,121.51
Administration expenses	58,314,755.31	58,507,539.01	178,877,300.96	174,724,336.36
Finance costs	-9,004,417.45	-32,776,189.92	-54,885,860.84	-45,378,045.60
Asset impairment losses	-16,942,341.92	123,156,240.34	106,116,385.33	202,660,190.47
Add: Gain from changes in fair value (loss is represented by “-”)			25,548,689.25	
Gain from investments (loss is represented by “-”)	342,027,391.39	20,694,401.95	374,808,566.52	64,660,583.43
Including: Gain from investments in associates and joint ventures	337,771,868.90	1,908,715.22	347,134,112.66	20,339,244.64
2. Operating profits (loss is represented by “-”)	402,167,245.09	-35,041,135.65	423,839,182.17	15,610,824.76
Add: Non-operating income	1,659,834.64	1,710,870.11	4,274,133.78	6,932,391.71
Including: Profit from disposal of non-current assets	1,526,513.59	1,246,663.71	1,623,397.16	2,751,766.91
Less: Non-operating expenses	2,125,207.68	61,076.63	3,762,333.00	793,134.01
Including: Loss from disposal of non-current assets	238,798.00	50,323.94	875,010.11	771,766.92
3. Total profit (total loss is represented by “-”)	401,701,872.05	-33,391,342.17	424,350,982.95	21,750,082.46
Less: Income tax expense	9,777,500.81	-5,490,890.09	9,980,806.52	893,250.37
4. Net profit (net loss is represented by “-”)	391,924,371.24	-27,900,452.08	414,370,176.43	20,856,832.09
5. Net other comprehensive income after tax		-2,967,175.72		-6,066,242.68
(1) Other comprehensive income not to be reclassified into profit or loss in subsequent periods				
1.Changes arising from re-measuring net assets or net liabilities of defined benefit plan				
2. Share of investees’ other comprehensive income not to be reclassified into profit or loss using the equity method				

Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

(2) Other comprehensive income to be reclassified into profit or loss in subsequent periods		-2,967,175.72		-6,066,242.68
1. Share of investees' other comprehensive income to be reclassified into profit or loss using the equity method		-2,967,175.72		-6,066,242.68
2. Gains or losses from changes in fair value of available-for-sale financial assets				
3. Gains or losses from the reclassification of held- to-maturity investments to financial assets available for sale				
4. Effective portion of cash flow from hedging gains and losses				
5. Exchange differences on foreign currency financial statements				
6. Others				
6. Total comprehensive income	391,924,371.24	-30,867,627.80	414,370,176.43	14,790,589.41
7. Earnings per share:				
(1) Basic earnings per share (RMB per share)				
(2) Diluted earnings per share (RMB per share)				

Legal representative: Jiao Chengyao  
 Person-in-charge of accounting matters: Guo Desheng  
 Head of accounting department: Zhou Dehai

**Consolidated Statement of Cash Flows**

January to September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
Currency: RMB  
Unaudited

Items	Amount from beginning of the year to the end of the reporting period (January to September)	Amount from beginning of last year to the end of the reporting period last year (January to September)
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor	2,476,184,062.35	2,266,181,734.60
Net increase in deposits from customers and peer companies		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from premiums under original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholder and investment funds		
Net increase in disposal of financial assets at fair value through profit or loss		
Cash received from interest, handling charges and commission		
Net increase in placements		
Net increase in capital from repurchase business		
Tax refunds received		
Cash received in relation to other operating activities	114,804,019.28	46,201,788.10
Sub-total of cash inflows from operating activities	2,590,988,081.63	2,312,383,522.70
Cash paid for goods purchased and labor received	1,587,572,938.57	1,389,349,109.92
Net increase in loans and advances to customers		
Net increase in deposits with central bank and peer companies		
Cash paid for compensation payments under original insurance contracts		
Cash paid for interest, handling charges and commissions		
Cash paid for policyholder dividend		

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Cash paid to and paid on behalf of the employees	308,292,353.24	338,378,693.69
Paid for various taxes	172,456,870.26	243,744,762.59
Cash paid in relation to other operating activities	123,012,058.02	68,352,891.53
Sub-total of cash outflow from operating activities	2,191,334,220.09	2,039,825,457.73
Net cash flows from operating activities	399,653,861.54	272,558,064.97
<b>2. Cash flows from investing activities:</b>		
Cash received from recovery of investments	1,196,240,582.76	80,000,000
Cash received from gain of investment acquired	24,607,523.86	37,408,796.70
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	201,679.04	129,513.53
Net cash received from disposal of subsidiaries and other business units		
Other cash received in relation to investing activities	757,678.79	1,713,739.00
Sub-total of cash inflow from investing activities	1,221,807,464.45	119,252,049.23
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	3,903,458.17	40,335,421.69
Cash paid for investments	1,250,000,000.00	1,032,275,540.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Cash paid in relation to other investing activities	5,760,000	
Sub-total of cash outflow from investing activities	1,259,663,458.17	1,072,610,961.69
Net cash flows from investing activities	-37,855,993.72	-953,358,912.46
<b>3. Cash flow from financing activities:</b>		
Cash receipts received from investment		
Including: Cash receipts from investment in minority shareholders received from subsidiaries		
Cash received from borrowings acquired		5,000,000
Cash received from issuing debentures		
Cash received in relation to other financing activities	40,374,521.23	46,800,157.23
Sub-total of cash inflow from financing activities	40,374,521.23	51,800,157.23
Cash paid for repayment of indebtedness		5,104,616.30

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Cash paid for distribution of dividend and profit or for interest expenses	6,118,176.00	63,875,817.28
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid in relation to other financing activities	9,812,621.45	103,537,252.42
Sub-total of cash outflow from financing activities	15,930,797.45	172,517,686.00
Net cash flows from financing activities	24,443,723.78	-120,717,528.77
<b>4. Effects of change of exchange rate on cash and cash equivalents</b>	10,541,523.71	19,218,543.06
<b>5. Net increase in cash and cash equivalents</b>	396,783,115.31	-782,299,833.20
Add: Balance of cash and cash equivalents at the beginning of the period	2,011,221,267.69	2,368,313,764.35
<b>6. Balance of cash and cash equivalents at the end of the period</b>	2,408,004,383.00	1,586,013,931.15

Legal representative: Jiao Chengyao  
Person-in-charge of accounting matters: Guo Desheng  
Head of accounting department: Zhou Dehai

**Statement of Cash flow of the Parent Company**

January to September 2016

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan  
Currency: RMB  
Unaudited

Items	Amount from beginning of the year to the end of the reporting period (January to September)	Amount from beginning of last year to the end of the reporting period last year (January to September)
<b>1. Cash flows from operating activities:</b>		
Cash received from sales of goods and provision of labor	1,870,291,660.28	1,889,617,799.81
Tax refunds received		
Cash received in relation to other operating activities	102,267,325.68	40,063,084.81
Sub-total of cash inflows from operating activities	1,972,558,985.96	1,929,680,884.62
Cash paid for goods purchased and labor received	1,155,442,956.11	1,210,812,516.65
Cash paid to and paid on behalf of the employees	204,457,240.22	221,207,531.69
Paid for various taxes	119,346,509.19	173,665,591.12
Cash paid in relation to other operating activities	103,999,131.19	45,237,256.57
Sub-total of cash outflow from operating activities	1,583,245,836.71	1,650,922,896.03

## Third Quarterly Report of 2016 of Zhengzhou Coal Mining Machinery Group Company Limited

Net cash flows from operating activities	389,313,149.25	278,757,988.59
<b>2. Cash flows from investing activities:</b>		
Cash received from recovery of investments	1,196,240,582.76	80,000,000.00
Cash received from gain of investment acquired	24,607,523.86	36,153,128.68
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	150,409.04	123,826.83
Net cash received from disposal of subsidiaries and other business units		
Other cash received in relation to investing activities	320,978.79	1,035,489.00
Sub-total of cash inflow from investing activities	1,221,319,494.45	117,312,444.51
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	2,820,291.17	37,018,539.38
Cash paid for investments	1,250,000,000.00	1,035,342,190.00
Net cash paid for acquiring subsidiaries and other business units		
Cash paid in relation to other investing activities		
Sub-total of cash outflow from investing activities	1,252,820,291.17	1,072,360,729.38
Net cash flows from investing activities	-31,500,796.72	-955,048,284.87
<b>3. Cash flow from financing activities:</b>		
Cash receipts received from investment		
Cash received from borrowings acquired		
Cash received in relation to other financing activities	36,053,786.95	25,000,000
Sub-total of cash inflow from financing activities	36,053,786.95	25,000,000
Cash paid for repayment of indebtedness		
Cash paid for distribution of dividend and profit or for interest expenses	6,118,176.00	62,725,462.69
Cash paid in relation to other financing activities		103,537,252.42
Sub-total of cash outflow from financing activities	6,118,176.00	166,262,715.11
Net cash flows from financing activities	29,935,610.95	-141,262,715.11
<b>4. Effects of change of exchange rate on cash and cash equivalents</b>	14,442,797.79	18,981,015.00
<b>5. Net increase in cash and cash equivalents</b>	402,190,761.27	-798,571,996.39
Add: Balance of cash and cash equivalents at the beginning of the period	1,932,544,217.28	2,274,196,025.90

<b>6. Balance of cash and cash equivalents at the end of the period</b>	2,334,734,978.55	1,475,624,029.51
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Legal representative: Jiao Chengyao  
Person-in-charge of accounting matters: Guo Desheng  
Head of accounting department: Zhou Dehai

#### 4.2 Audit Report

Applicable     Not applicable