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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, independent adviser or other professional adviser.

If you have sold or otherwise transferred all your shares in **Zhengzhou Coal Mining Machinery Group Company Limited**, you should at once hand this circular and the enclosed form of proxy and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

REPORT OF THE BOARD FOR THE YEAR 2016
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016
ANNUAL REPORT FOR THE YEAR 2016
REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON
THEIR PERFORMANCE FOR THE YEAR 2016
APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE YEAR 2017
PROVISION OF REPURCHASE GUARANTEE TO
CUSTOMERS UNDER FINANCE LEASE BUSINESS
USE OF SELF-OWNED IDLE FUNDS AND IDLE PROCEEDS FROM
THE H SHARES FOR THE INVESTMENT OF
WEALTH MANAGEMENT PRODUCTS
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2016 ANNUAL GENERAL MEETING

The Company will convene the 2016 AGM at 9:00 a.m. on Friday, 16 June 2017 at the Convention Centre, Office Building of Zhengzhou Coal Mining Machinery Group Company Limited, No. 167, 9th Street, Econ-Tech Development Zone, Zhengzhou, Henan Province, the PRC. Notice of the AGM are set out on pages 13 to 15 of this circular.

Reply slip and form of proxy for the use at the AGM are enclosed and also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zzmj.com). If you intend to attend the AGM in person or by proxy, please complete the enclosed reply slip in accordance with the instructions printed thereon and return the same on or before Friday, 26 May 2017 (Hong Kong time). Any Shareholder who intends to appoint a proxy to attend the AGM shall complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same by 9:00 a.m. on Thursday, 15 June 2017 (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending the AGM and voting in person if you so wish.

28 April 2017

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires.

“AGM”	the annual general meeting of the Company to be held at the Convention Centre, Office Building of Zhengzhou Coal Mining Machinery Group Company Limited, No. 167, 9th Street, Econ-Tech Development Zone, Zhengzhou, Henan Province, the PRC at 9:00 a.m. on Friday, 16 June 2017 or any adjournment thereof, the notice of which is set out on pages 13 to 15 of this circular
“Articles of Association”	the articles of association of the Company
“A Share(s)”	domestic ordinary share(s) with a par value of RMB1.00 each issued by the Company which are subscribed for by domestic investors and are listed for trading on the Shanghai Stock Exchange (stock code: 601717)
“A Shareholder(s)”	holder(s) of A Share(s)
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“China” or “PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan
“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 Hong Kong Stock Exchange and Shanghai Stock Exchange (stock code: 00564 and 601717)
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company

DEFINITIONS

“Dividends”	proposed distribution of 2016 final dividends to the Shareholders whose names appear on the register of members for the A Shareholders and the H Shareholders at the close of business on the Record Date, based on a rule of receiving RMB0.11 (inclusive of tax) in cash dividends per 10 Shares held by the Shareholders payable in RMB to A Shareholders and in HK\$ to H Shareholders
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign invested Share(s) with a par value of RMB1.00 each in the Share capital of the Company, which are listed on the Hong Kong Stock Exchange (stock code: 00564) and are subscribed for in HK dollars
“H Shareholders”	holders of H Shares
“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
“Record Date”	Friday, 30 June 2017, being the record date for ascertaining the entitlement to dividend on shares
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	Shanghai Stock Exchange
“Share(s)”	the share(s) of RMB1.00 each of the Company
“Shareholder(s)”	holders of the Share(s)
“Shareholders’ General Meeting”	the general meeting of the Shareholders of the Company
“%”	per cent

LETTER FROM THE BOARD



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)

Members of the Board

Executive Directors:

Mr. JIAO Chengyao
Mr. XIANG Jiayu
Mr. WANG Xinying
Mr. GUO Haofeng
Mr. LIU Qiang

Independent Non-executive Directors:

Ms. LIU Yao
Mr. JIANG Hua
Mr. LI Xudong
Mr. Wu Guangming

Registered Office

No. 167, 9th Street,
Econ-Tech Development Zone
Zhengzhou, Henan Province
PRC

**Principal Place of Business in
Hong Kong**

18/F, Tesbury Centre,
28 Queen's Road East,
Wanchai, Hong Kong

28 April 2017

To the Shareholders

Dear Sir or Madam,

REPORT OF THE BOARD FOR THE YEAR 2016
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016
ANNUAL REPORT FOR THE YEAR 2016
REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON
THEIR PERFORMANCE FOR THE YEAR 2016
APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE YEAR 2017
PROVISION OF REPURCHASE GUARANTEE TO
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USE OF SELF-OWNED IDLE FUNDS AND IDLE PROCEEDS FROM
THE H SHARES FOR THE INVESTMENT OF
WEALTH MANAGEMENT PRODUCTS
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF THE 2016 ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the notice of the 2016 AGM and, among others, other information, so as to enable you to make an informed decision as to whether to vote for or against the following resolutions to be proposed at the AGM:

1. Report of the Board for the year 2016;

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2. Report of the Board of Supervisors for the year 2016;
3. Annual report for the year 2016;
4. Report of the independent non-executive Directors on their performance for the year 2016;
5. Appointment of the external auditors for the year 2017;
6. Provision of repurchase guarantee to customers under finance lease business;
7. Use of self-owned idle funds and idle proceeds from the H Shares for the investment of wealth management products;
8. Profit distribution plan for the year 2016; and
9. Amendments to the Articles of Association.

1. REPORT OF THE BOARD FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2016. The full text of the report of the Board for the year 2016 is set out in the 2016 annual report of the Company which is dispatched on 28 April 2017.

2. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Supervisors for the year 2016. The full text of the report of the Board of Supervisors for the year 2016 is set out in the 2016 annual report of the Company which is dispatched on 28 April 2017.

3. ANNUAL REPORT FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year 2016 which is dispatched on 28 April 2017.

4. REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the report of the independent non-executive Directors on their performance for the year 2016. Details of the aforesaid report is set out in Annex A of this circular.

LETTER FROM THE BOARD

5. APPOINTMENT OF THE EXTERNAL AUDITORS FOR THE YEAR 2017

An ordinary resolution will be proposed at the AGM to approve: (i) the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's PRC auditors and Deloitte Touche Tohmatsu as the Company's international auditors for the year of 2017; and (ii) the remuneration for the Company's PRC and international auditors for the year of 2017, which amounts to RMB680,000 and RMB2,300,000, respectively.

6. PROVISION OF REPURCHASE GUARANTEE TO CUSTOMERS UNDER FINANCE LEASE BUSINESS

To foster sales and expedite collection of trade receivables, the Company proposes the provision of guarantee for repurchasing residue values to finance lease companies in favour of specific customers who are unrelated parties and purchase our products by way of finance lease. The arrangements are as follows:

- (i) **Guaranteed amount:** For finance leases within the guarantee period, the maximum guaranteed amount is up to RMB2 billion at any particular point of time during the validity period of the resolution. Where particular guarantee constitutes one which is subject to consideration and approval by Shareholders in Shareholders' General Meeting under the Articles of Association, any of such guarantee shall be put forth to a Shareholders' General Meeting for consideration prior to provision of such guarantee.
- (ii) **Validity period of resolution:** Within one year from the date of consideration and approval at a Shareholders' General Meeting.
- (iii) **Implementation:** Upon consideration and approval of the resolution by the Board and by Shareholders in Shareholders' General Meeting, the Board shall authorize the general manager to enter into relevant guarantee contracts and the finance department shall be responsible for detailed implementation.

An ordinary resolution will be proposed at the AGM to approve the above arrangements of the provision of repurchase guarantee to customers under finance lease.

LETTER FROM THE BOARD

7. USE OF SELF-OWNED IDLE FUNDS AND IDLE PROCEEDS FROM THE H SHARES FOR THE INVESTMENT OF WEALTH MANAGEMENT PRODUCTS

To further revitalize the self-owned funds on the book and enhance the ability of capital preservation and appreciation for the monetary fund, the Company proposes the application of self-owned idle funds and idle proceeds from the H share to invest in wealth management products issued by financial institutions.

I. Plan of Investing in Wealth Management Products

To enhance the efficiency of the use of capital and maximize shareholders' interests, the Company proposes that self-owned idle funds and idle proceeds from H share of not more than RMB2 billion shall be applied on a revolving basis in a timely manner to purchasing wealth management products, issued by financial institutions, which offer high level of safety and liquidity.

Where a particular purchase of a wealth management product constitutes one which requires the consideration and approval of the Board or the Shareholders' General Meeting under the Listing Rules or other laws and regulations or the Articles of Association, such purchase shall be subject to prior approval by the Board or the Shareholders' General Meeting.

1. *Scope and Period of Investment*

Wealth management products issued by financial institutions, which offer high level of safety and liquidity.

2. *Validity Period of the Resolution*

One year from the date on which it is considered and approved by the Board.

3. *Amount of Investment*

At any particular point of time during the validity period of the resolution, the wealth management products held by the Company shall be subject to a maximum amount of not more than RMB2 billion.

4. *Method of Implementation*

Pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (2014 revision) and the Listing Rules as well as internal rules of the Company, for investment in wealth management products which are within the scope of authority conferred on the management, the chief financial officer is under the authorization of the Board to exercise such power of making investment decisions and enter into relevant contracts. The finance department is responsible for arranging detailed implementation thereof; for

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investment in wealth management products which are within the scope of authority conferred on the Board and the Shareholders' General Meeting, upon consideration and approval by the Board or the Shareholders' General Meeting, the chief financial officer is under the authorization to enter into relevant contracts. The finance department is responsible for arranging detailed implementation thereof.

II. Risk Control Measures

On the principle of protecting the interests of the Shareholders and the Company, the Company gives first priority to risk prevention. It makes decisions carefully and handle investments in wealth management products with due care. During the subsistence of the wealth management products, the Company will maintain close connection with the financial institutions and keep track of the operation of the funds invested in the relevant products, thereby strengthening risk control and supervision and strictly monitor the safety of the funds.

III. Effect on the Company

The Company's use of self-owned funds and the proceeds from H share which are idle for the time being for purchasing low-risk wealth management products issued by financial institutions enables full control over risks and does not affect the normal operations of the Company. It helps enhancing the efficiency of the use of capital and raise the Company's income.

Where investments in any wealth management products of the Company constitute transactions for which disclosure is required under the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (2014 revision) and the Listing Rules, the Company will perform the relevant procedures accordingly.

An ordinary resolution will be proposed at the AGM to approve the above arrangements.

8. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2016

An ordinary resolution will be proposed at the AGM to approve the 2016 profit distribution plan.

Reference is made to the Company's results announcement for the year ended 31 December 2016 dated 27 March 2017 that payment of the Dividends for the year ended 31 December 2016 of RMB0.11 per ten Shares (inclusive of tax), totalling RMB19,057,185.07 would be proposed. The aforesaid proposal is subject to the conditions set out in this circular.

LETTER FROM THE BOARD

The Company proposes to declare Dividends of RMB0.11 (inclusive of tax) per ten Shares to A Shareholders and H Shareholders whose names appear on the register of members of the Company as at the Record Date in cash, which amount to the actual distributable cash profit of RMB19,057,185.07, representing 30.74% of the profit for the year attributable to owners of the Company.

Subject to the approval of this proposal at the AGM, the Dividends will be payable to the Shareholders whose names appear on the register of members of the Company after the close of the market on Friday, 30 June 2017. The share register of members of the Company will be closed from Sunday, 25 June 2017 to Friday, 30 June 2017 (both days inclusive), during which period no transfer of shares will be registered. For the H Shareholders of the Company who wish to be entitled to receive the final dividends but have not registered the transfer documents, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Friday, 23 June 2017.

The Dividends are denominated and declared in RMB and payable in RMB to A Shareholders and in HK dollars to H Shareholders. The actual amount declared in HK dollars is converted based on the average benchmark exchange rate of Renminbi against HK dollars as promulgated by the People's Bank of China for the five business days preceding the date of the AGM. Subject to the approval of the profit distribution plan of the Company for the year 2016 at the AGM, the Dividends will be distributed within two months after the date of the AGM.

In accordance with the EIT Law, non-resident enterprises shall be subject to an applicable tax rate of 10% on its profits generated within the PRC. As such, any H Shares registered in the name of non-individual enterprise, including HKSCC Nominees Limited, other nominees or trustees, or other organizations or groups, shall be deemed to be H Shares held by non-resident enterprise shareholder(s) (as defined in the EIT Law). The Company, after withholding and paying the 10% enterprise income tax, shall distribute Dividends to those non-resident enterprise shareholders.

If any resident enterprise (as defined in the EIT Law) listed on the Company's register of members for H Shares which is duly incorporated in the PRC or under the laws of a foreign country (or a region) but with a PRC-based de facto management body, does not wish to have the Company withhold and pay the said 10% enterprise income tax, it shall timely lodge with Computershare Hong Kong Investor Services Limited legal advices (affixed with the seal of the law firm) and relevant documents from a PRC certified lawyer confirming that the enterprise is a resident enterprise.

According to "The Notice on the Issues Concerning the Collection and Administration of Individual Income Tax Following the Repeal of Guo Shui Fa (1993) No. 045" (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) issued by the State Administration of Taxation of the PRC on 28 June 2011 (the "Notice"), when non-foreign invested enterprises of the mainland which are listed in Hong Kong distribute dividends to their overseas residential individual shareholders, the individual

LETTER FROM THE BOARD

shareholders in general will be subject to a withholding tax rate of 10%. However, the income tax rate of each overseas residential individual shareholder shall be different depending on the tax treaties between their residing countries and the PRC. As such, when the Dividends are to be distributed to the individual holders of H Shares whose names appeared on the H Shares register of members of the Company on the Record Date, the Company generally withholds 10% of the final dividends as individual income tax unless otherwise specified by the relevant tax regulations, tax treaties or notices.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of the shareholders or any disputes over the mechanism of withholding.

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the “**Northbound Trading**”), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominees holding such shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the tax authorities for the withholding. For investors of Northbound Trading who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may, or may entrust a withholding agent to, apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. The Record Date and the date of distribution of cash dividends and other arrangements for the investors of Northbound Trading will be the same as those for the holders of A Shares of the Company.

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company will in due course enter into “the Agreement on Distribution of Cash Dividends of H Shares for Southbound Trading” (滬港通H股股票現金紅利派發協議) with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, as the nominee of the holders of H Shares for Southbound Trading, will receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of H Shares of Southbound Trading through its depository and clearing system.

The cash dividends for the investors of H Shares of Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the “Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect” (關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知) (Caishui [2014] No. 81), for dividends received by domestic investors from investing in H Shares listed on the Hong Kong Stock

LETTER FROM THE BOARD

Exchange through Shanghai-Hong Kong Stock Connect, the company of such H Shares shall withhold and pay individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The company of such H Shares will not withhold and pay the income tax of dividends for domestic enterprise investors and those domestic enterprise investors shall report and pay the relevant tax themselves.

The Record Date and the date of distribution of cash dividends and other arrangements for the investors of Southbound Trading will be the same as those for the H Shareholders of the Company.

9. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the AGM to approve the amendments of Articles of Association.

References are made to the announcement of the Company dated 24 March 2016 regarding the very substantial acquisition and connected transaction, the announcement dated 15 March 2017 regarding the completion of the change of share registration details in respect of the consideration shares and the announcement dated 24 March 2017 regarding the result of and shareholding changes upon the issue of the Placing Shares. The very substantial acquisition led to an increase in the total share capital of the Company. In light of the practical situations, the Board proposes to amend the Articles of Association as follows:

Article 6

currently reads: "The Company's registered capital is RMB1,621,122,000."

shall be amended as: "The Company's registered capital is RMB1,732,471,370."

Article 24

currently reads: "Upon the completion of the H share issuance (without exercising the over-allotment option), the share capital structure of the Company shall be: 1,621,122,000 shares of the ordinary shares issued in total, of which 1,377,887,800 shares of domestic-invested shares and 243,234,200 shares of overseas-listed foreign-invested shares."

shall be amended as: "Upon the completion of the H share issuance (without exercising the over-allotment option), the share capital structure of the Company shall be: 1,621,122,000 shares of the ordinary shares issued in total, of which 1,377,887,800 shares of domestic-invested shares and 243,234,200 shares of overseas-listed foreign-invested shares."

LETTER FROM THE BOARD

As approved by China Securities Regulatory Commission pursuant to the document Zheng Jian Xu Ke [2016] No. 3190, the Company purchased assets by way of share issue and conducted the fundraising, pursuant to which 111,349,370 A Shares were issued on a non-public basis. Upon the completion of the share issuance, the share capital structure of the Company shall become: 1,732,471,370 shares of the ordinary shares issued in total, of which 1,489,237,170 shares of domestic-invested shares and 243,234,200 shares of overseas-listed foreign-invested shares.”

CLOSURE OF REGISTER

The register of members for H Shares of the Company will be closed from Wednesday, 17 May 2017 to Friday, 16 June 2017 (both days inclusive), during which period no transfer of shares will be registered. H Shareholders whose names appear on the Company’s register of members on Friday, 16 June 2017 are entitled to attend the AGM. For the H Shareholders of the Company who wish to attend the AGM but have not yet registered, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Tuesday, 16 May 2017.

Subject to the approval of the relevant proposal at the AGM, the Dividends will be payable to the Shareholders whose names appear on the register of members for H Shares of the Company after the close of the market on Friday, 30 June 2017. The register of members for H Shares of the Company will be closed from Sunday, 25 June 2017 to Friday, 30 June 2017 (both days inclusive) during which period no transfer of H shares will be registered. For the H Shareholders of the Company who wish to be entitled to receive the final dividends but have not registered the transfer documents, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s H Shares registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Friday, 23 June 2017.

VOTING AT THE AGM

According to Rule 13.39(4) of the Listing Rules, unless the Chairman decides on good faith that a show of hand is allowed for any resolution in relation to procedures or administrative issues, any vote by the Shareholders in any Shareholders’ General Meeting shall be conducted by poll. As such, the Chairman of the AGM will, pursuant to Article 121 of the Articles of Association, demand vote by poll for every resolution proposed in the AGM.

During a poll vote, every Shareholder present in person or by proxy (or, in the case of a member being a corporation, by its duly authorized representative) shall have one vote for each share registered in the shareholder’s name in the register for members. According to Article 123 of the Articles of Association, a Shareholder (including proxy) entitled to two or over two votes is under no obligation to cast all his/her votes for or against any resolution.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that all the resolutions mentioned above are in the best interest of the Company and its Shareholders as a whole. Therefore, the Board recommends Shareholders to vote for the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM respectively.

By Order of the Board
Zhengzhou Coal Mining Machinery Group Company Limited
鄭州煤礦機械集團股份有限公司
JIAO Chengyao
Chairman

NOTICE OF 2016 ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2016 Annual General Meeting (the “AGM”) of Zhengzhou Coal Mining Machinery Group Company Limited (the “Company”) will be held at the Convention Centre, Office Building of Zhengzhou Coal Mining Machinery Group Company Limited, No. 167, 9th Street, Econ-Tech Development Zone, Zhengzhou, Henan Province, the PRC at 9:00 a.m. on Friday, 16 June 2017 for the following purposes:

ORDINARY RESOLUTIONS

1. Report of the Board for the year 2016;
2. Report of the Board of Supervisors for the year 2016;
3. Annual report for the year 2016;
4. Report of the independent non-executive Directors on their performance for the year 2016;
5. Appointment of the external auditors for the year of 2017;
6. Provision of repurchase guarantee to customers under finance lease business;
7. Use of self-owned idle funds and idle proceeds from the H Shares for the investment of wealth management products;
8. Profit distribution plan for the year 2016.

NOTICE OF 2016 ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

9. Amendments to the Articles of Association.

Notes:

- (1) The form of proxy and the reply slip for the AGM will be dispatched and posted in due course as well as the 2016 Annual Report of the Company. Any shareholders of the Company (“**Shareholders**”) who intend to appoint a proxy to attend the AGM should read the 2016 Annual Report of the Company which is posted on the website of the Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”) and the Company’s website or dispatched to the Shareholders concerned. The 2016 Annual Report consists of the 2016 Report of the Board of Directors, the 2016 Report of the Board of Supervisors and the audited financial statements and the auditor’s report for the year of 2016.
- (2) All votes of resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “**Listing Rules**”) and the results of the poll will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.zzmj.com) in accordance with the Listing Rules.
- (3) The register of members of the Company will be closed from Wednesday, 17 May 2017 to Friday, 16 June 2017 (both days inclusive), during which period no transfer of shares of the Company will be registered. Any H Shareholders of the Company who intend to attend and vote at the AGM but have not yet registered are required to deposit the transfer documents together with the relevant share certificates at the Company’s share registrar for H shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Tuesday, 16 May 2017.

Upon the relevant resolution in connection with the proposal of the payment of dividends is approved in the 2016 AGM, the dividends will be paid to the Shareholders whose names appear on the register of members of the Company after the close of market on Friday, 30 June 2017. The register of members of the Company will be closed from Sunday, 25 June 2017 to Friday, 30 June 2017 (both days inclusive), during which period no transfer of shares of the Company will be registered. Any H Shareholders of the Company who wish to be entitled to receive the final dividends but have not registered, are required to deposit the transfer documents together with the relevant share certificates at the Company’s share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on or before 4:30 p.m. on Friday, 23 June 2017.

- (4) Any Shareholders entitled to attend and vote at the AGM can appoint one or more proxies to attend and vote at the AGM on his/her/its behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and type of shares in respect of which each proxy is so appointed.
- (5) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been duly authorized in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation’s seal or signed by its director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For H shareholders, the aforementioned documents must be lodged with the share registrar for H shares, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by 9 a.m. on Thursday, 15 June 2017 (Hong Kong time) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF 2016 ANNUAL GENERAL MEETING

- (6) Shareholders who intend to attend the AGM (in person or by proxy) shall complete and deliver the reply slip of AGM enclosed to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before Friday, 26 May 2017 (Hong Kong time).
- (7) Shareholders shall produce their identification documents when attending the AGM.
- (8) If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specifies the date of its issuance. If a representative of a corporate shareholder attends the AGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the Board of Directors or other authority or other notarized copy of any authorization documents issued by such corporate shareholder.
- (9) The AGM is expected to last for half a day. Shareholders who attend the AGM (in person or by proxy) shall bear their own travelling, accommodation and other expenses.
- (10) The contact of the Company:

Address:	Zhengzhou Coal Mining Machinery Group Company Limited, No. 167, 9th Street, Econ-Tech Development Zone, Zhengzhou, Henan Province, The People's Republic of China
Postal Code:	450016
Telephone:	86-371-6789 1017
Contact Person:	Mr. Xi Zhipeng
Facsimile:	86-371-6789 1100

By Order of the Board
Zhengzhou Coal Mining Machinery Group Company Limited
鄭州煤礦機械集團股份有限公司
JIAO Chengyao
Chairman

Zhengzhou, PRC, 28 April 2017

As at the date of this notice, 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.

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2016
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Being independent non-executive Director of Zhengzhou Coal Mining Machinery Group Company Limited (the “Company”), we strictly complied with the requirements of relevant laws, regulations and regulatory documents such as the “Company Law”, the “Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies” and the “Code of Corporate Governance for Listed Companies in China”, as well as the Articles of Association of the Company and the “Code of Conduct of Independent Directors” to perform our duties prudently, conscientiously and diligently, attended relevant meetings proactively, carefully considered each resolution, expressed independent opinions on material matters of the Company and effectively played the role of being independent non-executive Director and a member of all professional committees. On one hand, we strictly reviewed relevant matters presented to the Board by the Company to safeguard the statutory interests of the Company and the public shareholders and facilitated regulated operation of the Company. On the other hand, we leveraged on our advantages in our profession individually, proactively paid attention to and participated in research of the Company’s development so as to give opinions and advices regarding the auditing and internal control, remuneration and incentive, nomination and appointment, as well as strategic plan of the Company. We hereby report on my performance of duties as independent non-executive Director of the Company based on my basic situations in 2016:

I. ATTENDANCE AT MEETINGS

The Company convened eleven Board meetings and two Shareholders’ General Meetings in the year 2016. Our attendance at Board meetings and Shareholders’ General Meetings is as follows:

Attendance at Board meetings convened during the reporting period:

Name of Directors	Specific duties	Number of meeting(s) should have attended	Number of meeting(s) attended in person	Number of meeting(s) attended by proxy	Number of absence	Whether unable to attend in person for two consecutive meetings
LIU Yao	Independent non-executive Director	11	8	3	0	No
LI Xudong	Independent non-executive Director	11	11	0	0	No
JIANG Hua	Independent non-executive Director	11	11	0	0	No
WU Guangming	Independent non-executive Director	11	11	0	0	No

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2016
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Attendance at Shareholders' General Meeting(s) convened during the reporting period:

Name of Directors	Specific duties	Number of meeting(s) should have attended	Number of meeting(s) attended in person	Number of meeting(s) attended by proxy	Number of absence	Whether unable to attend in person for two consecutive meetings
LIU Yao	Independent non-executive Director	2	2	0	0	No
LI Xudong	Independent non-executive Director	2	2	0	0	No
JIANG Hua	Independent non-executive Director	2	2	0	0	No
WU Guangming	Independent non-executive Director	2	2	0	0	No

We attended the Board meetings and Shareholders' General Meeting on time without being unable to attend in person for two consecutive meetings. We read the resolutions carefully at the meetings and communicated with the management of the Company sufficiently. We also gave reasonable suggestions and prudently exercised our voting rights so as to protect the interests of the Company and also the minority shareholders as a whole. We considered the convention and holding of all the Board meetings and Shareholders' General Meeting as well as the major business decisions and other material events were made according to relevant legal procedures, which were legal and valid. Therefore, we agreed with all the proposals at the Board meetings and other issues of the Company based on our careful review without any objection, opposition and abandonment.

II. EXPRESSION OF INDEPENDENT OPINIONS

In 2016, we performed our duties prudently, conscientiously and diligently pursuant to the "Working System of Independent Directors" and participated in Board meetings of the Company. We made independent and clear judgments on the validity of relevant issues prior to the Company's decisions, specified as follows:

(1) Connected transactions

We strictly complied with the requirements of regulations such as "Code of Corporate Governance for Listed Companies in China", "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and the "Decision-making System of Connected Transactions" of the Company to make judgements regarding the aspects such as the necessity, objectiveness, benefits to the Company, fairness and reasonableness of pricing and the harm to the Company's and the Shareholders' interests of the connected transactions entered into in the ordinary course of business based on objective criteria and reviewed the transactions according to

relevant procedures. During the reporting period, we expressed independent opinions on the resolutions regarding connected transactions and we all believed that these issues were strictly compliant with the requirements of relevant laws, followed suitable procedures, and were valid and without harming the interests of the Company and the Shareholders as a whole.

(2) External guarantees and capital occupation

We strictly complied with the systems and regulations such as “Code of Corporate Governance for Listed Companies in China”, “Rules Governing the Listing of Stocks on Shanghai Stock Exchange” and the Articles of Association of the Company to make judgements and review on external guarantees and capital occupation of the Company. We considered that the guarantees provided by the Company were strictly compliant with the requirements of relevant laws, followed suitable procedures, and were valid and without harming the interests of the Company and the Shareholders as a whole. No controlling shareholders of the Company occupied capital of the Company.

(3) Use of proceeds

We reviewed the use of proceeds by the Company. The Company has established a proceeds management system and regulations on use of capital. The actual use of proceeds was consistent with its commitment and no invalid behavior regarding the use of proceeds was discovered.

(4) Nomination and remuneration of senior management

The Company strictly complied with the regulations regarding the remuneration of Directors, supervisors and senior management. Relevant assessment and incentive were also executed in compliance with regulations. The procedures on assessment of operation results and distribution of remuneration were compliant with the requirements of relevant laws, the Articles of Association of the Company and regulatory systems.

(5) Advance announcements of results and result announcements

On 30 January 2016, the Company issued a Warning on Profit Decrease Announcement for the Year 2015 of Zhengzhou Coal Mining Machinery Group Company Limited regarding the decrease of its profit for the year 2015.

(6) Appointment or change of auditor

The Company did not change its accounting firm during the year. We considered BDO China Shu Lun Pan Certified Public Accountants LLP and Deloitte Touche Tohmatsu, which are the PRC accountant and international accountant appointed by the Company, respectively, worked diligently when rendering their auditing services, strictly followed the standards of independence, objectiveness and fairness and completed all auditing tasks in due diligence.

(7) Cash dividends and other investor returns

The proposal of 2015 profit distribution plan was considered and approved at the 2015 Shareholders' General Meeting convened on 13 June 2016. Based on the 1,621,122,000 shares of total share capital of the Company as at 31 December 2015, the Company distributed cash dividends of RMB0.08 (inclusive of tax) to all registered shareholders for every 10 Shares held and effectively distributed cash profit of RMB12,968,976, representing 30.73% of the net profit attributable to the shareholders of listed company in 2015. The A Share cash dividend distribution was completed on 29 June 2016. The H Share cash dividend distribution was completed on 1 August 2016.

(8) Commitment of the Company and Shareholders

During the reporting period, there was no breach of commitment by the Company or relevant Shareholders.

(9) Information disclosure

During 2016, the Company issued 69 temporary announcements and 4 regular announcements. The information disclosed in the Company's disclosures of information was true, accurate, complete and without any false records, misleading statements or material omissions. Relevant personnel of the Company made the information disclosures in compliance with the requirements of laws and regulations and enabled the Company to perform its information disclosure obligations timely regarding material issues.

(10) Internal control

During the reporting period, the Company established a comprehensive internal control system and was able to implement the system effectively.

(11) Operation of the Board and its committees

Strategy Committee, Nomination Committee, Remuneration and Assessment Committee and Audit Committee were established under the Board of the Company. During the reporting period, the committees made discussions and reviews regarding the issues in their respective aspects with standard operation.

III. WORKS ON PROTECTING INVESTORS' INTERESTS

- (1) We paid continuous attention on the information disclosure of the Company and monitored the Company to strictly comply with the requirements of laws and regulations such as "Rules Governing the Listing of Stocks on Shanghai Stock Exchange" and the "Administrative Measures on Information Disclosure by Listed Companies" to improve the information disclosure

management system. We required the Company to strictly implement requirements regarding information disclosure to guarantee the truth, accuracy, completeness, timeliness and fairness of the Company's disclosure of information.

- (2) Being independent non-executive Directors of the Company, we strictly performed the duties of independent non-executive Directors. We proactively paid attention to the operation of the Company and actively obtained all the required information when making decisions and performed the duties of being independent non-executive Directors. We also timely attended Board meetings of the Company, carefully reviewed the materials provided by the Company and made independent, fair and objective conclusions based on our professional knowledge and prudently exercised our voting rights.
- (3) We proactively learnt about relevant laws, regulations and regulatory systems so as to understand more intensively about relevant regulations, particularly those involving regulations on corporate governance structure and protection on the interests of public shareholders. I continuously enhanced our capacity to protect the interests of the Company and investors and our awareness of spontaneously protecting public shareholders was also promoted.

IV. OTHERS

- (1) There was no proposal of convening Board meeting by independent non-executive Directors during 2016;
- (2) There was no proposal of terminating the service of an accountant by Independent non-executive Directors;
- (3) There was no proposal of appointing an auditing institution or a consultation institution by independent non-executive Directors.

Zhengzhou Coal Mining Machinery Group Co., Ltd

鄭州煤礦機械集團股份有限公司

Liu Yao Li Xudong Jiang Hua Wu Guangming

Independent non-executive Directors

27 March 2017