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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 First Quarterly Report of 2017 released by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) and newspapers in the People's Republic of China on 27 April 2017.

By order of the Board

Zhengzhou Coal Mining Machinery Group Company Limited

Jiao Chengyao

Chairman

Zhengzhou, PRC, 27 April 2017

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

2017 First 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 27 April 2017 at the 21st 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.

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Stock Code: 601717

Abbreviation: ZMJ

Zhengzhou Coal Mining Machinery Group Company Limited

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§1 IMPORTANT NOTICE

- 1.1 The board of directors, supervisory committee of the Company and its directors, supervisors and members of senior management shall warrant that information included in this quarterly report is true, accurate and complete without any false statement, misleading representation or material omission, and they assume joint and several liability thereof.
- 1.2 All directors of the Company attended the meetings of the board of directors and reviewed the quarterly result.
- 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 first quarterly report of the Company are unaudited.

§2 BASIC INFORMATION 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	14,052,826,287.65	11,747,899,208.39	19.62
Net assets attributable to the shareholders of the listed company	10,576,988,689.37	9,674,172,643.58	9.33
	From beginning of the year to the end of the reporting period	From beginning of the previous year to the end of the reporting period of the previous year	Increase or decrease from the same period last year (%)
Net cash flow from operating activities	502,745,728.75	218,580,075.69	130.01
	From beginning of the year to the end of the reporting period	From beginning of the previous year to the end of the reporting period of the previous year	Increase or decrease from the same period last year (%)
Operating revenue	857,636,198.77	981,009,195.18	-12.58
Net profit attributable to the shareholders of the listed company	74,193,396.07	19,527,209.25	279.95
Net profit after extraordinary profit and loss attributable to the shareholders of the listed company	68,437,608.26	10,915,553.16	526.97
Weighted average return on net assets (%)	0.71	0.21	Increased by 0.50 percentage points
Basic earnings per share (yuan per share)	0.04	0.01	300.00
Diluted earnings per share (yuan per share)	0.04	0.01	300.00

Extraordinary profit and loss items and amounts

√Applicable □ Not applicable

Unit: Yuan
Currency: RMB

Items	Amount for the period	Description
Profit or loss from disposal of non-current assets	-186,359.83	
Gains or losses from discretionary investment or asset management	6,169,972.41	
Other non-operating income and expenses other than the above items	-225,862.19	
Amount of effects on minority interests (after tax)	-62,552.63	
Amount of effects on income tax	60,590.05	
Total	5,755,787.81	

2.2 The table below sets out the total number of shareholders, the top 10 shareholders and the shareholdings of 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)		50,020				
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	30.08		Pledged	75,416,000	State-owned legal person
HKSCC NOMINEES LIMITED	220,505,190	12.73		Unknown		Foreign legal person
ASIMCO (China) Limited (亞新科(中國)投資有限公司)	93,220,338	5.38	93,220,338	Nil		Domestic non-state-owned legal person
Central Huijin Asset Management Limited (中央匯金資產管理有限責任公司)	28,608,500	1.65		Nil		Others
Industrial and Commercial Bank of China Ltd. – China Universal Private Businesses Vitality Mixture Stock Investment Fund (中國工商銀行股份有限公司 – 匯添富民營活力混合型證券投資基金)	25,000,029	1.44		Nil		Others
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	1.29		Nil		Foreign legal person

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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)	21,000,000	1.21		Nil		Others
National Social Security Fund 109 portfolio (全國社保基金一零九組合)	19,177,191	1.11		Nil		Others
Li Jun (李俊)	16,700,000	0.96		Nil		Domestic natural person
Bank of Communications Co., Ltd. – Yi Fang Da Ke Hui Flexible Allocation Mixture Stock Investment Fund (交通銀行股份有限公司－易方達科匯靈活配置混合型證券投資基金)	15,595,090	0.90		Nil		Others

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	220,505,190	Overseas listed foreign shares	220,505,190
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 Private Businesses Vitality Mixture Stock Investment Fund (中國工商銀行股份有限公司－匯添富民營活力混合型證券投資基金)	25,000,029	Ordinary shares in RMB	25,000,029
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	Overseas listed foreign shares	22,399,200

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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)	21,000,000	Ordinary shares in RMB	21,000,000
National Social Security Fund 109 portfolio (全國社保基金一零九組合)	19,177,191	Ordinary shares in RMB	19,177,191
Li Jun (李俊)	16,700,000	Ordinary shares in RMB	16,700,000
Bank of Communications Co., Ltd. – Yi Fang Da Ke Hui Flexible Allocation Mixture Stock Investment Fund (交通銀行股份有限公司－易方達科匯靈活配置混合型證券投資基金)	15,595,090	Ordinary shares in RMB	15,595,090
National Social Security Fund Portfolio 412 (全國社保基金四一二組合)	13,514,968	Ordinary shares in RMB	13,514,968

Note: As of the end of the reporting period, the total number of shareholders of ordinary shares of the Company was 50,020, including 49,922 holders of A shares and 98 holders of H shares.

2.3 The table below sets out the total number of holders of preference shares, 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

Changes in the Consolidated Balance Sheet

Unit: Yuan
Currency: RMB

Items	31 March 2017	31 December 2016	Rate of change	Reason for the change
Derivative financial assets	0.00	71,019,524.42	-100.00%	Due to the financial derivatives
Interest receivable	6,226,335.00	2,867,198.83	117.16%	Increase in bond interest receivable
Other current assets	753,974,596.73	1,088,620,974.38	-30.74%	Due to the increase in expired wealth management products
Long-term equity investment	2,850,703,650.81	431,415,837.62	560.78%	Increase in external investment
Derivative financial liabilities	1,938,366.88		N/A	Due to financial derivatives
Bills payable	726,379,939.62	367,269,230.09	97.78%	Due to the increase in purchase volume of raw materials
Receipts in advance	435,508,994.00	253,518,954.36	71.79%	Due to the increase in contract payment received in advance
Other payables	191,278,668.64	81,951,751.86	133.40%	
Long-term borrowings	900,000,000.00		N/A	Increase in bank borrowings
Special projects payable	57,802,994.79	13,162,994.79	339.13%	Mainly due to the increase in special projects provision
Other comprehensive income	27,919,077.54	100,712,950.54	-72.28%	Due to the financial derivatives

Changes in the Consolidated Statement of Income

Unit: Yuan
Currency: RMB

Items	Amount for the current period	Amount for the previous period	Rate of change	Reason for the change
Finance costs	766,802.75	-7,550,110.79	110.16%	Mainly due to the decrease in interest and change of exchange rate
Asset impairment losses	-18,830,572.63	100,607,821.08	-118.72%	Due to the recovery of accounts receivable for which provision for bad debts was made
Net profit	72,204,758.13	11,523,187.43	526.60%	Mainly due to the reverse of assets impairment loss
Basic earnings per share (RMB per share)	0.04	0.01	300.00%	Due to the increase in profit
Diluted earnings per share (RMB per share)	0.04	0.01	300.00%	Due to the increase in profit

Changes in the Consolidated Statement of Cash Flows

Unit: Yuan
Currency: RMB

Items	Amount for the current period	Amount for the previous period	Rate of change	Reason for the change
Paid for various taxes	36,113,985.39	69,822,994.09	-48.28%	Mainly due to the decrease in VAT paid
Cash received from recovery of investments	1,085,000,000.00	520,000,000.00	108.65%	Due to the increase in amount received from recovery of wealth management products in the current period
Cash received from gain of investment acquired	12,159,022.41	8,461,101.37	43.70%	Due to the increase in amount received from gain of wealth management product
Cash paid for investments	2,394,487,487.75	100,000,000.00	2294.49%	Due to the increase in cash paid for external investment
Cash receipts received from investment	155,833,818.72		N/A	Increase in cash received from non-public issuance of shares
Cash received from borrowings acquired	900,000,000.00		N/A	Mainly due to the bank borrowings received in the current period
Cash paid in relation to other financing activities	82,297,669.44	5,401,800.00	1423.52%	Mainly due to the increase in the guaranteed deposits for bills payable

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

On 24 March 2016, the Company entered into the Agreement on Equity Transfer and Asset Acquisition by Way of Cash and Share Issue (hereinafter referred to as the “Equity Transfer Agreement”) with Axle ATL Cayman Limited, ASIMCO Technologies Limited, ASIMCO Technologies Hong Kong Limited and ASIMCO (China) Limited. On 28 April 2016, the Company entered into a supplemental agreement to the Agreement on Equity Transfer and Asset Acquisition by Way of Cash and Share Issue with the aforesaid counterparties. The Company settled the consideration of the asset acquisition by share issue and cash payment as well as proceeds from fundraising. In particular, the respective transaction amounts of share consideration and cash consideration amounted to RMB550 million and RMB1,650 million. The counterparties are certain investment vehicles under Bain Capital Investors, LLC (hereinafter referred to as “Bain Capital”), a global investment fund registered in the USA.

Subject company	Counterparty	% of shareholding in the subject company	Transaction consideration (RMB ten thousand)
ASIMCO Camshaft (Yizheng) Co., Ltd.	Axle ATL Cayman Limited	63.00	11,745
ASIMCO Shuanghuan Piston Ring (Yizheng) Co., Ltd.	Axle ATL Cayman Limited	63.00	45,470
ASIMCO Foundry (Yizheng) Co., Ltd.	Axle ATL Cayman Limited	70.00	680
ASIMCO International Casting Co., Ltd.(Shanxi)	ASIMCO (China) Limited	100.00	49,980
ASIMCO NVH Technologies Co., Ltd(Anhui)	ASIMCO (China) Limited	23.00	14,307
	ASIMCO Technologies Hong Kong Limited	77.00	47,898
CACG LTD. I	ASIMCO Technologies Limited	100.00	49,920
Total			220,000

The reorganization resolution was considered and passed at the eleventh meeting of the third session of the board of directors (the “Board”) , the thirteenth meeting of the third session of the Board, the fourteenth meeting of the third session of the Board, 2015 general meeting, 2016 First A Shareholders Class Meeting and 2016 First H Shareholders Class Meeting. The issue base price of fundraising was adjusted at the fifteenth meeting of the third session of the Board, 2016 First Extraordinary Meeting, 2016 Second A Shareholders Class Meeting and 2016 Second H Shareholders Class Meeting with the approval of the China Securities Regulatory Commission (hereinafter referred to as “CSRC”) Document No. [2016]3190. The Company acquired 100% interest in ASIMCO International Casting Co., Ltd. (Shanxi) (hereinafter referred to as “ASIMCO Shanxi”) and 8.07% interest in ASIMCO NVH Technologies Co., Ltd (Anhui) (hereinafter referred to as “ASIMCO NVH”) from ASIMCO (China) Limited (hereinafter referred to as “ASIMCO China”) by way of non-public issue of A shares.

The Company paid an equity consideration of USD220,077,184.81 between January and February 2017 and completed the registration of issue of shares in March 2017. As of 31 March 2017, all of the equity under the assets acquired by the Company has been transferred to the Company, and a closing audit of the asset acquired is being conducted. As such, the financial statements of the companies acquired have not been consolidated in the current period.

(For details, please refer to the Announcement on the Asset Acquisition by Way of Share Issue, Cash Payment and Proceeds from Fundraising by Zhengzhou Coal Mining Machinery Group Company Limited and Completion of Subject Asset Transfer under the Connected Transaction (Lin 2017-001), Announcement on the Result of and Shareholding Changes upon Share Issue for Asset Acquisition by Zhengzhou Coal Mining Machinery Group Company Limited (Lin 2017-002), Announcement on the Result of and Shareholding Changes upon Share Issue for Fundraising by Zhengzhou Coal Mining Machinery Group Company Limited (Lin 2017-003) and the relevant disclosure documents published on the website of Shanghai Stock Exchange (<http://www.sse.com.cn/>) on 4 March 2017, 16 March 2017 and 25 March 2017, respectively.

3.3 Overdue and outstanding undertakings during the reporting period

Applicable Not applicable

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	Zhengzhou Coal Mining Machinery Group Company Limited
Legal representative	Jiao Chengyao
Date	27 April 2017

§4 APPENDICES

4.1 Financial Statements

Consolidated Balance Sheet
31 March 2017

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
Current assets:		
Monetary capital	3,172,149,635.57	2,935,952,062.23
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets at fair value through profit or loss		
Derivative financial assets	0.00	71,019,524.42
Bills receivable	877,291,664.38	1,038,279,566.42
Accounts receivable	2,238,381,841.83	2,206,772,637.01
Prepayments	249,053,355.52	227,856,228.85
Premiums receivable		
Accounts receivable from reinsurance		
Contract reserves receivable from reinsurance		
Interest receivable	6,226,335.00	2,867,198.83
Dividend receivable		
Other receivables	112,735,345.26	98,385,256.49
Buying back financial assets resold		
Inventories	1,004,997,856.25	827,794,042.28
Assets classified as held for sale		
Non-current assets due within one year	464,631,314.22	464,631,314.22
Other current assets	753,974,596.73	1,088,620,974.38
Total current assets	8,879,441,944.76	8,962,178,805.13

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Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	36,669,305.10	36,669,305.10
Held-to-maturity investments		
Long-term receivables	339,873,809.11	356,092,249.63
Long-term equity investment	2,850,703,650.81	431,415,837.62
Investment properties	45,201,075.34	45,598,331.89
Fixed assets	1,329,363,662.53	1,358,698,189.74
Construction in progress	30,635,564.70	32,088,100.93
Construction materials		
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	325,285,686.22	327,416,497.93
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	215,651,589.08	197,741,890.42
Other non-current assets		
Total non-current assets	5,173,384,342.89	2,785,720,403.26
Total assets	14,052,826,287.65	11,747,899,208.39
Current liabilities:		
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	1,938,366.88	
Bills payable	726,379,939.62	367,269,230.09
Accounts payable	957,196,998.42	1,139,227,324.64
Receipts in advance	435,508,994.00	253,518,954.36
Disposal of repurchased financial assets		
Handling charges and commission payable		
Staff remuneration payable	65,661,073.15	69,584,478.22
Tax payable	41,406,202.42	50,376,116.53
Interest payable		
Dividend payable		
Other payable	191,278,668.64	81,951,751.86
Reinsurance accounts payable		
Insurance contract reserves		
Customer deposits for trading securities		
Customer deposits for undertaking securities		

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Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	2,419,370,243.13	1,961,927,855.70
Non-current liabilities:		
Long-term borrowings	900,000,000.00	
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term staff remuneration payable		
Special projects payable	57,802,994.79	13,162,994.79
Accrued liabilities		
Deferred income	16,295,617.33	14,278,333.35
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	974,098,612.12	27,441,328.14
Total liabilities	3,393,468,855.25	1,989,369,183.84
Owner's equity		
Share capital	1,732,471,370.00	1,621,122,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,303,384,086.71	3,513,316,933.99
Less: Treasury stock		
Other comprehensive income	27,919,077.54	100,712,950.54
Special projects reserve		
Surplus reserve	552,539,496.24	552,539,496.24
Provisions for general risk		
Undistributed profit	3,960,674,658.88	3,886,481,262.81
Total equity attributable to owners of the parent company	10,576,988,689.37	9,674,172,643.58
Minority interests	82,368,743.03	84,357,380.97
Total owners' equity	10,659,357,432.40	9,758,530,024.55
Total liabilities and owners' equity	14,052,826,287.65	11,747,899,208.39

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

Balance Sheet of the Parent Company
31 March 2017

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
Current assets:		
Monetary capital	3,101,384,270.61	2,827,197,674.21
Financial assets at fair value through profit or loss		
Derivative financial assets		71,019,524.42
Bills receivable	806,067,075.47	984,756,164.36
Accounts receivable	1,965,525,826.25	1,946,749,505.28
Prepayments	281,247,215.43	205,301,658.12
Interest receivable	6,226,335.00	2,867,198.83
Dividend receivable		
Other receivables	260,356,759.50	246,035,244.26
Inventories	789,062,732.89	691,604,603.87
Assets classified as held for sale		
Non-current assets due within one year	464,631,314.22	464,631,314.22
Other current assets	750,000,000.00	1,085,000,000.00
Total current assets	8,424,501,529.37	8,525,162,887.57
Non-current assets:		
Available-for-sale financial assets	835,000.00	835,000.00
Held-to-maturity investments		
Long-term receivables	416,180,809.11	432,399,249.63
Long-term equity investment	2,985,856,289.97	565,506,192.43
Investment properties	45,201,075.34	45,598,331.89
Fixed assets	1,019,939,519.53	1,043,876,799.94
Construction in progress	21,214,297.30	23,843,677.30
Construction materials		
Liquidation of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	228,130,335.42	229,722,301.80

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Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	184,475,055.34	188,143,216.03
Other non-current assets		
Total non-current assets	4,901,832,382.01	2,529,924,769.02
Total assets	13,326,333,911.38	11,055,087,656.59
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities	1,938,366.88	
Bills payable	733,299,939.62	366,438,421.42
Accounts payable	688,902,680.70	865,778,799.19
Receipts in advance	429,436,530.33	211,762,752.95
Staff remuneration payable	60,858,778.46	64,822,764.51
Tax payable	30,701,670.34	41,242,516.93
Interest payable		
Dividend payable		
Other payable	148,956,709.61	77,586,195.22
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	2,094,094,675.94	1,627,631,450.22
Non-current liabilities:		
Long-term borrowings	900,000,000.00	
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term staff remuneration payable		
Special projects payable	57,802,994.79	13,162,994.79
Accrued liabilities		
Deferred income	15,345,617.33	13,328,333.35
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	973,148,612.12	26,491,328.14
Total liabilities	3,067,243,288.06	1,654,122,778.36

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Owners' equity:		
Share capital	1,732,471,370.00	1,621,122,000.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,304,295,625.63	3,514,228,472.91
Less: Treasury stock		
Other comprehensive income	17,848,521.61	90,806,412.91
Special projects reserve		
Surplus reserve	552,539,496.24	552,539,496.24
Undistributed profit	3,651,935,609.84	3,622,268,496.17
Total owner's equity	10,259,090,623.32	9,400,964,878.23
Total liabilities and owner's equity	13,326,333,911.38	11,055,087,656.59

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

Consolidated Statement of Income
January to March 2017

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan
Currency: RMB
Unaudited

Items	Amount for the	Amount for the last
1. Total operating income	857,636,198.77	981,009,195.18
Including: Operating income	857,636,198.77	981,009,195.18
Interest income		
Premiums earned		
Handling charges and commission income		
2. Total operating cost	786,167,214.62	986,975,059.58
Including: Operating cost	683,914,553.18	761,940,865.06
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net expenditure for compensation payments		
Net drawing on provision for insurance contracts		
Expenditures for policy dividend		
Reinsurance expenditures		
Tax and surcharges	8,865,736.05	11,521,276.62
Selling expenses	32,804,316.63	36,260,783.92
Administration expenses	78,646,378.64	84,194,423.69
Finance costs	766,802.75	-7,550,110.79
Asset impairment losses	-18,830,572.63	100,607,821.08
Add: Gain from changes in fair value (loss is represented by "-")		
Gain from investments (loss is represented by "-")	11,305,601.90	14,825,304.44
Including: Gain from investments in associates and joint ventures	2,093,228.84	3,513,086.15
Gain from foreign exchange (loss is represented by "-")		

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3. Profit from operations (loss is represented by “-”)	82,774,586.05	8,859,440.04
Add: Non-operating income	1,130,808.71	1,976,309.72
Including: Profit from disposal of non-current assets	520,017.82	194,947.63
Less: Non-operating expenses	1,543,030.73	1,496,872.97
Including: Loss from disposal of non-current assets	706,377.65	13,954.35
4. Total profit (total loss is represented by “-”)	82,362,364.03	9,338,876.79
Less: Income tax expense	10,157,605.90	-2,184,310.64
5. Net profit (net loss is represented by “-”)	72,204,758.13	11,523,187.43
Net profit attributable to owners of the parent company	74,193,396.07	19,527,209.25
Gain or loss attributable to minority interests	-1,988,637.94	-8,004,021.82
6. Net other comprehensive income after tax	-72,793,873.00	146,050.22
Net other comprehensive income attributable to owners of the parent company after tax	-72,793,873.00	146,050.22
(1) Other comprehensive income not to be reclassified into profit or loss in subsequent periods	-72,957,891.30	
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan	-72,957,891.30	
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	164,018.30	146,050.22
1. Share of investees’ other comprehensive income to be reclassified into profit or loss using the equity method		
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 cashflow from hedging gains and losses		
5. Exchange differences on foreign currency financial statements translation	164,018.30	146,050.22

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6. Others		
Net other comprehensive income attributable to minority owners after tax		
7. Total comprehensive income	-589,114.87	11,669,237.65
Total comprehensive income attributable to owners of the parent company	1,399,523.07	19,673,259.47
Total comprehensive income attributable to minority interests	-1,988,637.94	-8,004,021.82
8. Earnings per share:		
(1) Basic earnings per share (RMB per share)	0.04	0.01
(2) Diluted earnings per share (RMB per share)	0.04	0.01

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 March 2017

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan
Currency: RMB
Unaudited

Items	Amount for the current period	Amount for the last period
1. Operating income	628,674,981.29	713,493,178.37
Less: Operating cost	540,234,018.93	561,199,798.14
Tax and surcharges	6,566,321.40	10,191,424.76
Selling expenses	23,993,650.78	28,062,765.46
Administration expenses	57,598,677.40	58,424,725.54
Finance costs	905,939.71	-7,292,005.46
Asset impairment losses	-24,454,404.56	74,076,443.13
Add: Gain from changes in fair value (loss is represented by "-")		
Gain from investments (loss is represented by "-")	11,367,886.25	14,881,727.52
Including: Gain from investments in associates and joint ventures	2,093,228.84	3,513,086.15
2. Operating profits (loss is represented by "-")	35,198,663.88	3,711,754.32
Add: Non-operating income	844,199.06	331,762.93
Including: Profit from disposal of non-current assets	497,359.17	
Less: Non-operating expenses	1,509,769.59	754,350.72
Including: Loss from disposal of non-current assets	706,377.65	
3. Total profit (total loss is presented by "-")	34,533,093.35	3,289,166.53
Less: Income tax expense	4,865,979.68	-33,587.95
4. Net profit (net loss is presented by "-")	29,667,113.67	3,322,754.48

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5. Net other comprehensive income after tax	-72,957,891.30	
(1) Other comprehensive income not to be reclassified into profit or loss in subsequent periods	-72,957,891.30	
1. Changes arising from re-measuring net assets or net liabilities of defined benefit plan	-72,957,891.30	
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		
1. Share of investees' other comprehensive income to be reclassified into profit or loss using the equity method		
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 cashflow from hedging gains and losses		
5. Exchange differences on foreign currency financial statements translation		
6. Others		
6. Total comprehensive income	-43,290,777.63	
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 March 2017

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan
Currency: RMB
Unaudited

Items	Amount for the current period	Amount for the last period
1. Cash flows from operating activities:		
Cash received from sales of goods and provision of labor	983,940,201.59	764,883,777.19
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	190,417,692.15	27,153,534.77
Sub-total of cash inflows from operating activities	1,174,357,893.74	792,037,311.96
Cash paid for goods purchased and labor received	421,599,647.31	360,517,756.66
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		

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Cash paid to and paid on behalf of the employees	108,234,553.85	109,151,274.18
Paid for various taxes	36,113,985.39	69,822,994.09
Cash paid in relation to other operating activities	105,663,978.44	33,965,211.34
Sub-total of cash outflow from operating activities	671,612,164.99	573,457,236.27
Net cash flows from operating activities	502,745,728.75	218,580,075.69
2. Cash flows from investing activities:		
Cash received from recovery of investments	1,085,000,000.00	520,000,000.00
Cash received from gain of investment acquired	12,159,022.41	8,461,101.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	535,661.17	44,000.00
Net cash received from disposal of subsidiaries and other business units		0
Other cash received in relation to investing activities	72,756.00	5,000.00
Sub-total of cash inflow from investing activities	1,097,767,439.58	528,510,101.37
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	1,523,461.86	2,247,314.91
Cash paid for investments	2,394,487,487.75	100,000,000.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Cash paid in relation to other investing activities	28,250.00	5,610,000.00
Sub-total of cash outflow from investing activities	2,396,039,199.61	107,857,314.91
Net cash flows from investing activities	-1,298,271,760.03	420,652,786.46
3. Cash flow from financing activities:		
Cash receipts received from investment	155,833,818.72	
Including: Cash receipts from investment in minority shareholders received from subsidiaries		
Cash received from borrowings acquired	900,000,000.00	
Cash received from issuing debentures		
Cash received in relation to other financing activities		6,791,507.41
Sub-total of cash inflow from financing activities	1,055,833,818.72	6,791,507.41
Cash paid for repayment of indebtedness		

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Cash paid for distribution of dividend and profit or for interest expenses		
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Cash paid in relation to other financing activities	82,297,669.44	5,401,800.00
Sub-total of cash outflow from financing activities	82,297,669.44	5,401,800.00
Net cash flows from financing activities	973,536,149.28	1,389,707.41
4. Effects of change of exchange rate on cash and cash equivalents	-3,793,776.01	-1,393,142.93
5. Net increase in cash and cash equivalents	174,216,341.99	639,229,426.63
Add: Balance of cash and cash equivalents at the beginning of the period	2,671,293,573.69	2,011,221,267.69
6. Balance of cash and cash equivalents at the end of the period	2,845,509,915.68	2,650,450,694.32

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 March 2017

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan
Currency: RMB
Unaudited

Items	Amount for the current period	Amount for the last period
1. Cash flows from operating activities:		
Cash received from sales of goods and provision of labor	801,725,720.24	843,044,364.43
Tax refunds received		
Cash received in relation to other operating activities	188,782,858.76	27,574,219.92
Sub-total of cash inflows from operating activities	990,508,579.00	870,618,584.35
Cash paid for goods purchased and labor received	259,810,089.37	489,554,214.06
Cash paid to and paid on behalf of the employees	82,215,973.51	71,699,834.05
Paid for various taxes	17,802,671.56	51,842,682.67
Cash paid in relation to other operating activities	99,977,109.60	32,807,837.20
Sub-total of cash outflow from operating activities	459,805,844.04	645,904,567.98
Net cash flows from operating activities	530,702,734.96	224,714,016.37
2. Cash flows from investing activities:		
Cash received from recovery of investments	1,085,000,000.00	520,000,000.00
Cash received from gain of investment acquired	12,159,022.41	8,461,101.37
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	535,661.17	44,000.00
Net cash received from disposal of subsidiaries and other business units		
Other cash received in relation to investing activities		
Sub-total of cash inflow from investing activities	1,097,694,683.58	528,505,101.37
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	722,004.45	1,830,308.21

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Cash paid for investments	2,394,487,487.75	100,000,000.00
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	2,395,209,492.20	101,830,308.21
Net cash flows from investing activities	-1,297,514,808.62	426,674,793.16
3. Cash flow from financing activities:		
Cash receipts received from investments	155,833,818.72	0.00
Cash received from borrowings acquired	900,000,000.00	
Cash received in relation to other financing activities	0.00	6,791,507.41
Sub-total of cash inflow from financing activities	1,055,833,818.72	6,791,507.41
Cash paid for repayment of indebtedness		
Cash paid for distribution of dividend and profit or for interest expenses		
Cash paid in relation to other financing activities	81,497,669.44	1,800.00
Sub-total of cash outflow from financing activities	81,497,669.44	1,800.00
Net cash flows from financing activities	974,336,149.28	6,789,707.41
4. Effects of change of exchange rate on cash and cash equivalents	-3,831,142.57	-1,820,752.38
5. Net increase in cash and cash equivalents	203,692,933.05	656,357,764.56
Add: Balance of cash and cash equivalents at the beginning of the period	2,580,897,100.87	1,932,544,217.28
6. Balance of cash and cash equivalents at the end of the period	2,784,590,033.92	2,588,901,981.84

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