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ZMJ

Zhengzhou Coal Mining Machinery Group Company Limited
鄭州煤礦機械集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 00564)

DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS
OF SHANGHAI PUDONG DEVELOPMENT BANK

The Board is pleased to announce that, on 15 August 2017, the Company subscribed for a wealth management product with Shanghai Pudong Development Bank Zhengzhou Baihua Road Sub-Branch at a consideration of RMB200 million (“**Wealth Management Product No. 2**”).

On 29 December 2016, the Company subscribed for a wealth management product issued by Shanghai Pudong Development Bank at a consideration of RMB95 million (“**Wealth Management Product No. 1**”).

The aggregate subscription amount of Wealth Management Products No. 1 and No. 2 within a 12-month period is RMB295 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but are lower than 25%, the relevant transaction therefore constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules but exempt from the Shareholders' approval requirement.

THE SUBSCRIPTIONS

1. Subscription for Wealth Management Product No. 2

Date of subscription:	15 August 2017
Term of investment:	16 August 2017 – 16 November 2017
Investment portfolio:	Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, mid-term notes, inter-bank lendings, borrowings and deposits, bonds or repurchases of bills, among others, the yields of which will be increased by the bank's active management and the use of relevant financial instruments with simple structures and lower risk profiles.
Parties:	<p>The Company and Shanghai Pudong Development Bank Zhengzhou Baihua Road Sub-Branch</p> <p>Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.</p>
Consideration of subscription:	RMB200 million
Expected annual yield rate:	4.4%
Interest calculation:	$\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$

2. Subscription for Wealth Management Product No. 1

Date of subscription:	29 December 2016
Term of investment:	29 December 2016 – 1 February 2017
Investment portfolio:	Mainly investing in central bank bills in the inter-bank market, national financial bonds, corporate bonds, short-term financings, mid-term notes, inter-bank lendings, borrowings and deposits, bonds or repurchases of bills, among others, the yields of which will be increased by the bank's active management and the use of relevant financial instruments with simple structures and lower risk profiles.
Parties:	The Company and Shanghai Pudong Development Bank Zhengzhou Baihua Road Sub-Branch Shanghai Pudong Development Bank is a licensed bank incorporated under the PRC law. To the best knowledge, information and belief of the Directors, Shanghai Pudong Development Bank and its ultimate beneficial owners are Independent Third Parties.
Consideration of subscription:	RMB95 million
Expected annual yield rate:	3.1%
Interest calculation:	$\text{Yield} = \text{principal of subscription} \times \text{effective annual yield rate} \times \text{actual interest-bearing days}/360$

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors of the Company confirm that the consideration of each of the subscriptions for the Wealth Management Products set forth above was determined on the basis of commercial terms negotiated at arm's length.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

As the Wealth Management Products offer better returns to the Company when compared to the fixed-term deposit interest rates offered by commercial banks in the PRC, the Directors consider that the subscriptions for the Wealth Management Products are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The principal activities of the Company are the manufacturing of comprehensive coal mining and excavating equipment.

IMPLICATIONS UNDER THE LISTING RULES

The aggregate subscription amount of Wealth Management Products No. 1 and No. 2 within a 12-month period is RMB295 million. As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the aggregate subscription amount exceed 5% but are lower than 25%, the relevant transaction therefore constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules but exempt from the Shareholders' approval requirement.

DEFINITIONS

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

“Board”	the board of Directors
“Shanghai Pudong Development Bank”	Shanghai Pudong Development Bank Co., Ltd., a licensed bank incorporated under the law of the People's Republic of China and is listed on the Shanghai Stock Exchange (Stock Code: 600000.SH)
“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 limited company incorporated in the PRC with limited liability and listed on the Main Board of the Stock Exchange (Stock Code: 00564) and the Shanghai Stock Exchange (Stock Code: 601717)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Parties”	third parties independent from the Company and its connected persons (with the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China, but for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Products” or “Wealth Management Products No. 1 and No. 2”	the Wealth Management Products No. 1 and No. 2 to be issued or issued by Shanghai Pudong Development Bank, the main terms of which have been summarized in this announcement
“%”	percent

By order of the Board
Zhengzhou Coal Mining Machinery Group Company Limited
Jiao Chengyao
Chairman

Zhengzhou, PRC, 15 August 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 and Mr. LI Xudong.