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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 PRODUCT
OF HTSC

The Board is pleased to announce that, on 16 August 2017, the Company subscribed for a wealth management product with HTSC at a consideration of RMB200 million (“**Wealth Management Product**”).

The aggregate subscription amount of Wealth Management Product is RMB200 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 SUBSCRIPTION

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| Date of subscription: | 16 August 2017 |
| Term of investment: | 17 August 2017–18 December 2017 |
| Type of wealth management product: | Principal-guaranteed |
| Investment portfolio: | Mainly investing in capital intermediary businesses including collateralized stock repurchase transactions, fixed income business, contracted repurchase securities transactions, as well as other innovative businesses etc. |
| Parties: | The Company and HTSC HTSC is a licensed securities operator incorporated under the PRC law. To the best knowledge, information and belief of the Directors, HTSC and its ultimate beneficial owners are Independent Third Parties. |
| Consideration of subscription: | RMB200 million |
| Expected annual yield rate: | 4.55% |
| Interest calculation: | $\text{Yield} = \text{principal of investment} \times \text{fixed income yield rate} \times \text{actual interest-bearing days}/365$ |

BASIS OF DETERMINATION FOR THE CONSIDERATION

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

REASONS AND BENEFITS FOR THE SUBSCRIPTION

As the Wealth Management Product 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 subscription for the Wealth Management Product 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 Product is RMB200 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:

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| “Board” | the board of Directors |
| “HTSC” | Huatai Securities Co., Ltd. (華泰證券股份有限公司), a licensed securities operator incorporated under the law of the People's Republic of China and is listed on the Stock Exchange (Stock Code: 06886) and the Shanghai Stock Exchange (Stock Code: 601688) |
| “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 (within 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 |

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| “Shareholder(s)” | holder(s) of the Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Wealth Management Product” | the Wealth Management Product to be issued by HTSC, 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, 16 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.