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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 2017**  
**REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017**  
**ANNUAL REPORT FOR THE YEAR 2017**  
**REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON**  
**THEIR PERFORMANCE FOR THE YEAR 2017**  
**APPOINTMENT OF THE EXTERNAL AUDITORS AND**  
**INTERNAL CONTROL AUDITORS FOR THE YEAR 2018**  
**PROVISION OF REPURCHASE GUARANTEE TO**  
**CUSTOMERS UNDER FINANCE LEASE BUSINESS**  
**USE OF SELF-OWNED IDLE FUNDS FOR THE INVESTMENT OF**  
**WEALTH MANAGEMENT PRODUCTS**  
**PROFIT DISTRIBUTION PLAN FOR THE YEAR 2017**  
**PROPOSED REMUNERATION FOR EXECUTIVE DIRECTORS**  
**PROPOSED REMUNERATION FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**  
**AND**  
**NOTICE OF THE 2017 ANNUAL GENERAL MEETING**

The Company will convene the AGM at 9:00 a.m. on Wednesday, 20 June 2018 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 12 to 14 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](http://www.hkexnews.hk)) and the Company ([www.zzmj.com](http://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 Wednesday, 30 May 2018 (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 Tuesday, 19 June 2018 (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.

26 April 2018

# CONTENTS

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Notice of 2017 Annual General Meeting</b> .....	12
<b>ANNEX A Report of the Independent Non-executive Directors on Their Performance for the Year 2017</b> .....	15

## 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 Wednesday, 20 June 2018 or any adjournment thereof, the notice of which is set out on pages 12 to 14 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
“Dividends”	proposed distribution of 2017 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 RMB0.50 (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

## DEFINITIONS

“Group”	the Company and its subsidiaries
“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”	Thursday, 5 July 2018, 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. JIA Hao  
Mr. XIANG Jiayu  
Mr. FU Zugang  
Mr. WANG Xinying  
Mr. WANG Bin

*Independent Non-executive Directors:*

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

**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

26 April 2018

*To the Shareholders*

Dear Sir or Madam,

**REPORT OF THE BOARD FOR THE YEAR 2017**  
**REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017**  
**ANNUAL REPORT FOR THE YEAR 2017**  
**REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON**  
**THEIR PERFORMANCE FOR THE YEAR 2017**  
**APPOINTMENT OF THE EXTERNAL AUDITORS AND**  
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**PROFIT DISTRIBUTION PLAN FOR THE YEAR 2017**  
**PROPOSED REMUNERATION FOR EXECUTIVE DIRECTORS**  
**PROPOSED REMUNERATION FOR INDEPENDENT NON-EXECUTIVE DIRECTORS**  
**AND**  
**NOTICE OF THE 2017 ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with the notice of the 2017 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 2017;

## LETTER FROM THE BOARD

2. Report of the Board of Supervisors for the year 2017;
3. Annual report for the year 2017;
4. Report of the independent non-executive Directors on their performance for the year 2017;
5. Appointment of the external auditors and internal control auditors for the year 2018;
6. Provision of repurchase guarantee to customers under finance lease business;
7. Use of self-owned idle funds for the investment of wealth management products;
8. Profit distribution plan for the year 2017;
9. Proposed remuneration for executive Directors; and
10. Proposed remuneration for independent non-executive Directors.

### **1. REPORT OF THE BOARD FOR THE YEAR 2017**

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2017. The full text of the report of the Board for the year 2017 is set out in the 2017 annual report of the Company which is dispatched on 26 April 2018.

### **2. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2017**

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Supervisors for the year 2017. The full text of the report of the Board of Supervisors for the year 2017 is set out in the 2017 annual report of the Company which is dispatched on 26 April 2018.

### **3. ANNUAL REPORT FOR THE YEAR 2017**

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year 2017 which is dispatched on 26 April 2018.

### **4. REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2017**

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 2017. Details of the aforesaid report is set out in Annex A of this circular.

## LETTER FROM THE BOARD

### **5. APPOINTMENT OF THE EXTERNAL AUDITORS AND INTERNAL CONTROL AUDITORS FOR THE YEAR 2018**

An ordinary resolution will be proposed at the AGM to approve: (i) the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's PRC auditors and PricewaterhouseCoopers as the Company's international auditors for the year of 2018; (ii) the remuneration for the Company's PRC and international auditors for the year of 2018, which amounts to RMB2,470,000 and RMB3,650,000, respectively; and (iii) the appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company's internal control auditors for the year of 2018 at an internal control audit fee which is included in the annual audit fee stated above.

### **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 or other relevant laws and regulations or normative documents, 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 or his delegate 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 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 Group proposes the application of self-owned idle funds 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 Group proposes that self-owned idle funds 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 are principal-guaranteed with income or low-risk short-term.

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 are principal-guaranteed with income or low-risk short-term.

##### 2. *Validity Period of the Resolution*

One year from the date on which it is considered and approved by the Board. Upon consideration and approval by the Board, investment in wealth management products within the scope of power of the Board may be implemented.

##### 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 management is under the authorization of the Board to exercise such power of making investment decision, while the chief financial officer is under the authorization of the Board to enter into relevant contracts. The finance department is responsible for arranging detailed implementation thereof; for



## LETTER FROM THE BOARD

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 management is under the authorization to exercise such power of making investment decision, while 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 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 2017

An ordinary resolution will be proposed at the AGM to approve the 2017 profit distribution plan.

Reference is made to the Company's results announcement for the year ended 31 December 2017 dated 29 March 2018 that payment of the Dividends for the year ended 31 December 2017 of RMB0.50 per ten Shares (inclusive of tax), totalling RMB86,623,568.50 would be proposed. The aforesaid proposal is subject to the conditions set out in this circular.

The Company proposes to declare Dividends of RMB0.50 (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 RMB86,623,568.50, representing 30.47% of the profit for the year attributable to owners of the Company.

## LETTER FROM THE BOARD

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 Thursday, 5 July 2018. The share register of members of the Company will be closed from Saturday, 30 June 2018 to Thursday, 5 July 2018 (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, 29 June 2018.

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 2017 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 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.

## LETTER FROM THE BOARD

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 and the Shenzhen 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 China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited or its branches, 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) and the “Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect” (關於深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 [2016] No. 127), for dividends received by domestic investors from investing in H Shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect or Shenzhen-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 or Shenzhen-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.

## LETTER FROM THE BOARD

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. REMUNERATION FOR EXECUTIVE DIRECTORS

An ordinary resolution will be proposed at the AGM to approve that with effect from February 2018, based on the standard annual salary for full-year leaders, an annual remuneration of RMB1.2 million (tax inclusive) per year shall be offered to Jiao Chengyao, being the chairman of the Board, and Xiang Jiayu and Fu Zugang, being executive Directors of the Company. Wang Xinying, being an executive Director of the Company, does not receive any remuneration from the Company for the time being. For Jia Hao and Wang Bin, being executive directors in the leadership of companies in various industry segments of the Company, standard basic salary is RMB2.376 million (tax inclusive) with reference to the historical standard remuneration in the auto parts segment and the particularity of the industry, which is to be appraised and paid by the respective entities.

### 10. REMUNERATION FOR INDEPENDENT NON-EXECUTIVE DIRECTORS

An ordinary resolution will be proposed at the AGM to approve that with effect from February 2018, remuneration in the amount of RMB140,000 (tax inclusive) shall be offered to Li Xudong and Jiang Hua, being independent non-executive Directors of the Company. Remuneration in the amount of HK\$180,000 (tax inclusive) shall be offered to Liu Yao, being an independent non-executive Director of the Company who ordinarily resides in Hong Kong.

### CLOSURE OF REGISTER

The register of members for H Shares of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018 (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 Wednesday, 20 June 2018 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 Friday, 18 May 2018.

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 Thursday, 5 July 2018. The register of members for H Shares of the Company will be closed from Saturday, 30 June 2018 to Thursday, 5 July 2018 (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, 29 June 2018.

## LETTER FROM THE BOARD

### 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.

### 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 2017 ANNUAL GENERAL MEETING



### 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 2017 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 Wednesday, 20 June 2018 for the following purposes:

#### ORDINARY RESOLUTIONS

1. Report of the Board for the year 2017;
2. Report of the Board of Supervisors for the year 2017;
3. Annual report for the year 2017;
4. Report of the independent non-executive Directors on their performance for the year 2017;
5. Appointment of the external auditors and internal control auditors for the year of 2018;
6. Provision of repurchase guarantee to customers under finance lease business;
7. Use of self-owned idle funds for the investment of wealth management products;
8. Profit distribution plan for the year 2017;
9. Proposed remuneration for executive Directors; and
10. Proposed remuneration for independent non-executive Directors.



## NOTICE OF 2017 ANNUAL GENERAL MEETING

*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 2017 Annual Report of the Company. Any shareholders of the Company (“**Shareholders**”) who intend to appoint a proxy to attend the AGM should read the 2017 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 2017 Annual Report consists of the 2017 Report of the Board of Directors, the 2017 Report of the Board of Supervisors and the audited financial statements and the auditor’s report for the year of 2017.
- (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](http://www.hkexnews.hk)) and the Company ([www.zzmj.com](http://www.zzmj.com)) in accordance with the Listing Rules.
- (3) The register of members of the Company will be closed from Monday, 21 May 2018 to Wednesday, 20 June 2018 (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 Friday, 18 May 2018.

Upon the relevant resolution in connection with the proposal of the payment of dividends is approved in the 2017 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 Thursday, 5 July 2018. The register of members of the Company will be closed from Saturday, 30 June 2018 to Thursday, 5 July 2018 (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, 29 June 2018.

- (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 Tuesday, 19 June 2018 (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.
- (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 Wednesday, 30 May 2018 (Hong Kong time).

## NOTICE OF 2017 ANNUAL GENERAL MEETING

- (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 1000

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, 26 April 2018

*As at the date of this notice, the executive directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. XIANG Jiayu, Mr. FU Zugang, Mr. WANG Xinying and Mr. WANG Bin and the independent non-executive directors of the Company are Ms. LIU Yao, Mr. JIANG Hua and Mr. LI Xudong.*



ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2017
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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 Securities 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, thereby effectively securing the regulated operations of the Company and safeguarding the legitimate interests of the Company and its shareholders especially minority shareholders. We hereby report on my performance of duties as independent non-executive Director of the Company based on my basic situations in 2017:

#### I. PERFORMANCE OF DUTIES BY INDEPENDENT DIRECTORS

The Company convened seventeen Board meetings and four Shareholders’ General Meetings in the year 2017. 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	17	17	0	0	No
LI Xudong	Independent non-executive Director	17	17	0	0	No
JIANG Hua	Independent non-executive Director	17	16	1	0	No
WU Guangming	Independent non-executive Director	5	5	0	0	No

ANNEX A	<b>REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2017</b>
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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	4	4	0	0	No
LI Xudong	Independent non-executive Director	4	4	0	0	No
JIANG Hua	Independent non-executive Director	4	4	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. KEY MATTERS ATTENDED TO BY INDEPENDENT DIRECTORS IN PERFORMING DUTIES

In 2017, 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. The change of use of proceeds from the H Shares underwent relevant decision-making processes according to law. 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**

The Company did not disclose any advance announcements on its operating condition in 2016. On 31 January 2018, the Company issued a Positive Profit Alert Announcement for the Year 2017 of Zhengzhou Coal Mining Machinery Group Company Limited regarding the increase of its profit for the year 2017.

**(6) Appointment or change of auditor**

The Company did not change its accounting firm during year 2017. 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 2016 profit distribution plan was considered and approved at the 2016 Shareholders' General Meeting convened on 16 June 2017. Based on the total share capital of the Company as at the record date for such 2016 profit distribution, the Company distributed cash dividends of RMB0.11 (inclusive of tax) to all registered shareholders for every 10 Shares held and effectively distributed cash profit of RMB19,057,185.07, representing 30.74% of the net profit attributable to the shareholders of listed company in 2016. The A Share cash dividend distribution was completed on 24 July 2017. The H Share cash dividend distribution was completed on 11 August 2017.

**(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 2017, the Company issued 107 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 2017;
- (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**  
*Independent non-executive Directors*

29 March 2018