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 2020 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 28 April 2020.

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

Zhengzhou, PRC, 28 April 2020

As at the date of this announcement, 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 are Ms. LIU Yao, Mr. JIANG Hua, Mr. LI Xudong and Mr. Cheng Jinglei.

First Quarterly Report of 2020

Zhengzhou Coal Mining Machinery Group Company Limited
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IMPORTANT NOTICE

The board of directors, the board of supervisors, 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 28 April 2020 at the 22th meeting of the 4th session of the board of directors of the Company.

Board of Directors
Zhengzhou Coal Mining Machinery Group Company Limited

Jiao Chengyao (Chairman), Huang Hua (Senior Management responsible for finance and accounting) and Wang Jingbo (the head of the accounting department) warrant the truthfulness and completeness of the financial reports included in this quarterly report.

Stock Code: 601717 Company's Abbreviation: ZMJ

Zhengzhou Coal Mining Machinery Group Company Limited

First Quarterly Report of 2020

Contents

1. Important Notice

1.1 The board of directors, board of supervisors 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 report.

1.3 Jiao Chengyao (the person-in-charge of the Company), Huang Hua (the person-in-charge of the accounting matters), and Wang Jingbo (the person-in-charge of accounting department of the Company (the head of the accounting department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The first quarterly report of the Company is unaudited.

2. Basic Information of the Company

2.1 Key financial data

Unit: Yuan Currency: RMB

	Closing Amount for the Current Period	**Closing Amount for the Previous Period**	Increase or decrease as at the end of the reporting period from the end of the previous year (%)
Total assets	28,947,411,178.21	29,712,598,520.15	-2.58
Net assets attributable to the shareholders of the listed company	12,527,549,342.15	12,239,731,257.55	2.35
	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 of last year (%)
Net cash flows from operating activities	-19,571,088.73	216,669,314.26	-109.03

	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 of last year (%)
Operating revenue	5,941,232,246.25	6,353,938,114.62	-6.50
Net profit attributable to the shareholders of the listed company	401,914,619.43	377,968,496.38	6.34
Net profit after extraordinary profit and loss attributable to the shareholders of the listed company	429,330,597.44	354,261,395.32	21.19
Weighted average return on net assets (%)	3.25	3.25	
Basic earnings per share (RMB per share)	0.232	0.218	6.42
Diluted earnings per share (RMB per share)	0.230	0.218	5.50

Extraordinary profit and loss items and amounts
√ Applicable□ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the period	Description
Profit or loss from disposal of non-current assets	31,197.25	
Tax refund, exemption and reduction which were approved on a ultra-vires basis or without official approval documents or on a one-off basis		
Government grants included in profit or loss for the current period other than those closely related to the normal operation of the Company, in compliance with national policies and regulations, as well as the government grants entitled continuously based on certain standard quota or quantity	29,816,507.28	
Fund appropriation fee charged on non-financial enterprises and included in profit or loss		
Gain arising from the excess of fair value of identifiable net assets of investees at the time of acquisition of investments over the cost of investment in subsidiaries, associates and joint ventures		
Profit or loss arising from exchange of non-monetary assets		
Profit or loss from entrusted investment or asset management	10,049,864.38	

Provision for impairment of assets in case of force majeure such as natural disasters		
Profit or loss from debt restructuring	156,003.60	
Expenses for corporate restructuring, such as expenses for staff arrangements and expenses for business combination		
Profit or loss arising from the excess of consideration of transaction over fair value in case of apparently unfair consideration		
Net profit or loss incurred by subsidiaries formed by the consolidation of entities under common control for the period from the beginning of the period to the date of consolidation		
Profit or loss arising from contingencies unrelated to the normal business operation of the Company		
Profit or loss on the changes in fair value generated from financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities and the investment income received from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investment, other than the effective hedging business relating to the ordinary operating business of the Company	-91,630,813.08	
Write back of the provision for impairment of receivables and contract assets that are individually tested for impairment	5,596,815.00	
Profit or loss from external entrusted loans		
Profit or loss arising from the change in fair value of investment properties which are subsequently measured by means of the fair value model		
Effect on profit or loss for the period of one-off adjustment to profit or loss for the period according to requirements under laws and regulations relating to taxation and accounting		
Income of entrustment fees for entrusted operation		
Other non-operating income and expenses other than the above items	1,861,569.78	
Other profit or loss items that meet the definitions of extraordinary profit or loss	150,215.30	
Amount of effect on minority interests (after tax)	-1,750,286.04	
Amount of effect on income tax	18,302,948.52	
Total	-27,415,978.01	

2.2 The table below sets out the total number of shareholders and the shareholdings of the top 10 shareholders and 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

Total number of shareholders (Units)	54,149					
Shareholdings of the top 10 shareholders						
Name of shareholder (Full name)	Shareholdings as at the end of the period	Proportion (%)	Number of shares held subject to trading moratorium	Pledged or frozen		Nature of shareholder
				Status of shares	Number of shares	
Henan Machinery Investment Group Co., Ltd. (河南机械装备投资集团有限责任公司)	521,087,800	30.08		Pledged	80,900,000	State-owned legal person
HKSCC NOMINEES LIMITED	220,520,990	12.73		Unknown		Foreign legal person
Henan Asset Management Co., Ltd (河南资产管理有限公司)	59,314,242	3.42		Nil		State-owned legal person
Central Huijin Asset Management Limited (中央汇金资产管理有限责任公司)	28,608,500	1.65		Nil		State-owned legal person
Li Jun (李俊)	25,891,300	1.49		Nil		Domestic natural person
Bridge Trust Co., Ltd. (百瑞信托有限责任公司)	25,000,000	1.44		Nil		State-owned legal person
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	1.29		Unknown		Foreign legal person
Hong Kong Securities Clearing Company Limited	19,289,073	1.11		Nil		Foreign legal person
Agricultural Bank of China Limited – CSI 500 Index Exchange-traded Open-ended Securities Investment Fund (中国农业银行股份有限公司-中证 500 交易型开放式指数证券投资基金)	9,417,643	0.54		Nil		Others
Jiang Shibo(蒋仕波)	7,925,592	0.46		Nil		Domestic natural person

Shareholdings of the top 10 holders of shares not subject to trading moratorium			
Name of shareholder	Number of tradable shares held not subject to trading moratorium	Type and number of shares	
		Type	Number of shares
Henan Machinery Investment Group Co., Ltd. (河南机械装备投资集团有限责任公司)	521,087,800	Ordinary shares in RMB	521,087,800
HKSCC NOMINEES LIMITED	220,520,990	Overseas listed foreign shares	220,520,990
Henan Asset Management Co., Ltd (河南资产管理有限公司)	59,314,242	Ordinary shares in RMB	59,314,242
Central Huijin Asset Management Limited (中央汇金资产管理有限责任公司)	28,608,500	Ordinary shares in RMB	28,608,500
Li Jun (李俊)	25,891,300	Ordinary shares in RMB	25,891,300
Bridge Trust Co., Ltd. (百瑞信托有限责任公司)	25,000,000	Ordinary shares in RMB	25,000,000
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	Overseas listed foreign shares	22,399,200
Hong Kong Securities Clearing Company Limited	19,289,073	Ordinary shares in RMB	19,289,073
Agricultural Bank of China Limited – CSI 500 Index Exchange-traded Open-ended Securities Investment Fund (中国农业银行股份有限公司-中证 500 交易型开放式指数证券投资基金)	9,417,643	Ordinary shares in RMB	9,417,643
Jiang Shibo (蒋仕波)	7,925,592	Ordinary shares in RMB	7,925,592
Description of the connected relationship or acting in concert of the above shareholders	Nil		
Description of holders of preference shares with voting rights restored and amount of shareholdings	N/A		

Other notes:

1. As at the end of the reporting period, the total number of shareholders of the Company was 54,149, among which 54,068 were shareholders of A shares and 81 were shareholders of H shares.
2. HKSCC Nominees Limited holds H shares on behalf of numerous clients.

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

1. Explanation for the material changes in key indicators of Consolidated Balance Sheet and Consolidated Statement of Cash flow

Unit: RMB0’000

Item	Closing Amount for the Current Period	Closing Amount for the Previous Period	Percentage of Change (%)	Explanation
Monetary capital	365,974.96	472,157.66	-22.49	Mainly owing to the purchase of more wealth management products and repayment of bank borrowings
Financial assets held for trading	199,745.37	140,694.57	41.97	Mainly owing to the addition of wealth management products
Prepayments	53,892.02	35,728.38	50.84	Mainly due to the additional prepayments for such materials as steel for comprehensive coal mining equipment
Non-current assets due within one year	32,748.02	27,567.66	18.79	Mainly owing to the increase in long-term receivables due within one year
Financial liabilities held for trading	7,553.09	363.21	1,979.54	Mainly as a result of the impact from SEG exchange rates and the risk hedging business on staple commodities
Deferred income	12,830.38	8,327.47	54.07	Mainly due to the receipt of a support fund for ZMJ High-end Hydraulic Roof Support Manufacturing Base Project
Other comprehensive income	-19,283.48	-7,873.83	-144.91	Mainly due to the impact of cash flow hedge reserve and the exchange differences on foreign currency financial statements
Item	**Q1 2020**	**Q1 2019**	**Percentage of Change (%)**	**Explanation**

Net cash flows from operating activities	-1,957.11	21,666.93	-109.03	Mainly caused by less cash received from sales of goods and provision of labour
Net cash flows from investing activities	-79,773.80	-29,224.76	-172.97	Mainly owing to the purchase of wealth-management products
Net cash flows from financing activities	-16,863.91	54,530.68	-130.93	Mainly as a result of fewer bank borrowings obtained and more bank borrowings repaid

2. Analysis on income and profit by business segment

Unit: RMB0’000

Item	Business Segment	Q1 2020	Q1 2019	Percentage of Change (%)
Total operating revenue	Coal mining machinery	243,929.65	204,338.45	19.38
	Auto parts	350,327.81	431,055.36	-18.73
	Total	594,257.46	635,393.81	-6.47
Gain from changes in fair value	Coal mining machinery			
	Auto parts	-2,054.50	941.89	-318.13
	Total	-2,054.50	941.89	-318.13
Credit impairment losses (loss is represented by “—”)	Coal mining machinery	-408.88	2,151.37	-119.01
	Auto parts	-2,745.38	-521.47	-426.47
	Total	-3,154.26	1,629.90	-293.52
Asset impairment losses (loss is represented by “—”)	Coal mining machinery		-10.97	N/A
	Auto parts	-2,757.44	2,860.32	-196.40
	Total	-2,757.44	2,849.35	-196.77
Net profit	Coal mining machinery	63,490. 30	35,048.00	81.15
	Auto parts	-18,783.80	8,011.79	-334.45
	Acquisition-related centralised expenses	-2,463.27	-2,269.79	-8.52
	Total	42,243.23	40,790.00	3.56
Net profit attributable to owners of the parent company	Coal mining machinery	62,967.52	34,173.60	84.26
	Auto parts	-20,312.79	5,893.04	-444.69
	Acquisition-related centralised expenses	-2,463.27	-2,269.79	-8.52

	Total	40,191.46	37,796.85	6.34

Explanations for the changes:

(1) Total operating revenue: Total operating revenue amounted to RMB5,942,574,600 for the reporting period, which represented a decline of 6.47% from the same period of last year. This was primarily due to the impact of the epidemic of new coronavirus pneumonia, which resulted in a sustained slide in auto production and sales from home and abroad and a certain impact on the production and operation of the Company. The auto parts segment experienced a year-on-year slump of 18.73% in total operating revenue. In particular, SEG and ASIMCO recorded total operating revenue of RMB2,676,424,400 and RMB826,853,700 respectively, registering declines of 20.00% and 14.33% from the same period of last year.

(2) Gain from changes in fair value: Gain from changes in fair value amounted to RMB-20,545,000 for the reporting period, with a decrease of RMB29,963,900 or 318.13% from the same period of last year, which was mainly attributable to the losses from auto parts segment-SEG exchange rates and the risk hedging business on staple commodities.

(3) Credit impairment losses: Credit impairment losses amounted to RMB31,542,600 for the reporting period, which represented a loss increase of 293.52% from the same period of last year, mainly because: 1) the coal mining machinery segment recorded a credit impairment loss of RMB4,088,800, with a loss increase of 119.01% compared with the same period of last year, which was mainly due to more provision for bad debts as a result of the higher credit risks in bills receivable and accounts receivable; and 2) the auto parts segment registered a credit impairment loss of RMB27,453,800, with a loss increase of 426.47% compared with the same period of last year, among which the credit impairment losses from SEG was RMB26,335,700, which was mainly due to more provision for bad debts as a result of the higher credit risks in accounts receivable.

(4) Asset impairment losses: Asset impairment losses amounted to RMB27,574,400 for the reporting period, representing a loss increase of 196.77% from the same period of last year. This was principally because the auto parts segment suffered a credit impairment loss of RMB27,574,400, with a loss increase of 196.40% compared with the same period of last year, among which the asset impairment losses from SEG during the reporting period was RMB25,855,800, with a loss increase of 186.72% compared with the same period of last year, which is mainly due to the impact from the provision for inventory impairment.

(5) Net profit: Net profit amounted to RMB422,432,300 for the reporting period, representing an increase of RMB14,532,300 or 3.56% from the same period of last year. This was chiefly attributable to the fact that: 1) the coal mining machinery segment recorded a net profit of RMB634,903,000 with an increase of RMB284,423,000 or 81.15% from the same period of last year, mainly because of more sales revenue and a higher gross profit margin from product sales; and 2) the net profits of the auto parts segment was RMB-187,838,000, with a decrease of RMB267,955,900 or 334.45% compared with the same period of last year, among which ASIMCO and SEG recorded net profits of RMB68,791,500 and

RMB-237,988,300 respectively, with declines of 9.92% and 788.43% from the same period of last year, mainly as a result of the sales revenue shrinking, the lower profit, more loss from exchange rates and the risk hedging business on staple commodities and additional loss from inventory impairment under the global impact of new coronavirus epidemic.

(6) Net profit attributable to owners of the parent company: Net profit attributable to owners of the parent company amounted to RMB401,914,600 for the reporting period, which represented a 6.34% increase from the same period of last year, mainly owing to the net profit growth of the coal mining machinery segment.

3.2 Analysis and explanation of the progress and impact of significant events and the solutions thereto

□ Applicable √ Not applicable

3.3 Overdue and outstanding undertakings during the reporting period

□ Applicable √ Not applicable

3.4 Warning of and explanation for the forecast of any possible loss in the accumulated net profit from the beginning of the year to the end of the next reporting period or any material changes compared to that of the corresponding period of last year

□ Applicable √ Not Applicable

Name of company	Zhengzhou Coal Mining Machinery Group Company Limited
Legal representative	Jiao Chengyao
Date	28 April 2020

4. Appendices

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Monetary capital	3,659,749,588.93	4,721,576,558.81
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held for trading	1,997,453,681.30	1,406,945,730.45
Derivative financial assets		
Bills receivable	2,534,897,758.08	3,035,202,457.80
Accounts receivable	4,921,410,908.37	4,639,898,042.21
Receivables financing	1,002,748,911.34	1,211,616,110.72
Prepayments	538,920,162.12	357,283,774.01
Premiums receivable		
Accounts receivable from reinsurance		
Contract reserves receivable from reinsurance		
Other receivables	256,674,670.88	257,859,718.65
Including: Interest receivable	14,230,450.37	14,506,846.25
Dividend receivable		
Buying back financial assets resold		
Inventories	3,830,624,041.40	3,631,445,320.37
Contract assets	30,430,893.60	30,457,003.50
Assets held for sale		
Non-current assets due within one year	327,480,165.72	275,676,579.28
Other current assets	585,643,306.01	653,730,335.19
Total current assets	19,686,034,087.75	20,221,691,630.99
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables	184,686,887.09	241,808,406.09
Long-term equity investment	360,641,642.87	357,176,160.61
Other investments in equity instruments	34,598,474.66	31,230,014.04
Other non-current financial assets		
Investment properties	173,351,333.01	175,334,790.60
Fixed assets	3,966,676,729.32	4,088,023,013.25

Construction in progress	623,779,160.05	609,269,029.34
Biological assets for production		
Fuel assets		
Right-of-use assets	633,235,222.77	683,850,884.72
Intangible assets	1,454,597,193.46	1,502,796,665.03
Development expenses	545,835,445.31	491,033,852.43
Goodwill	676,694,182.47	677,221,116.33
Long-term deferred expenditures	86,008,635.31	90,817,843.79
Deferred income tax assets	445,372,442.72	440,675,714.92
Other non-current assets	75,899,741.42	101,669,398.01
Total non-current assets	9,261,377,090.46	9,490,906,889.16
Total assets	28,947,411,178.21	29,712,598,520.15
Current liabilities:		
Short-term borrowings	947,770,547.19	1,094,606,022.91
Borrowings from central bank		
Placements from other banks		
Financial liabilities held for trading	75,530,909.97	3,632,055.66
Derivative financial liabilities		
Bills payable	1,476,438,569.97	1,621,930,840.22
Accounts payable	4,306,004,762.75	4,785,483,394.15
Receipts in advance		
Contract liabilities	1,686,740,197.13	1,918,922,901.92
Disposal of repurchased financial assets		
Deposit taking and deposits from peer companies		
Customer deposits for trading securities		
Customer deposits for undertaking securities		
Staff remuneration payable	501,047,290.55	532,386,495.37
Tax payable	366,997,155.56	414,962,209.91
Other payables	737,207,591.34	731,005,072.80
Including: Interest payable	7,824,589.92	15,920,092.23
Dividend payable		
Handling charges and commission payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	1,173,663,091.90	1,168,029,477.31
Other current liabilities	10,600,241.84	11,333,344.94
Total current liabilities	11,282,000,358.20	12,282,291,815.19
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	2,238,017,451.59	2,309,285,126.20
Debentures payable		
Including: Preference shares		
Perpetual bonds		

Lease liabilities	500,011,132.43	551,704,214.20
Long-term payables	36,515,789.30	35,601,087.63
Long-term staff remuneration payable	407,047,795.95	378,429,845.26
Estimated liabilities	591,285,881.83	595,466,000.06
Deferred income	128,303,760.35	83,274,742.36
Deferred income tax liabilities	306,948,291.10	313,057,373.77
Other non-current liabilities	6,698,193.93	21,241,572.85
Total non-current liabilities	4,214,828,296.48	4,288,059,962.33
Total liabilities	15,496,828,654.68	16,570,351,777.52
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	1,732,471,370.00	1,732,471,370.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,304,502,303.60	4,304,502,303.60
Less: Treasury stock		
Other comprehensive income	-192,834,802.80	-78,738,267.97
Special reserves		
Surplus reserve	790,993,616.82	790,993,616.82
Provision for general risks		
Undistributed profit	5,892,416,854.53	5,490,502,235.10
Total equity attributable to owners of the parent company (or shareholders' equity)	12,527,549,342.15	12,239,731,257.55
Minority interests	923,033,181.38	902,515,485.08
Total owners' equity (or shareholders' equity)	13,450,582,523.53	13,142,246,742.63
Total liabilities and owners' equity (or shareholders' equity)	28,947,411,178.21	29,712,598,520.15

Legal representative: Jiao Chengyao Person-in-charge of accounting matters: Huang Hua
Head of accounting department: Wang Jingbo

Balance Sheet of the Parent Company

31 March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	31 March 2020	31 December 2019
Current assets:		
Monetary capital	2,432,527,146.44	3,069,114,777.71
Financial assets held for trading	1,700,000,000.00	1,060,000,000.00
Derivative financial assets		
Bills receivable	2,273,246,602.92	2,878,879,816.04
Accounts receivable	1,723,094,506.89	1,334,700,077.28
Receivables financing		
Prepayments	346,119,559.03	204,489,024.20
Other receivables	150,792,253.37	147,544,435.49
Including: Interest receivable	13,290,033.74	13,290,033.74
Dividend receivable		
Inventories	1,586,233,490.10	1,539,897,898.55
Contract assets		
Assets held for sale		
Non-current assets due within one year	339,797,053.68	262,482,561.93
Other current assets	216,757,304.24	216,757,304.24
Total current assets	10,768,567,916.67	10,713,865,895.44
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	165,852,397.25	220,703,188.64
Long-term equity investment	6,067,703,318.70	6,064,309,769.42
Other investments in equity instruments	255,000.00	255,000.00
Other non-current financial assets		
Investment properties	146,949,907.65	148,635,419.55
Fixed assets	825,838,040.62	851,640,710.04
Construction in progress	86,973,883.07	87,054,093.23
Biological assets for production		
Fuel assets		
Right-of-use assets	37,657,909.63	38,717,274.79
Intangible assets	206,222,034.08	207,545,282.60
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	152,150,538.00	146,412,892.38
Other non-current assets	2,830,234.31	2,830,234.31
Total non-current assets	7,692,433,263.31	7,768,103,864.96
Total assets	18,461,001,179.98	18,481,969,760.40

Current liabilities:		
Short-term borrowings	1,000,000.00	3,500,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	1,441,690,632.90	1,514,563,018.92
Accounts payable	1,240,991,176.70	1,542,572,327.24
Receipts in advance		
Contract liabilities	1,421,316,217.64	1,677,584,345.19
Staff remuneration payable	64,279,677.35	92,237,422.99
Tax payable	177,325,277.56	173,427,576.05
Other payables	450,479,317.84	101,120,879.52
Including: Interest payable		
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	304,973,289.37	304,973,289.37
Other current liabilities		
Total current liabilities	5,102,055,589.36	5,409,978,859.28
Non-current liabilities：		
Long-term borrowings	300,000,000.00	600,000,000.00
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	34,341,730.29	33,903,630.45
Long-term payables	34,050,619.23	35,601,087.63
Long-term staff remuneration payable	64,950,000.00	49,950,000.00
Estimated liabilities	9,602,792.63	9,602,792.63
Deferred income	85,229,200.00	41,750,000.00
Deferred income tax liabilities	12,114,892.96	11,757,997.03
Other non-current liabilities		
Total non-current liabilities	540,289,235.11	782,565,507.74
Total liabilities	5,642,344,824.47	6,192,544,367.02
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	1,732,471,370.00	1,732,471,370.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserve	4,311,977,437.44	4,311,977,437.44
Less: Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserve	790,993,616.82	790,993,616.82
Undistributed profit	5,983,213,931.25	5,453,982,969.12
Total owners' equity (or shareholders' equity)	12,818,656,355.51	12,289,425,393.38
Total liabilities and owners' equity (or shareholders' equity)	18,461,001,179.98	18,481,969,760.40

Legal representative: Jiao Chengyao　　Person-in-charge of accounting matters: Huang Hua

Head of accounting department: Wang Jingbo

Consolidated Statement of Income

January to March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Q1 2020	Q1 2019
1. Total operating revenue	5,942,574,553.80	6,353,938,114.62
Including: Operating revenue	5,941,232,246.25	6,353,938,114.62
Interest income	1,342,307.55	
Premium earned		
Handling charges and commission income		
2. Total operating costs	5,271,587,523.79	5,896,509,238.18
Including: Operating costs	4,493,691,583.36	5,083,209,193.93
Interest expenses		
Handling charges and commission expenses		
Surrenders		
Net expenditure for compensation payments		
Net withdrawal of insurance liabilities reserve		
Expenditures for policy dividend		
Reinsurance expenditures		
Tax and surcharges	23,194,637.64	31,440,396.55
Selling expenses	209,524,674.98	235,511,495.30
Administration expenses	236,276,881.11	240,084,335.84
Research and development expenses	264,458,806.15	286,642,867.55
Finance costs	44,440,940.55	19,620,949.01
Including: Interest expenses	56,919,791.90	60,809,769.60
Interest income	15,929,454.50	8,435,276.47
Add: Other gains	29,732,359.44	23,395,704.69
Gain from investments (loss is represented by “ - ”)	-56,493,864.34	-34,245,592.34
Including: Gain from investments in associates and joint ventures	3,174,657.12	15,274,389.82
Derecognition gains on financial assets measured at amortized cost		
Gain from foreign exchange (loss is represented by “ - ”)		
Net gains from hedging exposure (loss is represented by “ - ”)		
Gain from changes in fair value (loss is represented by “ - ”)	-20,544,995.17	9,418,897.71

Credit impairment losses (loss is represented by “ - ”)	-31,542,559.87	16,299,019.77
Asset impairment losses (loss is represented by “ - ”)	-27,574,376.60	28,493,513.43
Gains from disposal of assets (loss is represented by “ - ”)	280,026.30	503,273.52
3. Profit from operations (loss is represented by “ - ”)	564,843,619.77	501,293,693.22
Add: Non-operating income	5,340,844.20	10,951,396.59
Less: Non-operating expenses	3,364,189.62	870,424.35
4. Total profit (loss is represented by “ - ”)	566,820,274.35	511,374,665.46
Less: Income tax expense	144,387,958.62	103,474,632.01
5. Net profit (net loss is represented by “ - ”)	422,432,315.73	407,900,033.45
(1) Breakdown by continuity of operation		
1. Net profit from continuing operation (net loss is represented by “ - ”)	422,432,315.73	407,900,033.45
2. Net profit from discontinued operation (net loss is represented by “ - ”)		
(2) Breakdown by ownership		
1. Net profit attributable to shareholders of the parent company (net loss is represented by “ - ”)	401,914,619.43	377,968,496.38
2. Gain or loss attributable to minority interests (net loss is represented by “ - ”)	20,517,696.30	29,931,537.07
6. Net other comprehensive income after tax	-114, 096,534.83	-63,686,340.88
(1) Net other comprehensive income attributable to owners of the parent company after tax	-114, 096,534.83	-63,686,340.88
1. Other comprehensive income not to be reclassified into profit or loss		
(1) Changes arising from re-measuring defined benefit scheme		
(2) Other comprehensive income not to be classified into profit or loss using the equity method		
(3) Changes in fair value of other investments in equity instruments		

(4) Changes in fair value of the company's own credit risk		
2. Other comprehensive income to be reclassified into profit or loss	-114, 096,534.83	-63,686,340.88
(1) Other comprehensive income to be reclassified into profit or loss using the equity method		
(2) Changes in fair value of other debt investment		
(3) Amount of financial assets reclassified into other comprehensive income		
(4) Other debt investment credit impairment provision		
(5) Cash flow hedge reserve	-49,309,853.53	284,381.30
(6) Exchange differences on foreign currency financial statements	-64,786,681.30	-63,970,722.18
(7) Others		
(2) Net other comprehensive income attributable to minority interests after tax		
7. Total comprehensive income	308,335,780.90	344,213,692.57
(1) Total comprehensive income attributable to owners of the parent company	287,818,084.60	314,282,155.51
(2) Total comprehensive income attributable to minority interests	20,517,696.30	29,931,537.06
8. Earnings per share:		
(1) Basic earnings per share (RMB per share)	0.232	0.218
(2) Diluted earnings per share (RMB per share)	0. 230	0.218

Legal representative: Jiao Chengyao Person-in-charge of accounting matters: Huang Hua
Head of accounting department: Wang Jingbo

Statement of Income of the Parent Company

January to March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Q1 2020	Q1 2019
1. Operating revenue	1,664,426,096.12	1,518,532,896.46
Less: Operating cost	954,802,373.74	1,095,226,643.09
Tax and surcharges	10,563,123.03	14,552,894.46
Selling expenses	31,615,090.18	41,459,286.57
Administration expenses	40,918,955.78	30,930,690.52
Research and development expenses	66,562,625.79	69,469,126.39
Finance costs	-6,871,277.96	15,741,414.97
Including: Interest expenses	10,710,067.46	9,342,933.33
Interest income	11,721,320.54	4,027,587.96
Add: Other gains	15,729,848.25	1,103,120.67

Gain from investments (loss is represented by “ - ”)	15,494,549.74	165,674,153.26
Including: Gain from investments in associates and joint ventures	3,393,549.28	15,285,721.12
Derecognition gains on financial assets measured at amortized cost		
Net gains from hedging exposure (loss is represented by “ - ”)		
Gain from changes in fair value (loss is represented by “ - ”)		
Credit impairment losses (loss is represented by “ - ”)	19,653,279.16	21,198,005.34
Asset impairment losses(loss is represented by “ - ”)		
Gain from disposal of assets (loss is represented by “ - ”)	543,543.36	64,815.48
2. Profit from operations (loss is represented by “ - ”)	618,256,426.07	439,192,935.21
Add: Non-operating income	2,319,154.90	718,115.97
Less: Non-operating expenses	2,815,317.38	477,501.11
3. Total profit (loss is represented by “ - ”)	617,760,263.59	439,433,550.07
Less: Income tax expense	88,529,301.46	40,934,277.65
4. Net profit (net loss is represented by “ - ”)	529,230,962.13	398,499,272.42
(1) Net profit from continuing operation (net loss is represented by “ - ”)	529,230,962.13	398,499,272.42
(2) Net profit from discontinued operation (net loss is represented by “ - ”)		
5. Net other comprehensive income after tax		
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes arising from re-measuring defined benefit scheme		
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		
3. Changes in fair value of other investments in equity		

instruments		
4. Changes in fair value of the company's own credit risks		
(2) Other comprehensive income to be reclassified into profit or loss		
1. Other comprehensive income that can be reclassified into profit or loss under the equity method		
2. Changes in fair value of other debt investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Other debt investment credit impairment provision		
5. Cash flow hedge reserve (effective portion of gains and losses from cashflow hedging)		
6. Exchange differences on foreign currency financial statements		
7. Others		
6. Total comprehensive income	529,230,962.13	398,499,272.42
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: Huang Hua
Head of accounting department: Wang Jingbo

Consolidated Statement of Cash Flows

January to March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Q1 2020	Q1 2019
1. Cash flows from operating activities:		
Cash received from sales of goods and provision of labour	5,487,301,836.58	6,181,100,770.56
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 policyholders and investment funds		
Cash received from interest, handling charges and commission		

Net increase in placements		
Net increase in capital from repurchase business		
Net cash received from trading securities		
Tax refunds received	400,313,230.80	532,423,039.55
Cash received in relation to other operating activities	118,562,550.89	64,412,280.67
Sub-total of cash inflows from operating activities	6,006,177,618.27	6,777,936,090.78
Cash paid for goods purchased and labour received	4,354,949,679.30	4,925,488,681.70
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		
Net increase in placements with banks and other financial institutions		
Cash paid for interest, handling charges and commission		
Cash paid for policyholder dividend		
Cash paid to and paid on behalf of the employees	790,407,207.81	801,365,558.20
Various taxes paid	718,158,387.18	636,596,887.89
Cash paid in relation to other operating activities	162,233,432.71	197,815,648.73
Sub-total of cash outflow from operating activities	6,025,748,707.00	6,561,266,776.52
Net cash flows from operating activities	-19,571,088.73	216,669,314.26
2. Cash flows from investing activities:		
Cash received from recovery of investments	801,822,265.44	107,549,200.00
Cash received from gain of investment acquired	10,852,008.71	975,143.30
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	249,245.00	28,801,059.69
Net cash received from disposal of subsidiaries and other business units		
Other cash received in relation to investing activities	18,138,483.58	34,674,745.06
Sub-total of cash inflow from investing activities	831,062,002.73	172,000,148.05
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	160,938,406.74	284,962,917.28
Cash paid for investments	1,451,538,745.16	156,000,000.00
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid in relation to investing activities	16,322,865.87	23,284,848.66
Sub-total of cash outflow from investing activities	1,628,800,017.77	464,247,765.94
Net cash flows from investing activities	-797,738,015.04	-292,247,617.89
3. Cash flows from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from minority shareholder's investment		

Cash received from borrowings acquired	202,390,898.44	616,779,696.23
Other cash received in relation to financing activities	68,385,872.37	179,035,839.77
Sub-total of cash inflow from financing activities	270,776,770.81	795,815,536.00
Cash paid for repayment of indebtedness	321,526,409.79	215,000,000.00
Cash paid for distribution of dividend and profit or for interest	28,708,596.42	29,686,667.08
Including: Dividend and profit paid to minority shareholders by subsidiaries		
Other cash paid in relation to financing activities	89,180,846.09	5,822,110.31
Sub-total of cash outflow from financing activities	439,415,852.30	250,508,777.39
Net cash flows from financing activities	-168,639,081.49	545,306,758.61
4. Effects of change of exchange rate on cash and cash equivalents	-22,749,517.09	-42,667,245.98
5. Net increase in cash and cash equivalents	-1,008,697,702.35	427,061,209.00
Add: Balance of cash and cash equivalents at the beginning of the period	3,844,561,911.41	2,806,348,077.92
6. Balance of cash and cash equivalents at the end of the period	2,835,864,209.06	3,233,409,286.92

Legal representative: Jiao Chengyao　　Person-in-charge of accounting matters: Huang Hua

Head of accounting department: Wang Jingbo

Statement of Cash flow of the Parent Company

January to March 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan　Currency: RMB　Audit Type: Unaudited

Item	Q1 2020	Q1 2019
1. Net cash flows from operating activities:		
Cash received from sales of goods and provision of labour	1,419,376,241.95	1,594,864,684.89
Tax refunds received		
Other cash received in relation to operating activities	89,498,915.41	33,197,684.94
Sub-total of cash inflows from operating activities	1,508,875,157.36	1,628,062,369.83
Cash paid for goods purchased and labour received	1,270,507,073.67	1,293,909,898.63
Cash paid to and paid on behalf of the employees	103,359,860.27	98,773,860.66
Various taxes paid	143,856,158.09	128,399,493.69
Other cash paid in relation to operating activities	42,978,810.75	47,061,801.88
Sub-total of cash outflow from operating activities	1,560,701,902.78	1,568,145,054.86
Net cash flows from operating activities	-51,826,745.42	59,917,314.97
2. Cash flows from investing activities:		
Cash received from recovery of investments	610,000,000.00	4,549,200.00
Cash received from gain of investment acquired	12,247,525.62	152,419,722.24

Net cash received from disposal of fixed assets, intangible assets and other long-term assets		176,830.00
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	622,247,525.62	157,145,752.24
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	11,202,166.07	13,954,983.27
Cash paid for investments	1,250,000,000.00	78,000,000.00
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid in relation to investing activities		
Sub-total of cash outflow from investing activities	1,261,202,166.07	91,954,983.27
Net cash flows from investing activities	-638,954,640.45	65,190,768.97
3. Cash flows from financing activities:		
Cash received from investment		
Cash received from borrowings acquired		300,000,000.00
Other cash received in relation to financing activities	1,033,209,094.29	174,445,825.01
Sub-total of cash inflow from financing activities	1,033,209,094.29	474,445,825.01
Cash paid for repayment of indebtedness	300,000,000.00	200,000,000.00
Cash paid for distribution of dividend and profit or for interest	10,193,627.31	9,342,933.33
Other cash paid in relation to financing activities	639,501,241.67	
Sub-total of cash outflow from financing activities	949,694,868.98	209,342,933.33
Net cash flows from financing activities	83,514,225.31	265,102,891.68
4. Effect of change of exchange rate on cash and cash equivalents	4,126,288.91	-5,305,192.99
5. Net increase in cash and cash equivalents	-603,140,871.65	384,905,782.63
Add: Balance of cash and cash equivalents at the beginning of the period	2,335,144,383.51	1,261,217,753.82
6. Balance of cash and cash equivalents at the end of the period	1,732,003,511.86	1,646,123,536.45

Legal representative: Jiao Chengyao Person-in-charge of accounting matters: Huang Hua
Head of accounting department: Wang Jingbo

4.2 Adjustment of related items in the financial statements at the beginning of the year of such initial implementation arising from initial implementation of new income standard and new lease standard from the year of 2020

□ Applicable √ Not applicable

4.3 Description of retrospective adjustment of the previous comparative data by initial implementation of new income standard and new lease standard from the year of 2020

□ Applicable √ Not applicable

4.4 Audit Report

□ Applicable √ Not applicable