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 (the "**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 Third 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 October 2020.

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

Zhengzhou, PRC, 28 October 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 Mr. JIANG Hua, Mr. LI Xudong and Mr. CHENG Jinglei.

2020 Third Quarterly Report

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 October 2020 at the 26th 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 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
Third 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 warrant that the information included in this quarterly report is true, accurate and complete without any false statement, misleading representation or material omission, and they assume several and joint 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 (person-in-charge of the Company), Huang Hua (person-in-charge of accounting matters), and Wang Jingbo (person-in-charge and head of the accounting department) warrant the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The third quarterly report of the Company is unaudited.

2. Basic Information of the Company

2.1 Key financial data

Unit: Yuan Currency: RMB

	As at the end of the reporting period	As at the end of the previous year	Increase or decrease as at the end of the reporting period from the end of the previous year (%)
Total assets	32,277,660,131.29	29,712,598,520.15	8.63
Net assets attributable to the Shareholders of the listed company	13,009,051,973.85	12,239,731,257.55	6.29
	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)	Increase or decrease from the same period of last year (%)
Net cash flows from operating activities	819,713,909.53	1,896,431,809.78	-56.78
	From beginning of the year to the end of the reporting period (January to September)	From beginning of the previous year to the end of the reporting period of the previous year (January to September)	Increase or decrease from the same period of last year (%)
Operating revenue	19,247,971,532.51	18,909,940,788.06	1.79
Net profit attributable to the shareholders of the listed company	1,213,098,417.18	1,059,646,985.68	14.48

Net profit after extraordinary profit and loss attributable to the shareholders of the listed company	1,623,171,664.89	870,806,679.54	86.40
Weighted average return on net assets (%)	9.57	8.91	Increased by 0.66 percentage points
Basic earnings per share (RMB per share)	0.700	0.612	14.38
Diluted earnings per share (RMB per share)	0.699	0.612	14.22

Extraordinary profit and loss items and amounts

√ Applicable □ Not applicable

Unit: Yuan Currency: RMB

Item	Amount for the period (July to September)	Amount from beginning of the year to the end of the reporting period (January to September)	Description
Profit or loss from disposal of non-current assets	1,340,113.93	-5,646,595.58	
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	37,212,445.70	134,617,350.11	
Fund appropriation fee charged on non-financial enterprises and included in profit or loss	34,077.81	193,228.14	
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	29,202,435.47	51,109,628.52	
Provision for impairment of assets in case of force majeure such as natural disasters			
Profit or loss from debt restructuring	93,054.27	155,553.60	
Expenses for corporate restructuring, such as expenses for staff arrangements and expenses for business combination	-557,694,451.77	-557,694,451.77	（1）
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	10,040,864.24	-47,697,739.32	
Write back of the provision for impairment of receivables and contract assets that are individually tested for impairment	18,894,670.26	55,070,580.03	
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	3,163,876.65	4,675,018.72	
Other profit or loss items that meet the definitions of extraordinary profit or loss			
Amount of effect on minority interests (after tax)	-2,564,252.86	-8,377,308.19	
Amount of effect on income tax	-14,021,814.87	-36,478,511.97	
Total	-474,298,981.17	-410,073,247.71	

Note: (1) For details, please refer to "3.2 Analysis and explanation of the progress and impact of significant events and the solutions thereto" on the Business reorganization of subsidiaries in this report.

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)							46,181
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	211,600,000	State-owned legal person
HKSCC NOMINEES LIMITED	220,664,190	12.74		Unknown		Foreign legal person
Henan Asset Management Co., Ltd (河南资产管理有限公司)	69,209,157	3.99		Nil		State-owned legal person
Hong Kong Securities Clearing Company Limited	38,705,781	2.23		Nil		Foreign 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
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	1.29		Unknown		Foreign legal person
Li Jun(李俊)	18,000,000	1.04		Nil		Domestic natural person
Jiang Shibo(蒋仕波)	17,224,780	0.99		Nil		Domestic natural person
Gao Yaping(高雅萍)	15,416,816	0.89		Nil		Domestic natural person
Li Yi(李怡)	10,135,000	0.59		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	220,664,190	Overseas listed foreign shares	220,664,190
Henan Asset Management Co., Ltd 河南资产管理有限公司)	69,209,157	Ordinary shares in RMB	69,209,157
Hong Kong Securities Clearing Company Limited	38,705,781	Ordinary shares in RMB	38,705,781
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
YITAI GROUP (HONG KONG) CO LIMITED	22,399,200	Overseas listed foreign shares	22,399,200
Li Jun(李俊)	18,000,000	Ordinary shares in RMB	18,000,000
Jiang Shibo(蒋仕波)	17,224,780	Ordinary shares in RMB	17,224,780
Gao Yaping(高雅萍)	15,416,816	Ordinary shares in RMB	15,416,816
Li Yi(李怡)	10,135,000	Ordinary shares in RMB	10,135,000
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 46,181, among which 46,107 were shareholders of A shares and 74 were shareholders of H shares.

(2) KSCC 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 changes in key indicators of Consolidated Balance Sheet

Unit: RMB0'000 Currency: RMB

Item	30 September 2020	Closing Amount for the Current Period as a Percentage of Total Assets (%)	31 December 2019	Closing Amount for the Previous Year as a Percentage of Total Assets (%)	Change in the Closing Amount for the Current Period over the Closing Amount for the Previous Year (%)	Explanation
Financial assets held for trading	212,137.65	6.57	140,694.57	4.74	50.78	Owing to the addition of short-term wealth management products
Accounts receivable	582,447.15	18.04	463,989.80	15.62	25.53	Due to the increased revenue from the coal mining machinery business and the decreased payment collection
Prepayments	66,221.61	2.05	35,728.38	1.20	85.35	Due to the increased prepayments for materials
Other investments in equity instruments	14,504.01	0.45	3,123.00	0.11	364.43	Owing to the addition of outbound investment
Development expenses	68,042.65	2.11	49,103.39	1.65	38.57	Due to the Company's increased investment in the research and development of the BRM48V micro hybrid system
Non-current liabilities due within one year	182,298.51	5.65	116,802.95	3.93	56.07	Due to the reclassification of exercisable long-term borrowings
Long-term borrowings	304,111.98	9.42	230,928.51	7.77	31.69	Owing to the addition of bank borrowings
Estimated liabilities	125,646.39	3.89	59,546.60	2.00	111.01	Due to the provisions made for the costs relating to restructuring

2. Explanation for the changes in key indicators of Consolidated Statement of Cash Flow

Unit: RMB0'000 Currency: RMB

Item	First three quarters of 2020	First three quarters of 2019	Percentage of change (%)	Explanation
Net cash flow from operating activities	81,971.39	189,643.18	-56.78	Mainly due to the decrease in cash received from sales of goods and provision of labour
Net cash flow from investment activities	-141,381.59	-151,364.64	N/A	Mainly owing to the purchase of wealth management products
Net cash flow from financing activities	22,027.95	-60,839.33	N/A	Mainly owing to the addition of bank borrowings and the decrease in repayment of bank borrowings

3. Analysis on income and profit by business segment

Unit: RMB0'000 Currency: RMB

Item	**Business segment**	**First three quarters of 2020**	**First three quarters of 2019**	**Percentage of change (%)**
Total operating revenue	Coal mining machinery	865,797.42	678,867.77	27.54
	Auto parts	1,059,692.90	1,212,126.31	-12.58
	Total	1,925,490.32	1,890,994.08	1.82
Administration expenses	Coal mining machinery	37,350.89	23,502.14	58.93
	Auto parts	110,580.03	60,715.52	82.13
	Total	147,930.92	84,217.66	75.65
Finance costs	Coal mining machinery	1,295.41	-501.64	N/A
	Auto parts	12,684.27	-1,178.87	N/A
	Acquisition-related centralized expenses	8,782.99	8,369.41	4.94
	Total	22,762.67	6,688.90	240.31
Credit impairment losses	Coal mining machinery	-2,199.88	8,979.83	-124.50
	Auto parts	-2,937.19	-982.94	N/A
	Total	-5,137.07	7,996.89	-164.24
Net profit	Coal mining machinery	203,486.34	114,536.70	77.66
	Auto parts	-64,280.37	5,847.13	-1,199.35
	Acquisition-related centralized expenses	-7,462.68	-7,114.00	N/A
	Total	131,743.29	113,269.83	16.31
Net profit attributable to owners of the parent company	Coal mining machinery	199,708.17	112,606.05	77.35
	Auto parts	-70,935.65	472.65	-15,108.07
	Acquisition-related centralized expenses	-7,462.68	-7,114.00	N/A
	Total	121,309.84	105,964.70	14.48

Explanations for the changes:

(1) Total operating revenue: Total operating revenue amounted to RMB19,254,903,200 for the reporting period, representing an increase of RMB344,962,400 or 1.82% from the same period of last year. This was primarily because 1) the total operating revenue from the coal mining machinery segment amounted to RMB8,657,974,200 during the reporting period, representing an increase of RMB1,869,296,500 or 27.54% from the same period of last year due to a positive development momentum for the coal industry, higher concentration of coal mines, and higher demand for intelligent comprehensive mining equipment and systems from coal mine customers driven by national policies; 2) the total revenue from the auto parts segment amounted to RMB10,596,929,000 for the reporting period, representing a decrease of RMB1,524,334,100 or 12.58% from the same period of last year. In particular, the ASIMCO business recorded overall revenue of RMB2,852,542,900, representing an increase of 10.94% from the same period of last year, as the domestic commercial vehicles market maintained its growth with exceptional performance in the business of core components for commercial vehicle engines, which offset the sliding business of passenger vehicles. In terms of SEG, auto production and sales plunged around the world due to the impact of such factors as the global Covid-19 epidemic and the downward pressure on the auto industry. As a result, SEG recorded total operating revenue of RMB7,744,414,400, representing a decrease of 18.91% from the same period of last year.

(2) Administration expenses: Administration expenses amounted to RMB1,479,309,200 for the current period, representing an increase of RMB637,132,600 or 75.65% from the same period of last year, mainly because 1) the administration expenses from the coal mining machinery segment amounted to RMB373,508,900 during the reporting period, representing an increase of 58.93% from the same period of last year. This was mainly attributable to the provisions made for the mid to long-term incentive payments; 2) the administration expenses from the auto parts segment amounted to RMB1,105,800,300, representing an increase of 82.13% from the same period of last year, which was mainly due to the provisions made for the costs relating to corporate restructuring.

(3) Finance costs: Finance costs amounted to RMB227,626,700 for the reporting period, representing an increase of 240.31% from the same period of last year. This was mainly attributable to the fact that the finance costs of the auto parts segment amounted to RMB126,842,700 during the reporting period, representing an increase of RMB138,631,400 from the same period of last year primarily due to the considerable influence from the exchange rate fluctuation for the offshore assets of the Company.

(4) Credit impairment loss: The profit affected by provision for bad debts decreased by RMB51,370,700 for the reporting period, which represented an increase of RMB131,339,600 in loss from the same period of last year. This was primarily attributable to the fact that 1) the profit affected by credit impairment loss of the coal mining machinery segment decreased by RMB21,998,800 during the reporting period, representing an increase of RMB111,797,100 in loss from the same period of last year mainly due to the decrease in payment collection and the increase in provision for bad debts as a result of the epidemic; and 2) the profit affected by credit impairment loss of the auto parts segment decreased by RMB29,371,900 for the reporting period, compared with an increase of RMB19,542,500 in provision for bad debts for the same period of last year.

(5) Net profit: Consolidated net profit amounted to RMB1,317,432,900 for the reporting period, representing an increase of RMB184,734,600 or 16.31% from the same period of last year. This was mainly attributable to the fact that 1) the net profit of the coal mining machinery segment amounted to RMB2,034,863,400 during the reporting period, representing an increase of RMB889,496,400 or 77.66% from the same period of last year, principally because of an increase in revenue and gross profit margin; and 2) the net loss of the auto parts segment amounted to RMB642,803,700 for the reporting period, representing a decrease of RMB701,275,000 compared with the net profit for the same period of last year. In particular, the ASIMCO business sustained its growth in the domestic commercial vehicles market, with a steady increase in overall revenue and a net profit of RMB280,788,300, representing an increase of 40.98% from the same period of last year. SEG recorded a net loss of RMB312,769,800, representing a decrease of RMB225,099,400 compared with the net profit for the same period of last year, due to the revenue decline and relatively high fixed costs amidst the continuous Covid-19 outbreak overseas, which resulted in the suspension of production and operation by a large number of overseas OEM factories and the downward pressure on the auto industry. The provision of costs relating to corporate restructuring has resulted in a decrease of RMB557,694,500 in net profit.

(6) Net profit attributable to owners of the parent company: Net profit attributable to owners of the parent company amounted to RMB1,213,098,400 for the reporting period, representing an increase of RMB153,451,400 or 14.48% from the same period of last year. The reasons for the changes are the same as those for net profit.

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

√ Applicable □ Not applicable

1. Adjustment to the exercise price of the 2019 Share Option Incentive Scheme of the Company:

The Company convened the 24th meeting of the fourth session of the board of directors and the 16th meeting of the fourth session of the board of supervisors on 31 July 2020, where The Resolution in relation to the Adjustment to the Exercise Price of the 2019 Share Option Incentive Scheme of the Company was considered and approved. Since the implementation of profit distribution plan for the year 2019 of the Company was completed, according to the relevant requirements of the adjustment to exercise price as set out in the 2019 Share Option Incentive Scheme (Revised Draft) of the Company and the mandate of the shareholders' general meeting, the exercise price of the share options under the 2019 Share Option Incentive Scheme was adjusted by the Company from RMB5.98/share to RMB5.795/share. For details, please see the Announcement of Zhengzhou Coal Mining Machinery Group Company Limited on Adjusting the Exercise Price of the 2019 Stock Option Incentive Scheme of the Company disclosed on the website of the Shanghai Stock Exchange (www.sse.com.cn) on 1 August 2020 (Announcement Number: Lin 2020-037).

2. Business reorganization of subsidiaries:

The Company convened the 26th meeting of the fourth session of the board of directors on 28 October 2020, where the Resolution in relation to the Business Reorganization of the Subsidiary SEG Automotive Germany GmbH was considered and approved. Since 2020, under the impact of the continuous Covid-19 outbreak in China, Europe, America, India, Brazil and other countries and regions where SEG has been focused on its development, the demand in the auto market fell drastically and thereby affected the SEG business significantly. This requires swift measures to address the crisis by taking the opportunity arising from the epidemic to quickly implement institutional reform and personnel optimization, promote resource integration on a global scale, and thereby improve profitability. According to the SEG master plan of business reorganization, SEG has decided to terminate its contracts with approximately 540 employees in Germany, involving compensation costs of approximately 70.9 million Euros (equivalent to approximately RMB557,694,500) in respect of the redundancy in Germany. Such expenses will be charged to the profit and loss of the Company for 2020. The aforementioned compensation costs in relation to employee redundancy are reasonably estimated in line with the local policies and regulations of Germany as well as the Share Purchase Agreement signed upon the acquisition of SEG in 2017. The actual expenses incurred are subject to determination according to the agreement reached between the counterparties, labor union or employees. For details, please refer to the Announcement on Significant Issues of Subsidiary of Zhengzhou Coal Mining Machinery Group Company Limited as disclosed on the same date of this report.

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 October 2020

4. Appendices

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Monetary capital	4,456,628,669.23	4,721,576,558.81
Balances with clearing companies		
Placements with banks and other financial institutions		
Financial assets held for trading	2,121,376,487.93	1,406,945,730.45
Derivative financial assets		
Bills receivable	3,532,262,672.89	3,035,202,457.80
Accounts receivable	5,824,471,451.61	4,639,898,042.21
Receivables financing	985,670,092.07	1,211,616,110.72
Prepayments	662,216,052.88	357,283,774.01
Premiums receivable		
Accounts receivable from reinsurance		
Contract reserves receivable from reinsurance		
Other receivables	282,754,200.29	257,859,718.65
Including: Interest receivable	20,433,609.74	14,506,846.25
Dividend receivable		
Buying back financial assets resold		
Inventories	4,206,613,331.39	3,631,445,320.37
Contract assets	48,968,181.07	30,457,003.50
Assets held for sale		
Non-current assets due within one year	322,315,594.34	275,676,579.28
Other current assets	500,534,470.68	653,730,335.19
Total current assets	22,943,811,204.38	20,221,691,630.99
Non-current assets:		
Loans and advances granted		
Debt investment		
Other debt investment		
Long-term receivables	179,690,901.78	241,808,406.09
Long-term equity investment	375,673,458.00	357,176,160.61
Other investments in equity instruments	145,040,087.23	31,230,014.04
Other non-current financial assets		
Investment properties	169,316,515.13	175,334,790.60
Fixed assets	3,937,630,633.94	4,088,023,013.25
Construction in progress	685,800,836.62	609,269,029.34

Biological assets for production		
Fuel assets		
Right-of-use assets	557,733,635.51	683,850,884.72
Intangible assets	1,375,610,672.45	1,502,796,665.03
Development expenses	680,426,496.78	491,033,852.43
Goodwill	685,939,729.79	677,221,116.33
Long-term deferred expenditures	73,533,129.60	90,817,843.79
Deferred income tax assets	440,278,656.74	440,675,714.92
Other non-current assets	27,174,173.34	101,669,398.01
Total non-current assets	9,333,848,926.91	9,490,906,889.16
Total assets	32,277,660,131.29	29,712,598,520.15
Current liabilities:		
Short-term borrowings	899,949,381.48	1,094,606,022.91
Borrowings from central bank		
Placements from other banks		
Financial liabilities held for trading	39,876,046.03	3,632,055.66
Derivative financial liabilities		
Bills payable	1,510,629,051.82	1,621,930,840.22
Accounts payable	4,806,285,439.20	4,785,483,394.15
Receipts in advance		
Contract liabilities	1,673,491,501.43	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	553,212,658.80	532,386,495.37
Tax payable	540,395,105.13	414,962,209.91
Other payables	626,782,885.19	731,005,072.80
Including: Interest payable	14,897,226.83	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	1,822,985,099.55	1,168,029,477.31
Other current liabilities	21,440,805.70	11,333,344.94
Total current liabilities	12,495,047,974.33	12,282,291,815.19
Non-current liabilities:		
Insurance contract reserves		
Long-term borrowings	3,041,119,755.81	2,309,285,126.20
Debentures payable		
Including: Preference shares		
Perpetual bonds		

Lease liabilities	445,724,152.56	551,704,214.20
Long-term payables	20,477,630.28	35,601,087.63
Long-term staff remuneration payable	606,482,722.25	378,429,845.26
Estimated liabilities	1,256,463,867.90	595,466,000.06
Deferred income	133,397,310.65	83,274,742.36
Deferred income tax liabilities	285,243,102.77	313,057,373.77
Other non-current liabilities	49,913,552.37	21,241,572.85
Total non-current liabilities	5,838,822,094.59	4,288,059,962.33
Total liabilities	18,333,870,068.92	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	4,309,306,627.05	4,304,502,303.60
Less: Treasury stock		
Other comprehensive income	-206,813,088.85	-78,738,267.97
Special reserves		
Surplus reserve	790,993,616.82	790,993,616.82
Provision for general risks		
Undistributed profit	6,383,093,448.83	5,490,502,235.10
Total equity attributable to owners of the parent company (or shareholders' equity)	13,009,051,973.85	12,239,731,257.55
Minority interests	934,738,088.52	902,515,485.08
Total owners' equity (or shareholders' equity)	13,943,790,062.37	13,142,246,742.63
Total liabilities and owners' equity (or shareholders' equity)	32,277,660,131.29	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

30 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Monetary capital	3,098,140,093.34	3,069,114,777.71
Financial assets held for trading	1,810,000,000.00	1,060,000,000.00
Derivative financial assets		
Bills receivable	3,032,704,881.92	2,878,879,816.04
Accounts receivable	2,093,495,974.00	1,334,700,077.28
Receivables financing		
Prepayments	424,497,622.74	204,489,024.20
Other receivables	194,977,520.99	147,544,435.49
Including: Interest receivable	19,223,792.89	13,290,033.74
Dividend receivable	50,000,000.00	
Inventories	1,920,201,932.44	1,539,897,898.55
Contract assets		
Assets held for sale		
Non-current assets due within one year	326,095,739.45	262,482,561.93
Other current assets	269,508,684.75	216,757,304.24
Total current assets	13,169,622,449.63	10,713,865,895.44
Non-current assets:		
Debt investment		
Other debt investment		
Long-term receivables	194,013,894.30	220,703,188.64
Long-term equity investment	6,131,367,041.64	6,064,309,769.42
Other investments in equity instruments	112,255,000.00	255,000.00
Other non-current financial assets		
Investment properties	224,428,338.63	148,635,419.55
Fixed assets	712,177,911.42	851,640,710.04
Construction in progress	115,429,941.20	87,054,093.23
Biological assets for production		
Fuel assets		
Right-of-use assets	35,539,179.31	38,717,274.79
Intangible assets	206,174,650.21	207,545,282.60
Development expenses		
Goodwill		
Long-term deferred expenditures		
Deferred income tax assets	181,593,673.79	146,412,892.38
Other non-current assets	2,830,234.31	2,830,234.31
Total non-current assets	7,915,809,864.81	7,768,103,864.96

Total assets	21,085,432,314.44	18,481,969,760.40
Current liabilities:		
Short-term borrowings		3,500,000.00
Financial liabilities held for trading		
Derivative financial liabilities		
Bills payable	1,437,789,412.45	1,514,563,018.92
Accounts payable	996,573,002.51	1,542,572,327.24
Receipts in advance		
Contract liabilities	1,381,482,424.95	1,677,584,345.19
Staff remuneration payable	67,205,386.28	92,237,422.99
Tax payable	238,219,132.47	173,427,576.05
Other payables	122,598,826.12	101,120,879.52
Including: Interest payable	229,695.96	
Dividend payable		
Liabilities held for sale		
Non-current liabilities due within one year	309,388,937.40	304,973,289.37
Other current liabilities	550,855,994.62	
Total current liabilities	5,104,113,116.80	5,409,978,859.28
Non-current liabilities：		
Long-term borrowings	1,679,941,000.00	600,000,000.00
Debentures payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities	30,756,721.18	33,903,630.45
Long-term payables	19,708,503.61	35,601,087.63
Long-term staff remuneration payable	227,760,000.00	49,950,000.00
Estimated liabilities	9,602,792.63	9,602,792.63
Deferred income	79,722,900.00	41,750,000.00
Deferred income tax liabilities	14,060,899.09	11,757,997.03
Other non-current liabilities		
Total non-current liabilities	2,061,552,816.51	782,565,507.74
Total liabilities	7,165,665,933.31	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	4,319,260,060.89	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	7,077,041,333.42	5,453,982,969.12
Total owners' equity (or shareholders' equity)	13,919,766,381.13	12,289,425,393.38
Total liabilities and owners' equity (or shareholders' equity)	21,085,432,314.44	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 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Q3 2020 (July to September)	Q3 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Total operating revenue	6,939,434,959.67	6,185,470,993.80	19,254,903,231.70	18,909,940,788.06
Including: Operating revenue	6,936,023,100.82	6,185,470,993.80	19,247,971,532.51	18,909,940,788.06
Interest income	3,411,858.85		6,931,699.19	
Premium earned				
Handling charges and commission income				
2. Total operating costs	6,765,385,594.96	5,818,995,804.26	17,558,730,513.81	17,630,521,163.54
Including: Operating costs	5,166,886,159.45	4,921,907,378.99	14,237,545,746.48	15,087,080,098.00
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	24,801,483.85	21,878,444.41	79,110,863.02	84,633,346.34
Selling expenses	296,015,025.55	298,523,824.50	737,395,330.07	743,893,612.90
Administration expenses	888,229,952.92	267,068,763.42	1,479,309,181.90	842,176,612.37
Research and development expenses	278,556,802.42	304,247,912.89	797,742,731.75	805,848,459.22
Finance costs	110,896,170.77	5,369,480.05	227,626,660.59	66,889,034.71
Including: Interest expenses	68,600,897.13	65,661,844.63	198,213,204.75	172,168,131.96
Interest income	15,454,040.10	7,620,078.97	53,103,697.08	26,834,455.85
Add: Other gains	36,888,932.74	45,534,888.67	134,293,837.15	99,646,775.62

Gain from investments (loss is represented by "—")	59,046,695.92	-23,355,099.06	28,014,591.88	-41,754,299.74
Including: Gain from investments in associates and joint ventures	4,956,771.99	13,456,666.24	18,015,187.13	60,529,928.52
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 "—")	-13,456,194.93	-15,877,781.18	-3,015,677.37	4,896,014.64
Credit impairment losses (loss is represented by "—")	-5,214,538.81	35,955,907.00	-51,370,657.21	79,968,888.02
Asset impairment losses (loss is represented by "—")	4,638,797.45	-3,066,059.28	-23,627,566.97	-28,862,621.28
Gains from disposal of assets (loss is represented by "—")	1,244,797.57	-64,113.41	1,950,366.71	109,052.64
3. Profit from operations (loss is represented by "—")	257,197,854.65	405,602,932.28	1,782,417,612.08	1,393,423,434.42
Add: Non-operating income	4,185,496.73	8,575,970.77	11,851,076.01	17,116,871.34
Less: Non-operating expenses	335,358.47	1,550,222.31	14,129,009.95	2,502,878.51
4. Total profit (loss is represented by "—")	261,047,992.91	412,628,680.74	1,780,139,678.14	1,408,037,427.25
Less: Income tax expense	149,407,897.58	66,918,852.37	462,706,783.30	275,339,173.64
5. Net profit (net loss is represented by "—")	111,640,095.33	345,709,828.37	1,317,432,894.84	1,132,698,253.61
(1) Breakdown by continuity of operation				
1. Net profit from continuing operation (net loss is represented by "—")	111,640,095.33	345,709,828.37	1,317,432,894.84	1,132,698,253.61
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 "—")	77,930,780.84	328,917,937.40	1,213,098,417.18	1,059,646,985.68
2. Gain or loss attributable to minority interests (net loss is represented by "—")	33,709,314.49	16,791,890.97	104,334,477.66	73,051,267.93

6. Net other comprehensive income after tax	-30,583,938.97	-30,565,257.34	-128,074,820.88	-20,759,429.58
(1) Net other comprehensive income attributable to owners of the parent company after tax	-30,583,938.97	-30,565,257.34	-128,074,820.88	-20,759,429.58
1. Other comprehensive income not to be reclassified into profit or loss	2,587,599.30	-8,458,280.13	2,393,636.41	-933,304.88
(1) Changes arising from re-measuring defined benefit scheme	11,689.20	-1,782,487.29	583,563.22	
(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	2,575,910.10	-6,675,792.84	1,810,073.19	-933,304.88
(4) Changes in fair value of the company's own credit risk				
2. Other comprehensive income to be reclassified into profit or loss	-33,171,538.27	-22,106,977.21	-130,468,457.29	-19,826,124.70
(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 (effective portion of gains and losses from cash flow hedging)	2,327,611.95	-13,291,658.95	-30,113,428.12	-16,673,815.52
(6) Exchange differences on foreign currency financial statements	-35,499,150.22	-8,815,318.26	-100,355,029.17	-3,152,309.18
(7) Others				
(2) Net other comprehensive income attributable to minority interests after tax				
7. Total comprehensive income	81,056,156.36	315,144,571.03	1,189,358,073.96	1,111,938,824.03
(1) Total comprehensive income attributable to owners of the parent company	47,346,841.87	298,352,680.06	1,085,023,596.30	1,038,887,556.10

(2) Total comprehensive income attributable to minority interests	33,709,314.49	16,791,890.97	104,334,477.66	73,051,267.93
8. Earnings per share:				
(1) Basic earnings per share (RMB per share)	0.045	0.190	0.700	0.612
(2) Diluted earnings per share (RMB per share)	0.045	0.190	0.699	0.612

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 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Q3 2020 (July to September)	Q3 2019 (July to September)	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Operating revenue	2,028,288,674.17	1,726,588,418.89	5,939,269,395.53	4,867,219,457.94
Less: Operating cost	1,253,714,614.43	1,174,842,943.04	3,567,377,422.31	3,430,960,272.96
Tax and surcharges	9,262,851.51	12,057,339.43	33,879,830.99	42,127,178.37
Selling expenses	50,305,289.71	62,898,733.05	148,537,331.59	168,377,811.64
Administration expenses	95,110,950.30	56,429,890.40	287,449,452.75	167,097,874.45
Research and development expenses	84,424,594.82	93,487,730.34	236,974,855.86	228,207,329.04
Finance costs	29,550,794.41	-14,718,231.27	17,692,694.02	-12,720,651.77
Including: Interest expenses	21,137,546.42	6,969,351.77	41,156,340.98	24,273,923.78
Interest income	16,764,299.71	5,218,827.61	43,775,699.39	16,621,924.30
Add: Other gains	6,387,576.23	24,514,700.00	39,675,807.00	34,648,620.67
Gain from investments (loss is represented by "—")	398,534,277.69	89,981,955.30	510,674,511.54	294,501,532.31
Including: Gain from investments in associates and joint ventures	7,093,278.49	21,021,836.32	17,874,901.52	60,529,928.52
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 "—")		-5,271,567.75		-5,271,567.75
Credit impairment losses (loss is represented by "—")	185,922.91	52,283,260.05	-18,645,550.38	101,989,749.67
Asset impairment losses(loss is represented by "—")				
Gain from disposal of assets (loss is represented by "—")	765,238.17	-65,643.63	1,316,284.50	9,963.49
2. Profit from operations (loss is represented by "—")	911,792,593.99	503,032,717.87	2,180,378,860.67	1,269,047,941.64
Add: Non-operating income	914,539.62	1,210,762.41	3,899,454.34	1,949,703.67
Less: Non-operating expenses	30,017.88	1,264,207.22	4,819,100.03	1,282,537.25
3. Total profit (loss is represented by "—")	912,677,115.73	502,979,273.06	2,179,459,214.98	1,269,715,108.06
Less: Income tax expense	79,770,394.46	46,692,782.29	235,893,647.23	159,735,666.47
4. Net profit (net loss is represented by "—")	832,906,721.27	456,286,490.77	1,943,565,567.75	1,109,979,441.59

(1) Net profit from continuing operation (net loss is represented by "—")	832,906,721.27	456,286,490.77	1,943,565,567.75	1,109,979,441.59
(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	832,906,721.27	456,286,490.77	1,943,565,567.75	1,109,979,441.59
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 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Cash flows from operating activities:		
Cash received from sales of goods and provision of labour	16,280,250,980.09	18,357,664,377.99
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	1,062,134,573.48	1,586,186,280.96
Cash received in relation to other operating activities	436,588,705.89	270,919,835.36
Sub-total of cash inflows from operating activities	17,778,974,259.46	20,214,770,494.31
Cash paid for goods purchased and labour received	12,502,530,739.50	13,280,802,974.17
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	2,191,683,330.77	2,457,517,673.14
Various taxes paid	1,903,609,012.10	2,046,597,386.48
Cash paid in relation to other operating activities	361,437,267.56	533,420,650.74
Sub-total of cash outflow from operating activities	16,959,260,349.93	18,318,338,684.53
Net cash flows from operating activities	819,713,909.53	1,896,431,809.78
2. Cash flows from investing activities:		
Cash received from recovery of investments	3,515,075,371.39	816,956,546.14
Cash received from gain of investment acquired	53,838,308.02	19,115,477.15

Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,374,125.31	30,018,781.45
Net cash received from disposal of subsidiaries and other business units		
Other cash received in relation to investing activities	82,781,706.33	223,192,998.93
Sub-total of cash inflow from investing activities	3,653,069,511.05	1,089,283,803.67
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	641,113,528.52	736,795,168.90
Cash paid for investments	4,385,499,676.77	1,636,661,414.06
Net increase in pledged loans		
Net cash paid for acquiring subsidiaries and other business units		
Other cash paid in relation to investing activities	40,272,156.27	229,473,589.01
Sub-total of cash outflow from investing activities	5,066,885,361.56	2,602,930,171.97
Net cash flows from investing activities	-1,413,815,850.51	-1,513,646,368.30
3. Cash flows from financing activities:		
Cash received from investment	2,000,000.00	
Including: Cash received by subsidiaries from minority shareholder's investment	2,000,000.00	
Cash received from borrowings acquired	1,592,279,151.06	1,194,913,911.68
Other cash received in relation to financing activities	55,024,647.31	508,213,865.47
Sub-total of cash inflow from financing activities	1,649,303,798.37	1,703,127,777.15
Cash paid for repayment of indebtedness	621,666,293.66	1,926,221,439.76
Cash paid for distribution of dividend and profit or for interest	500,048,005.16	327,846,429.45
Including: Dividend and profit paid to minority shareholders by subsidiaries	74,111,874.22	30,774,741.39
Other cash paid in relation to financing activities	307,310,035.44	57,453,170.79
Sub-total of cash outflow from financing activities	1,429,024,334.26	2,311,521,040.00
Net cash flows from financing activities	220,279,464.11	-608,393,262.85
4. Effects of change of exchange rate on cash and cash equivalents	5,081,819.92	2,078,072.22
5. Net increase in cash and cash equivalents	-368,740,656.95	-223,529,749.15
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	3,475,821,254.46	2,582,818,328.77

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 September 2020

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	First three quarters of 2020 (January to September)	First three quarters of 2019 (January to September)
1. Net cash flows from operating activities:		
Cash received from sales of goods and provision of labour	4,244,279,422.41	4,951,701,121.79
Tax refunds received		
Other cash received in relation to operating activities	234,428,955.10	153,945,189.46
Sub-total of cash inflows from operating activities	4,478,708,377.51	5,105,646,311.25
Cash paid for goods purchased and labour received	4,283,671,838.88	3,359,993,281.55
Cash paid to and paid on behalf of the employees	279,735,040.42	281,842,572.44
Various taxes paid	413,242,304.55	359,429,888.66
Other cash paid in relation to operating activities	152,667,370.40	140,655,078.77
Sub-total of cash outflow from operating activities	5,129,316,554.25	4,141,920,821.42
Net cash flows from operating activities	-650,608,176.74	963,725,489.83
2. Cash flows from investing activities:		
Cash received from recovery of investments	2,640,000,000.00	174,549,200.00
Cash received from gain of investment acquired	444,472,494.77	250,671,894.34
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	947,230.40	1,136,994.30
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	3,085,419,725.17	426,358,088.64
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	44,222,837.87	37,662,952.98
Cash paid for investments	3,621,351,500.00	1,146,000,000.00
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	3,665,574,337.87	1,183,662,952.98
Net cash flows from investing activities	-580,154,612.70	-757,304,864.34
3. Cash flows from financing activities:		
Cash received from investment		
Cash received from borrowings acquired	1,379,610,000.00	300,000,000.00
Other cash received in relation to financing activities	3,973,891,157.33	508,213,865.47
Sub-total of cash inflow from financing activities	5,353,501,157.33	808,213,865.47
Cash paid for repayment of indebtedness	300,000,000.00	516,000,000.00
Cash paid for distribution of dividend and profit or for interest	350,093,212.27	274,078,376.98
Other cash paid in relation to financing activities	3,557,889,180.00	5,743,259.60

Sub-total of cash outflow from financing activities	4,207,982,392.27	795,821,636.58
Net cash flows from financing activities	1,145,518,765.06	12,392,228.89
4. Effect of change of exchange rate on cash and cash equivalents	-6,872,356.69	11,031,454.39
5. Net increase in cash and cash equivalents	-92,116,381.07	229,844,308.77
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	2,243,028,002.44	1,491,062,062.59

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