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 2021 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 26 April 2021.

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

Zhengzhou, PRC, 26 April 2021

*As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. XIANG Jiayu, Mr. JIA Hao, Mr. FU Zugang and Mr. WANG Xinying, the non-executive Directors are Mr. CUI Kai and Mr. YANG Dongsheng and the independent non-executive Directors are Mr. CHENG Jinglei, Mr. JI Feng, Ms. GUO Wenqing and Mr. FANG Yuan.*

## First Quarterly Report of 2021

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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 26 April 2021 at the 4th meeting of the 5th 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 2021

# 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

| | 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 | 35,595,701,654.32 | 33,714,415,299.94 | 5.58 |
| Net assets attributable to the shareholders of the listed company | 13,538,890,465.40 | 13,063,794,901.37 | 3.64 |
| | 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 | 212,287,831.42 | -19,571,088.73 | N/A |
| | 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 | 7,676,725,085.99 | 5,941,232,246.25 | 29.21 |

| | | | |
|---|---|---|---|
| Net profit attributable to the shareholders of the listed company | 556,310,975.22 | 401,914,619.43 | 38.42 |
| Net profit after extraordinary profit and loss attributable to the shareholders of the listed company | 472,567,628.47 | 429,330,597.44 | 10.07 |
| Weighted average return on net assets (%) | 4.19 | 3.25 | Increased by 0.94 percentage points |
| Basic earnings per share (RMB per share) | 0.321 | 0.232 | 38.36 |
| Diluted earnings per share (RMB per share) | 0.320 | 0.230 | 39.13 |

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 | 22,966,360.21 | |
| 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 | 57,552,122.71 | |
| 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 | 30,030,169.64 | |
| Provision for impairment of assets in case of force majeure such as natural disasters | | |
| Profit or loss from debt restructuring | -501,052.63 | |
| 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 | -22,564,264.80 | |
| Write back of the provision for impairment of receivables and contract assets that are individually tested for impairment | 22,700,000.00 | |
| 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 | 3,220,183.50 | |
| Other profit or loss items that meet the definitions of extraordinary profit or loss | -12,541,529.38 | |
| Amount of effect on minority interests (after tax) | 975,796.50 | |
| Amount of effect on income tax | -18,094,439.00 | |
| Total | 83,743,346.75 | |

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

<table>
<tr><td colspan="3">Total number of shareholders (Units)</td><td colspan="4">44,996</td></tr>
<tr><td colspan="7">Shareholdings of the top 10 shareholders</td></tr>
<tr><td rowspan="2">Name of shareholder (Full name)</td><td rowspan="2">Shareholdings as at the end of the period</td><td rowspan="2">Proportion (%)</td><td rowspan="2">Number of shares held subject to trading moratorium</td><td colspan="2">Pledged or frozen</td><td rowspan="2">Nature of shareholder</td></tr>
<tr><td>Status of shares</td><td>Number of shares</td></tr>
<tr><td>Hong Yi Investment Management (Henan) Partnership (Limited Partnership) (泓羿投資管理(河南)合夥企業(有限合夥))</td><td>277,195,419</td><td>16.00</td><td></td><td>Pledged</td><td>28,429,985</td><td>Others</td></tr>
<tr><td>Henan Machinery Investment Group Co., Ltd. (河南機械裝備投資集團有限責任公司)</td><td>243,892,381</td><td>14.08</td><td></td><td>Pledged</td><td>50,000,000</td><td>State-owned legal person</td></tr>
<tr><td>HKSCC NOMINEES LIMITED</td><td>220,750,390</td><td>12.74</td><td></td><td>Unknown</td><td></td><td>Foreign legal person</td></tr>
<tr><td>Henan Asset Management Co., Ltd. (河南資產管理有限公司)</td><td>69,209,157</td><td>3.99</td><td></td><td>Nil</td><td></td><td>State-owned legal person</td></tr>
<tr><td>Hong Kong Securities Clearing Company Limited</td><td>60,798,608</td><td>3.51</td><td></td><td>Nil</td><td></td><td>Foreign legal person</td></tr>
<tr><td>YITAI GROUP (HONG KONG) CO LIMITED</td><td>22,399,200</td><td>1.29</td><td></td><td>Unknown</td><td></td><td>Foreign legal person</td></tr>
<tr><td>Industrial and Commercial Bank of China Limited- Fuguo Tianhui Selected Growth Hybrid Securities Investment Fund (LOF) (中國工商銀行股份有限公司－富國天惠精選成長混合型證券投資基金(LOF))</td><td>20,000,020</td><td>1.15</td><td></td><td>Nil</td><td></td><td>Others</td></tr>
<tr><td>Jiang Shibo (蔣仕波)</td><td>19,376,080</td><td>1.12</td><td></td><td>Nil</td><td></td><td>Domestic natural person</td></tr>
<tr><td>Li Jun (李俊)</td><td>18,000,000</td><td>1.04</td><td></td><td>Nil</td><td></td><td>Domestic natural person</td></tr>
<tr><td>Gao Yaping (高雅萍)</td><td>15,416,816</td><td>0.89</td><td></td><td>Nil</td><td></td><td>Domestic natural person</td></tr>
</table>

| 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 |
| Hong Yi Investment Management (Henan) Partnership (Limited Partnership) (泓羿投資管理(河南)合夥企業(有限合夥)) | 277,195,419 | Ordinary shares in RMB | 277,195,419 |
| Henan Machinery Investment Group Co., Ltd. (河南機械裝備投資集團有限責任公司) | 243,892,381 | Ordinary shares in RMB | 243,892,381 |
| HKSCC NOMINEES LIMITED | 220,750,390 | Overseas listed foreign shares | 220,750,390 |
| Henan Asset Management Co., Ltd. (河南資產管理有限公司) | 69,209,157 | Ordinary shares in RMB | 69,209,157 |
| Hong Kong Securities Clearing Company Limited | 60,798,608 | Ordinary shares in RMB | 60,798,608 |
| YITAI GROUP (HONG KONG) CO LIMITED | 22,399,200 | Overseas listed foreign shares | 22,399,200 |
| Industrial and Commercial Bank of China Limited-Fuguo Tianhui Selected Growth Hybrid Securities Investment Fund (LOF) (中國工商銀行股份有限公司－富國天惠精選成長混合型證券投資基金(LOF)) | 20,000,020 | Ordinary shares in RMB | 20,000,020 |
| Jiang Shibo (蔣仕波) | 19,376,080 | Ordinary shares in RMB | 19,376,080 |
| Li Jun (李俊) | 18,000,000 | Ordinary shares in RMB | 18,000,000 |
| Gao Yaping (高雅萍) | 15,416,816 | Ordinary shares in RMB | 15,416,816 |
| Description of the connected relationship or acting in concert of the above shareholders | Hong Yi Investment Management (Henan) Partnership (Limited Partnership) and Henan Asset Management Co., Ltd. have signed the Acting-in-Concert Agreement and they are acting in concert. They hold 19.99% of shares of the Company in aggregate and have become the controlling shareholders of the Company. | | |
| 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 44,996, among which 44,935 were shareholders of A shares and 61 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 changes in key indicators of Consolidated Balance Sheet

Unit: RMB0’000 Currency: RMB

| Item | Closing Amount for the Current Period | Closing Amount for the Previous Period | Percentage of Change (%) | Explanation |
|---|---|---|---|---|
| Financial assets held for trading | 381,733.06 | 295,441.40 | 29.21 | Owing to the addition of short-term wealth management products |
| Prepayments | 65,433.57 | 49,889.48 | 31.16 | Due to the increased prepayments for materials |
| Long-term equity investments | 28,442.50 | 37,880.11 | -24.91 | Due to the disposal of equity in Hua Xuan (Shanghai) Equity Investment Fund Co., Ltd.* (華軒（上海）股權投資基金有限公司) |
| Right-of-use assets | 131,036.53 | 78,479.12 | 66.97 | Due to the addition of lease of plant |
| Long-term borrowings | 475,864.19 | 362,600.02 | 31.24 | Owing to the addition of bank borrowings |
| Lease liabilities | 120,171.21 | 68,851.32 | 74.54 | Due to the addition of lease of plant |

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

Unit: RMB0’000 Currency: RMB

| Item | Q1 2021 | Q1 2020 | Percentage of Change (%) | Explanation |
|---|---|---|---|---|
| Net cash flows from operating activities | 21,228.78 | -1,957.11 | N/A | Mainly caused by increased cash received from sales of goods and provision of labour |
| Net cash flows from investing activities | -113,865.11 | -79,773.80 | N/A | Mainly owing to the purchase of wealth-management products |
| Net cash flows from financing activities | 87,623.97 | -16,863.91 | N/A | Mainly owing to the addition of bank borrowings |

3. Analysis on income and profit by business segment

Unit: RMB0’000 Currency: RMB

| Item | Business segment | Q1 2021 | Q1 2020 | Percentage of Change (%) |
|---|---|---|---|---|
| Total operating revenue | Coal mining machinery | 300,529.29 | 243,929.65 | 23.20 |
| | Auto parts | 467,511.60 | 350,327.81 | 33.45 |
| | Total | 768,040.89 | 594,257.46 | 29.24 |
| Administration expenses | Coal mining machinery | 12,913.21 | 6,235.57 | 107.09 |
| | Auto parts | 18,848.21 | 17,392.12 | 8.37 |
| | Total | 31,761.42 | 23,627.69 | 34.42 |
| Finance costs | Coal mining machinery | 1,018.39 | -705.26 | N/A |
| | Auto parts | 2,680.36 | 2,252.59 | 18.99 |
| | Acquisition-related centralized expenses | 2,762.74 | 2,896.76 | -4.63 |
| | Total | 6,461.49 | 4,444.09 | 45.40 |
| Credit impairment loss | Coal mining machinery | -4,842.54 | -408.88 | N/A |
| | Auto parts | 612.24 | -2,745.38 | N/A |
| | Total | -4,230.30 | -3,154.26 | N/A |
| Net profit | Coal mining machinery | 51,750.15 | 63,490.30 | -18.49 |
| | Auto parts | 11,060.26 | -18,783.80 | N/A |
| | Acquisition-related centralized expenses | -2,345.47 | -2,463.27 | N/A |
| | Total | 60,464.94 | 42,243.23 | 43.14 |
| Net profit attributable to owners of the parent company | Coal mining machinery | 50,295.00 | 62,967.52 | -20.13 |
| | Auto parts | 7,681.57 | -20,312.79 | N/A |
| | Acquisition-related centralized expenses | -2,345.47 | -2,463.27 | N/A |
| | Total | 55,631.10 | 40,191.46 | 38.42 |

Explanations for the changes:

(1) Operating revenue: Total operating revenue amounted to RMB7,680,408,900 for the reporting period, representing an increase of RMB1,737,834,300 or 29.24% from the same period of last year. This was primarily because 1) the total operating revenue from the coal mining machinery segment amounted to RMB3,005,292,900 during the reporting period, representing an increase of RMB565,996,400 or 23.20% from the same period of last year due to a positive development momentum for the coal industry, higher concentration of coal mines, and increasing 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 RMB4,675,116,000 for the reporting period, representing an increase of RMB1,171,837,900 or 33.45% from the same period of last year. The ASIMCO business recorded an overall revenue of RMB1,254,979,800, representing an increase of 51.78% from the same period of last year and SEG recorded total operating revenue of RMB3,420,150,300, representing an increase of 27.79% from the same period of last year mainly due to

the gradual recovery of the auto market with the alleviation of the impact of the pandemic. In particular, the production and sales of domestic commercial vehicles hit record highs, the Company's auto parts segment increased and the base number was lower as affected by the pandemic in the same period last year.

(2) Administration expenses: Administration expenses amounted to RMB317,614,200 for the current period, representing an increase of RMB81,337,300 or 34.42% from the same period of last year, mainly because 1) the administration expenses from the coal mining machinery segment amounted to RMB129,132,100 during the reporting period, representing an increase of 107.09% from the same period of last year. This was mainly attributable to the lower base number affected by the pandemic in the same period last year and provisions made for the mid to long-term incentive payments by the Company; 2) the administration expenses from the auto parts segment amounted to RMB188,482,100, representing an increase of 8.37% from the same period of last year.

(3) Finance costs: Finance costs amounted to RMB64,614,900 for the reporting period, representing an increase of 45.40% from the same period of last year. This was mainly attributable to the fact that the finance costs of the coal mining machinery segment amounted to RMB10,183,900 during the reporting period, representing an increase of RMB17,236,500 from the same period of last year primarily due to the increase in interest expenses on bank borrowings.

(4) Credit impairment loss: The profit affected by provision for bad debts decreased by RMB42,303,000 for the reporting period, which represented an increase of RMB10,760,400 in provision for bad debts from the same period of last year. This was primarily attributable to the fact that 1) the profit affected by provision for bad debts of the coal mining machinery segment decreased by RMB48,425,400 during the reporting period, representing an increase of RMB44,336,600 in provision for bad debts for the same period of last year mainly due to the increase in accounts receivable; and 2) the profit affected by provision for write-back in bad debts of the auto parts segment increased by RMB6,122,400 for the reporting period, compared with an increase of RMB33,576,200 in provision for write-back in bad debts for the same period of last year.

(5) Net profit: Consolidated net profit amounted to RMB604,649,400 for the reporting period, representing an increase of RMB182,217,100 or 43.14% 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 RMB517,501,500 during the reporting period, representing a decrease of RMB117,401,500 or 18.49% from the same period of last year, principally because of an increase in the purchase price of raw materials such as steel, which led to the decrease in gross profit margin and the increase in expenses during the period compared with the same period last year; 2) the net profit of the auto parts segment amounted to RMB110,602,600 for the reporting period, representing an increase of RMB298,440,600 compared with the same period of last year. In particular, the ASIMCO business has risen to a new record high in the production and sales of domestic commercial vehicles with continued growth in revenue, and a net profit of RMB150,021,900 was recorded, representing an increase of 118.08% from the same period of last year. Owing to the implementation of various measures on cost reduction and efficiency improvement as well as the increasing operating income, SEG recorded a net loss of

RMB20,422,700, representing a decrease of RMB217,565,600 compared with the net loss for the same period of last year.

(6) Net profit attributable to owners of the parent company: Net profit attributable to owners of the parent company amounted to RMB556,311,000 for the reporting period, representing an increase of RMB154,396,400 or 38.42% from the same period of last year, mainly due to the increase in net profit of the auto parts segment.

3.2 Analysis and explanation of the progress and impact of significant events and the solutions thereto
√ Applicable □ Not applicable

1· Henan Machinery Investment Group Co., Ltd. (河南機械裝備投資集團有限責任公司, the former controlling shareholder of the Company) (the "Henan Machinery Group") agreed to transfer its 277,195,419 A shares of the Company through public solicitation of transferees, representing 16.00% of the total share capital of the Company, and signed the Share Transfer Agreement Regarding Zhengzhou Coal Mining Machinery Group Company Limited on 8 January 2021 with the transferee Hong Yi Investment Management (Henan) Partnership(Limited Partnership) (泓羿投資管理（河南）合夥企業（有限合夥）) (“Hong Yi Investment”) as determined by the public solicitation process. On 25 February 2021, the transfer and registration procedures for the shares transferred under such agreement have been completed.

Before the share transfer, Henan Machinery Group held 521,087,800 shares of the Company, representing 30.08% of the total share capital of the Company, and was the controlling shareholder of the Company while the de facto controller of the Company was the Henan SASAC. After the completion of the share transfer, Henan Machinery Group holds 243,892,381 shares of the Company, representing 14.08% of the total share capital of the Company; Hong Yi Investment holds 277,195,419 shares of the Company, representing for 16% of the total share capital of the Company. Meanwhile, Henan Assets Management Co., Ltd. (河南資産管理有限公司) (“Henan Asset”), being one of the parties acting in concert, holds 69,209,157 shares of the Company, representing for 3.99% of the total share capital of the Company. Hong Yi Investment and Henan Asset hold 19.99% of shares of the Company in aggregate. According to the Acting-in-Concert Agreement entered into by Hong Yi Investment and Henan Asset and the governance structure of Hong Yi Investment, after the completion of the share transfer, Hong Yi Investment and Henan Asset will become the controlling shareholders of the listed company, and the listed company will not have a de facto controller.

2. The Company held the 3rd meeting of the 5th Board of Directors and the 2nd meeting of the 5th board of supervisors on 17 April 2021 to review and approve the relevant resolutions such as the Resolution on 2021 Restricted Share Incentive Scheme (Draft) of Zhengzhou Coal Mining Machinery Group Company Limited and its Summary. In order to further improve the Company’s governance structure, enhance the incentive mechanism, strengthen the sense of responsibility and mission of the Company's management to achieve sustainable and healthy development, and ensure the realization of development goals of the Company, the Company proposed to implement a restricted share incentive

scheme for 2021, pursuant to which 42.3 million restricted shares will be granted to 186 people including certain Directors, senior management, core management and core personnel of the Company (including core personnel such as R&D, sales, and management) (the "Equity Incentive Scheme"). For further details, please refer to the Restricted Share Incentive Scheme (Draft) of Zhengzhou Coal Mining Machinery Group Company Limited and other relevant announcements disclosed by the Company on the website of the Shanghai Stock Exchange on 19 April 2021. Matters related to the Equity Incentive Scheme are subject to the consideration at the general meeting of the Company.

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 | 26 April 2021 |

# 4. Appendices

4.1 Financial Statements

**Consolidated Balance Sheet**

31 March 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | 31 March 2021 | 31 December 2020 |
|---|---|---|
| **Current assets:** | | |
| Monetary capital | 3,486,779,933.52 | 3,847,520,419.16 |
| Balances with clearing companies | | |
| Placements with banks and other financial institutions | | |
| Financial assets held for trading | 3,817,330,628.10 | 2,954,413,974.24 |
| Derivative financial assets | | |
| Bills receivable | 2,552,026,882.13 | 2,093,400,304.79 |
| Accounts receivable | 6,551,455,837.70 | 5,765,895,198.67 |
| Receivables financing | 1,315,495,396.62 | 1,686,664,298.20 |
| Prepayments | 654,335,697.42 | 498,894,837.72 |
| Premiums receivable | | |
| Accounts receivable from reinsurance | | |
| Contract reserves receivable from reinsurance | | |
| Other receivables | 263,272,798.60 | 224,221,698.56 |
| Including: Interest receivable | 4,827,392.57 | 22,581,700.19 |
| Dividend receivable | | |
| Buying back financial assets resold | | |
| Inventories | 4,684,994,686.96 | 4,532,456,338.28 |
| Contract assets | | 8,803,747.77 |
| Assets held for sale | 1,844,619.09 | 1,921,777.57 |
| Non-current assets due within one year | 202,738,157.88 | 285,728,394.82 |
| Other current assets | 690,403,647.18 | 602,304,156.83 |
| Total current assets | 24,220,678,285.20 | 22,502,225,146.61 |
| **Non-current assets:** | | |
| Loans and advances granted | | |
| Debt investment | | |
| Other debt investment | | |
| Long-term receivables | 134,711,645.09 | 135,363,893.46 |
| Long-term equity investment | 284,424,990.58 | 378,801,103.58 |
| Other investments in equity instruments | 139,194,016.86 | 142,288,900.88 |

| | | |
|---|---|---|
| Other non-current financial assets | 1,189,462,111.12 | 1,189,462,111.12 |
| Investment properties | 385,273,957.17 | 387,226,050.99 |
| Fixed assets | 3,807,101,368.07 | 3,916,423,297.92 |
| Construction in progress | 619,982,603.03 | 569,701,738.62 |
| Biological assets for production | | |
| Fuel assets | | |
| Right-of-use assets | 1,310,365,304.76 | 784,791,206.23 |
| Intangible assets | 1,392,183,339.68 | 1,479,568,631.84 |
| Development expenses | 523,950,994.21 | 519,810,486.35 |
| Goodwill | 495,091,083.96 | 520,431,098.93 |
| Long-term deferred expenditures | 75,971,522.27 | 77,827,153.50 |
| Deferred income tax assets | 418,225,828.96 | 455,322,764.95 |
| Other non-current assets | 599,084,603.36 | 655,171,714.96 |
| Total non-current assets | 11,375,023,369.12 | 11,212,190,153.33 |
| Total assets | 35,595,701,654.32 | 33,714,415,299.94 |
| **Current liabilities:** | | |
| Short-term borrowings | 210,235,582.91 | 179,156,107.40 |
| Borrowings from central bank | | |
| Placements from other banks | | |
| Financial liabilities held for trading | 34,260,025.87 | 7,566,568.02 |
| Derivative financial liabilities | 3,988,402.77 | 6,163,106.99 |
| Bills payable | 1,829,094,779.88 | 1,593,690,209.24 |
| Accounts payable | 4,921,415,211.42 | 5,071,579,158.15 |
| Receipts in advance | 75,788,539.72 | 66,246,065.02 |
| Contract liabilities | 1,487,751,807.36 | 1,576,809,901.35 |
| 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 | 1,117,459,684.93 | 1,233,835,302.17 |
| Tax payable | 539,679,098.76 | 479,435,728.59 |
| Other payables | 695,903,126.11 | 763,268,744.11 |
| Including: Interest payable | 14,946,865.91 | 23,112,708.45 |
| Dividend payable | | |
| Handling charges and commission payable | | |
| Reinsurance accounts payable | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 2,056,773,205.85 | 2,323,262,675.15 |
| Other current liabilities | 251,742,442.19 | 343,151,589.34 |

| | | |
|---|---|---|
| Total current liabilities | 13,224,091,907.77 | 13,644,165,155.53 |
| **Non-current liabilities:** | | |
| Insurance contract reserves | | |
| Long-term borrowings | 4,758,839,044.90 | 3,626,000,180.41 |
| Debentures payable | | |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Lease liabilities | 1,201,712,099.01 | 688,513,208.21 |
| Long-term payables | 26,407,867.69 | 26,412,507.69 |
| Long-term staff remuneration payable | 764,740,949.14 | 697,997,773.04 |
| Estimated liabilities | 654,627,772.85 | 572,156,532.20 |
| Deferred income | 116,921,377.35 | 120,197,815.73 |
| Deferred income tax liabilities | 274,482,900.64 | 289,358,171.73 |
| Other non-current liabilities | 16,613,186.67 | 15,783,348.75 |
| Total non-current liabilities | 7,814,345,198.25 | 6,036,419,537.76 |
| Total liabilities | 21,038,437,106.02 | 19,680,584,693.29 |
| **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 | 4,217,454,072.81 | 4,314,637,881.50 |
| Less: Treasury stock | | |
| Other comprehensive income | -167,484,111.73 | -183,452,509.23 |
| Special reserves | | |
| Surplus reserve | 1,023,519,511.31 | 1,023,519,511.31 |
| Provision for general risks | | |
| Undistributed profit | 6,732,929,623.01 | 6,176,618,647.79 |
| Total equity attributable to owners of the parent company (or shareholders' equity) | 13,538,890,465.40 | 13,063,794,901.37 |
| Minority interests | 1,018,374,082.90 | 970,035,705.28 |
| Total owners' equity (or shareholders' equity) | 14,557,264,548.30 | 14,033,830,606.65 |
| Total liabilities and owners' equity (or shareholders' equity) | 35,595,701,654.32 | 33,714,415,299.94 |

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

## Balance Sheet of the Parent Company

31 March 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | 31 March 2021 | 31 December 2020 |
|---|---|---|
| **Current assets:** | | |
| Monetary capital | 2,048,417,303.07 | 2,212,031,057.20 |
| Financial assets held for trading | 3,423,365,781.24 | 2,564,342,548.36 |
| Derivative financial assets | | |
| Bills receivable | 2,552,026,882.13 | 2,103,550,304.79 |
| Accounts receivable | 2,340,160,383.40 | 2,289,756,440.85 |
| Receivables financing | | |
| Prepayments | 965,821,767.55 | 205,798,767.21 |
| Other receivables | 148,957,475.11 | 75,358,448.68 |
| Including: Interest receivable | 5,237,660.00 | 21,130,068.37 |
| Dividend receivable | | |
| Inventories | 2,054,635,690.33 | 1,965,936,210.66 |
| Contract assets | | |
| Assets held for sale | | |
| Non-current assets due within one year | 200,812,257.30 | 274,738,911.58 |
| Other current assets | 484,719,115.40 | 296,324,374.08 |
| Total current assets | 14,218,916,655.53 | 11,987,837,063.41 |
| **Non-current assets:** | | |
| Debt investment | | |
| Other debt investment | | |
| Long-term receivables | 182,305,955.38 | 199,615,235.30 |
| Long-term equity investment | 6,036,993,541.60 | 6,135,580,891.91 |
| Other investments in equity instruments | 112,255,000.00 | 112,255,000.00 |
| Other non-current financial assets | 1,189,462,111.12 | 1,189,462,111.12 |
| Investment properties | 230,022,868.24 | 232,639,806.55 |
| Fixed assets | 648,166,487.87 | 683,389,781.95 |
| Construction in progress | 150,985,291.81 | 148,339,977.01 |
| Biological assets for production | | |
| Fuel assets | | |
| Right-of-use assets | 33,420,448.99 | 34,479,814.15 |
| Intangible assets | 204,409,614.51 | 206,037,973.62 |
| Development expenses | | |
| Goodwill | | |
| Long-term deferred expenditures | | |
| Deferred income tax assets | 185,193,365.65 | 183,275,222.14 |
| Other non-current assets | 538,309,954.47 | 538,413,954.47 |
| Total non-current assets | 9,511,524,639.64 | 9,663,489,768.22 |
| Total assets | 23,730,441,295.17 | 21,651,326,831.63 |

| | | |
|---|---|---|
| **Current liabilities:** | | |
| Short-term borrowings | | 10,800,000.00 |
| Financial liabilities held for trading | | |
| Derivative financial liabilities | | |
| Bills payable | 1,731,351,421.46 | 1,245,702,630.26 |
| Accounts payable | 948,624,849.05 | 1,097,607,237.38 |
| Receipts in advance | 70,221,081.64 | 64,913,556.50 |
| Contract liabilities | 1,228,085,166.69 | 1,294,878,240.41 |
| Staff remuneration payable | 62,421,722.63 | 86,143,041.98 |
| Tax payable | 226,533,939.50 | 254,607,340.98 |
| Other payables | 110,304,060.77 | 109,547,735.43 |
| Including: Interest payable | | |
| Dividend payable | | |
| Liabilities held for sale | | |
| Non-current liabilities due within one year | 325,719,576.34 | 626,786,909.67 |
| Other current liabilities | 1,411,665,890.12 | 670,507,783.01 |
| Total current liabilities | 6,114,927,708.20 | 5,461,494,475.62 |
| **Non-current liabilities：** | | |
| Long-term borrowings | 2,461,250,091.40 | 1,415,358,322.29 |
| Debentures payable | | |
| Including: Preference shares | | |
| Perpetual bonds | | |
| Lease liabilities | 30,756,721.16 | 30,341,401.70 |
| Long-term payables | 26,407,867.69 | 26,412,507.69 |
| Long-term staff remuneration payable | 382,736,230.30 | 317,736,230.30 |
| Estimated liabilities | | |
| Deferred income | 74,530,500.00 | 76,982,700.00 |
| Deferred income tax liabilities | 15,880,390.66 | 16,210,181.32 |
| Other non-current liabilities | | |
| Total non-current liabilities | 2,991,561,801.21 | 1,883,041,343.30 |
| Total liabilities | 9,106,489,509.41 | 7,344,535,818.92 |
| **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 | 4,227,407,506.65 | 4,324,591,315.34 |
| Less: Treasury stock | | |
| Other comprehensive income | | |
| Special reserves | | |
| Surplus reserve | 1,023,519,511.31 | 1,023,519,511.31 |
| Undistributed profit | 7,640,553,397.80 | 7,226,208,816.06 |
| Total owners' equity (or shareholders' equity) | 14,623,951,785.76 | 14,306,791,012.71 |
| Total liabilities and owners' equity (or shareholders' equity) | 23,730,441,295.17 | 21,651,326,831.63 |

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

**Consolidated Statement of Income**

January to March 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | Q1 2021 | Q1 2020 |
|---|---|---|
| 1. Total operating revenue | 7,680,408,923.24 | 5,942,574,553.80 |
| Including: Operating revenue | 7,676,725,085.99 | 5,941,232,246.25 |
| Interest income | 3,683,837.25 | 1,342,307.55 |
| Premium earned | | |
| Handling charges and commission income | | |
| 2. Total operating costs | 6,896,761,566.84 | 5,271,587,523.79 |
| Including: Operating costs | 5,861,088,503.61 | 4,493,691,583.36 |
| Interest expenses | 251,729.34 | |
| 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 | 37,110,873.72 | 23,194,637.64 |
| Selling expenses | 290,751,429.54 | 209,524,674.98 |
| Administration expenses | 317,614,177.65 | 236,276,881.11 |
| Research and development expenses | 325,329,944.16 | 264,458,806.15 |
| Finance costs | 64,614,908.82 | 44,440,940.55 |
| Including: Interest expenses | 83,401,915.47 | 56,919,791.90 |
| Interest income | 16,764,034.17 | 15,929,454.50 |
| Add: Other gains | 67,280,579.73 | 29,732,359.44 |
| Gain from investments (loss is represented by "－") | 56,762,522.50 | -56,493,864.34 |
| Including: Gain from investments in associates and joint ventures | 23,085,491.65 | 3,174,657.12 |
| 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 "－") | -23,801,436.16 | -20,544,995.17 |
| Credit impairment losses (loss is represented by "－") | -42,302,999.48 | -31,542,559.87 |
| Asset impairment losses (loss is represented by "－") | -13,002,058.48 | -27,574,376.60 |

| | | |
|---|---|---|
| Gains from disposal of assets (loss is represented by "－") | 2,728,267.77 | 280,026.30 |
| 3. Profit from operations (loss is represented by "－") | 831,312,232.28 | 564,843,619.77 |
| Add: Non-operating income | 3,435,931.88 | 5,340,844.20 |
| Less: Non-operating expenses | 733,647.96 | 3,364,189.62 |
| 4. Total profit (loss is represented by "－") | 834,014,516.20 | 566,820,274.35 |
| Less: Income tax expense | 229,365,163.36 | 144,387,958.62 |
| 5. Net profit (net loss is represented by "－") | 604,649,352.84 | 422,432,315.73 |
| (1) Breakdown by continuity of operation | | |
| 1. Net profit from continuing operation (net loss is represented by "－") | 604,649,352.84 | 422,432,315.73 |
| 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 "－") | 556,310,975.22 | 401,914,619.43 |
| 2. Gain or loss attributable to minority interests (net loss is represented by "－") | 48,338,377.62 | 20,517,696.30 |
| 6. Net other comprehensive income after tax | 15,968,397.50 | -114,096,534.83 |
| (1) Net other comprehensive income attributable to owners of the parent company after tax | 15,968,397.50 | -114,096,534.83 |
| 1. Other comprehensive income not to be reclassified into profit or loss | -3,156,321.11 | |
| (1) Changes arising from re-measuring defined benefit scheme | -61,437.09 | |
| (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 | -3,094,884.02 | |
| (4) Changes in fair value of the company's own credit risk | | |
| 2. Other comprehensive income to be reclassified into profit or loss | 19,124,718.61 | -114,096,534.83 |
| (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) | -1,205,752.37 | -49,309,853.53 |

| | | |
|---|---|---|
| (6) Exchange differences on foreign currency financial statements | 20,330,470.98 | -64,786,681.30 |
| (7) Others | | |
| (2) Net other comprehensive income attributable to minority interests after tax | | |
| 7. Total comprehensive income | 620,617,750.34 | 308,335,780.90 |
| (1) Total comprehensive income attributable to owners of the parent company | 572,279,372.72 | 287,818,084.60 |
| (2) Total comprehensive income attributable to minority interests | 48,338,377.62 | 20,517,696.30 |
| 8. Earnings per share: | | |
| (1) Basic earnings per share (RMB per share) | 0.321 | 0.232 |
| (2) Diluted earnings per share (RMB per share) | 0.320 | 0.230 |

Person-in-charge of the Company: 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 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | Q1 2021 | Q1 2020 |
|---|---|---|
| 1. Operating revenue | 2,103,249,486.30 | 1,664,426,096.12 |
| Less: Operating cost | 1,388,690,995.58 | 954,802,373.74 |
| Tax and surcharges | 19,515,549.73 | 10,563,123.03 |
| Selling expenses | 56,291,138.62 | 31,615,090.18 |
| Administration expenses | 101,346,095.97 | 40,918,955.78 |
| Research and development expenses | 84,553,302.44 | 66,562,625.79 |
| Finance costs | 4,894,659.11 | -6,871,277.96 |
| Including: Interest expenses | 20,673,659.75 | 10,710,067.46 |
| Interest income | 12,062,425.15 | 11,721,320.54 |
| Add: Other gains | 33,674,749.18 | 15,729,848.25 |
| Gain from investments (loss is represented by "－") | 51,706,275.41 | 15,494,549.74 |
| Including: Gain from investments in associates and joint ventures | 23,091,132.05 | 3,393,549.28 |
| 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 "－") | -976,767.12 | |
| Credit impairment losses (loss is represented by "－") | -40,875,989.27 | 19,653,279.16 |
| Asset impairment losses(loss is represented by "－") | | |

| | | |
|---|---|---|
| Gain from disposal of assets (loss is represented by "－") | 63,869.13 | 543,543.36 |
| 2. Profit from operations (loss is represented by "－") | 491,549,882.18 | 618,256,426.07 |
| Add: Non-operating income | 311,907.09 | 2,319,154.90 |
| Less: Non-operating expenses | 117,180.54 | 2,815,317.38 |
| 3. Total profit (loss is represented by "－") | 491,744,608.73 | 617,760,263.59 |
| Less: Income tax expense | 77,400,026.99 | 88,529,301.46 |
| 4. Net profit (net loss is represented by "－") | 414,344,581.74 | 529,230,962.13 |
| (1) Net profit from continuing operation (net loss is represented by "－") | 414,344,581.74 | 529,230,962.13 |
| (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 | 414,344,581.74 | 529,230,962.13 |
| 7. Earnings per share: | | |
| (1) Basic earnings per share (RMB per share) | | |
| (2) Diluted earnings per share (RMB per share) | | |

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

**Consolidated Statement of Cash Flows**

January to March 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | Q1 2021 | Q1 2020 |
|---|---|---|
| **1. Cash flows from operating activities:** | | |
| Cash received from sales of goods and provision of labour | 6,148,872,060.09 | 5,487,301,836.58 |
| 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 | 421,342,791.70 | 400,313,230.80 |
| Cash received in relation to other operating activities | 239,243,873.86 | 118,562,550.89 |
| Sub-total of cash inflows from operating activities | 6,809,458,725.65 | 6,006,177,618.27 |
| Cash paid for goods purchased and labour received | 4,807,005,657.79 | 4,354,949,679.30 |
| Net increase in loans and advances to customers | -7,046,660.75 | |
| 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 | 852,212,911.12 | 790,407,207.81 |
| Various taxes paid | 808,150,952.13 | 718,158,387.18 |
| Cash paid in relation to other operating activities | 136,848,033.94 | 162,233,432.71 |
| Sub-total of cash outflow from operating activities | 6,597,170,894.23 | 6,025,748,707.00 |
| Net cash flows from operating activities | 212,287,831.42 | -19,571,088.73 |
| **2. Cash flows from investing activities:** | | |
| Cash received from recovery of investments | 1,460,042,470.55 | 801,822,265.44 |

| | | |
|---|---|---|
| Cash received from gain of investment acquired | 28,758,542.08 | 10,852,008.71 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | 579,960.00 | 249,245.00 |
| Net cash received from disposal of subsidiaries and other business units | | |
| Other cash received in relation to investing activities | 50,000.00 | 18,138,483.58 |
| Sub-total of cash inflow from investing activities | 1,489,430,972.63 | 831,062,002.73 |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | 211,149,662.77 | 160,938,406.74 |
| Cash paid for investments | 2,386,000,000.00 | 1,451,538,745.16 |
| Net increase in pledged loans | | |
| Net cash paid for acquiring subsidiaries and other business units | | |
| Other cash paid in relation to investing activities | 30,932,452.36 | 16,322,865.87 |
| Sub-total of cash outflow from investing activities | 2,628,082,115.13 | 1,628,800,017.77 |
| Net cash flows from investing activities | -1,138,651,142.50 | -797,738,015.04 |
| **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 | 1,279,982,170.59 | 202,390,898.44 |
| Other cash received in relation to financing activities | 311,976,837.30 | 68,385,872.37 |
| Sub-total of cash inflow from financing activities | 1,591,959,007.89 | 270,776,770.81 |
| Cash paid for repayment of indebtedness | 383,836,769.76 | 321,526,409.79 |
| Cash paid for distribution of dividend and profit or for interest | 54,515,853.24 | 28,708,596.42 |
| Including: Dividend and profit paid to minority shareholders by subsidiaries | | |
| Other cash paid in relation to financing activities | 277,366,725.43 | 89,180,846.09 |
| Sub-total of cash outflow from financing activities | 715,719,348.43 | 439,415,852.30 |
| Net cash flows from financing activities | 876,239,659.46 | -168,639,081.49 |
| **4. Effects of change of exchange rate on cash and cash equivalents** | -36,491,090.74 | -22,749,517.09 |
| **5. Net increase in cash and cash equivalents** | -86,614,742.36 | -1,008,697,702.35 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 2,827,359,059.44 | 3,844,561,911.41 |
| **6. Balance of cash and cash equivalents at the end of the period** | 2,740,744,317.08 | 2,835,864,209.06 |

Person-in-charge of the Company: 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 2021

Prepared by: Zhengzhou Coal Mining Machinery Group Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

| Item | Q1 2021 | Q1 2020 |
|---|---|---|
| **1. Net cash flows from operating activities:** | | |
| Cash received from sales of goods and provision of labour | 1,421,356,168.30 | 1,419,376,241.95 |
| Tax refunds received | | |
| Other cash received in relation to operating activities | 787,722,261.06 | 449,760,008.41 |
| Sub-total of cash inflows from operating activities | 2,209,078,429.36 | 1,869,136,250.36 |
| Cash paid for goods purchased and labour received | 1,677,398,789.56 | 1,270,507,073.67 |
| Cash paid to and paid on behalf of the employees | 125,753,832.69 | 103,359,860.27 |
| Various taxes paid | 242,274,962.50 | 143,856,158.09 |
| Other cash paid in relation to operating activities | 53,796,490.43 | 42,978,810.75 |
| Sub-total of cash outflow from operating activities | 2,099,224,075.18 | 1,560,701,902.78 |
| Net cash flows from operating activities | 109,854,354.18 | 308,434,347.58 |
| **2. Cash flows from investing activities:** | | |
| Cash received from recovery of investments | 1,146,051,330.00 | 610,000,000.00 |
| Cash received from gain of investment acquired | 26,167,918.19 | 12,247,525.62 |
| Net cash received from disposal of fixed assets, intangible assets and other long-term assets | | |
| 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 | 1,172,219,248.19 | 622,247,525.62 |
| Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets | 13,262,274.03 | 11,202,166.07 |
| Cash paid for investments | 2,070,000,000.00 | 1,250,000,000.00 |
| 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 | 2,083,262,274.03 | 1,261,202,166.07 |
| Net cash flows from investing activities | -911,043,025.84 | -638,954,640.45 |
| **3. Cash flows from financing activities:** | | |
| Cash received from investment | | |
| Cash received from borrowings acquired | 1,050,000,000.00 | |
| Other cash received in relation to financing activities | 260,650,595.76 | 33,446,759.62 |
| Sub-total of cash inflow from financing activities | 1,310,650,595.76 | 33,446,759.62 |
| Cash paid for repayment of indebtedness | 301,583,333.33 | 300,000,000.00 |
| Cash paid for distribution of dividend and profit or for | 16,827,523.24 | 10,193,627.31 |

| | | |
|---|---|---|
| interest | | |
| Other cash paid in relation to financing activities | 95,000,000.00 | |
| Sub-total of cash outflow from financing activities | 413,410,856.57 | 310,193,627.31 |
| Net cash flows from financing activities | 897,239,739.19 | -276,746,867.69 |
| **4. Effect of change of exchange rate on cash and cash equivalents** | 2,270,410.81 | 4,126,288.91 |
| **5. Net increase in cash and cash equivalents** | 98,321,478.34 | -603,140,871.65 |
| Add: Balance of cash and cash equivalents at the beginning of the period | 1,351,518,682.62 | 2,335,144,383.51 |
| **6. Balance of cash and cash equivalents at the end of the period** | 1,449,840,160.96 | 1,732,003,511.86 |

Person-in-charge of the Company: 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 lease standard from the year of 2021

□ Applicable √ Not applicable

4.3 Description of retrospective adjustment of the previous comparative data by initial implementation of new lease standard from the year of 2021

□ Applicable √ Not applicable

4.4 Audit Report

□ Applicable √ Not applicable