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 ON EXPECTED INCREASE IN ANNUAL RESULTS FOR 2021

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company would like to inform the shareholders and potential investors of the Company that, based on the preliminary assessment by the financial department of the Company, it is expected that the net profit attributable to the owners of the Company for 2021 would be ranging from RMB1,830 million to RMB1,980 million, representing an increase ranging from RMB590.8505 million to RMB740.8505 million or a year-on-year increase between 47.68% and 59.79% as compared with the corresponding period of the previous year; the net profit attributable to owners of the Company after non-recurring gains and losses would be ranging from RMB1,710 million to RMB1,860 million, representing an increase ranging from RMB12.2237 million to RMB162.2237 million or a year-on-year increase between 0.72% and 9.56% as compared with the corresponding period of the previous year.

The forecasted financial information set out in this announcement is based on preliminary audit data. Specific and accurate financial data will be formally disclosed by the Company in the 2021 annual report after the audit. Investors are hereby reminded of investment risks.

This announcement is made by Zhengzhou Coal Mining Machinery Group Company Limited (the "**Company**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO (Chapter 571 of the Laws of Hong Kong).

I. RESULTS FORECAST FOR THE CURRENT PERIOD

(I) Results forecast period

1 January 2021 to 31 December 2021.

(II) Results forecast

1. Based on the preliminary assessment by the financial department of the Company, it is expected that the net profit attributable to the owners of the Company for 2021 would be ranging from RMB1,830 million to RMB1,980 million, representing an increase ranging from RMB590.8505 million to RMB740.8505 million or a year-on-year increase between 47.68% and 59.79% as compared with the corresponding period of the previous year.

2. The net profit attributable to owners of the Company after non-recurring gains and losses would be ranging from RMB1,710 million to RMB1,860 million, representing an increase ranging from RMB12.2237 million to RMB162.2237 million or a year-on-year increase between 0.72% and 9.56% as compared with the corresponding period of the previous year.

(III) The results forecast has not been audited by certified accountants.

II. RESULTS FOR THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR

Net profit attributable to the owners of the Company: RMB1,239.1495 million

Net profit attributable to the owners of the Company after non-recurring gains and losses: RMB1,697.7763 million

Earnings per share: RMB0.715.

III. MAIN REASONS FOR THE EXPECTED INCREASE IN THE RESULTS FOR THE CURRENT PERIOD

(I) Influence from the main business

During the reporting period, the coal industry maintained its momentum of positive development. Driven by the national policy on intelligent coal mining development, the Company retained high-speed growth in its intelligent coal mining business, with steady growth in the income from comprehensive coal mining machinery products and sustained digital transformation for higher operational efficiency. The auto parts segment overcame the adverse effects of the COVID-19 pandemic, shortage of chips, and the fluctuation of raw material prices, actively lowering the costs and increasing the efficiency. With ASIMCO presenting stable growth in results and the SEG business undergoing successful restructuring, the operating results saw a major turnaround.

(II) Influence from non-operating gains and losses

During the reporting period, the Company disposed of some equity interests held in joint ventures, which generated disposal gains; the wealth management investment business of the Company experienced an increase as compared with the previous year, contributing more to the Company's results. The aforementioned 2 reasons raised the Company's profit by approximately RMB110 million in total.

During the reporting period, the SEG restructuring plan was implemented smoothly, which resulted in a drastic decline in the provision for restructuring expenses.

IV. RISK REMINDER

The Company does not have any material uncertainties which will affect the accuracy of the content of this results forecast.

V. STATEMENT ON OTHER MATTERS

The forecasted financial information set out in this announcement is based on preliminary audit data. Specific and accurate financial data will be formally disclosed by the Company in the 2021 annual report after the audit. Investors are hereby reminded of investment risks.

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

Zhengzhou, PRC, 24 January 2022

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. FEI Guangsheng and the independent non-executive Directors are Mr. CHENG Jinglei, Mr. JI Feng, Ms. GUO Wenqing and Mr. FANG Yuan.