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**ZMJ**

**Zhengzhou Coal Mining Machinery Group Company Limited**  
**鄭州煤礦機械集團股份有限公司**

*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock code: 00564)**

**ANNOUNCEMENT ON THE PROGRESS OF THE SPIN-OFF AND  
LISTING OF A HOLDING SUBSIDIARY**

References are made to the announcements of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) dated 1 February 2023, 18 April 2023, 31 July 2023, 7 August 2023 and 22 August 2023 (the “**Announcements**”) and the circular dated 7 August 2023 (the “**Circular**”) in relation to the proposed Spin-off and Listing of Zhengzhou Hengda Intelligent Control Technology Co., Ltd. (“**Hengda Intelligent Control**”), a holding subsidiary, on a domestic stock exchange. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

**THE SPIN-OFF**

Hengda Intelligent Control has recently submitted the application materials for the initial public offering and listing of its shares on the Sci-Tech Innovation Board (the “**Offering and Listing**”) to the Shanghai Stock Exchange (the “**SSE**”), and on 25 September 2023, it received the “Notice of Acceptance of the Application for Initial Public Offering and Listing of Shares of Zhengzhou Hengda Intelligent Control Technology Co., Ltd. on the Sci-Tech Innovation Board” (《關於受理鄭州恒達智控科技股份有限公司首次公開發行股票並在科創板上市申請的通知》) (Shang Zheng Ke Shen [2023] No.623) issued by the SSE. The SSE checked the application report and related application documents submitted by Hengda Intelligent Control for the Offering and Listing in accordance with relevant requirements, and considered that such application documents were complete and in compliance with the statutory form, and decided to accept and review the documents according to laws. The Offering and Listing of Hengda Intelligent Control is subject to the review and approval of the SSE and the consent of the China Securities Regulatory Commission for registration.

The Company has submitted an application for the Practice Note 15 of the Listing Rule 15 (“**PN15**”) to the Hong Kong Stock Exchange for the Spin-off. The Hong Kong Stock Exchange has confirmed that the Company may proceed with the Spin-off.

## WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PN15

Paragraph 3(f) of PN15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to the shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC legal advisers of the Spin-off, according to relevant laws and regulations of the PRC, only specific foreign investors can open an A-share account with China Securities Depository and Clearing Corporation Limited and invest in the shares of A-share listed companies. The specific foreign investors include: (1) Hong Kong, Macao and Taiwan residents working or residing in Mainland China; (2) Foreigners working in Mainland China and the securities regulatory authorities of their countries (regions) have established a regulatory cooperation mechanism with the China Securities Regulatory Commission; (3) Foreign employees who work outside Mainland China and participate in the equity incentive plan of listed companies in China; (4) Foreigners who have obtained permanent residency in the Mainland China; (5) Institutional investors established in Mainland China; (6) Qualified foreign institutional investors (i.e. QFIIs) approved by the China Securities Regulatory Commission; (7) Renminbi Qualified Foreign Institutional Investors (i.e. RQFIIs) approved by the China Securities Regulatory Commission; (8) Foreign investors who hold equity in the company before listing on the SSE or Shenzhen Stock Exchange; (9) Foreign investors who have made strategic investments in listed companies in Mainland China approved by the Ministry of Commerce; (10) Foreign institutional investors who have completed the filing with the People's Bank of China or the Shanghai headquarters of the People's Bank of China. If the existing H share shareholders of the Company are not any of the above-mentioned specific foreign investors, such shareholders cannot open an A-share account and invest in the shares of Hengda Intelligent Control listed on the Sci-Tech Innovation Board of the SSE. In addition, the Company is unable to ascertain whether the shareholders who hold H share through HKSCC Nominees Limited are specific foreign investors. Meanwhile, in accordance with the relevant laws and regulations including the *Securities Law of the People's Republic of China* (《中華人民共和國證券法》) and the *Measures for the Administration of Securities Issuance and Underwriting* (《證券發行與承銷管理辦法》), any public offering of shares by an entity must obtain the approval or registration of the competent securities regulatory authority, and comply with the relevant quotation and subscription procedures. Except for special circumstances (for example, arranging the priority placement of securities not less than a certain percentage of the number of securities issued under the current placing tranche to public funds, social security funds, pensions, annuity funds, insurance funds and qualified foreign investor funds, etc.), no preferential allocations of shares shall be made to any specific person. Therefore, according to the *Securities Law of the People's Republic of China* and other relevant laws and regulations, there are legal restrictions on provision of assured entitlement to existing shareholders by the Company.

After due consideration of the Spin-off and the opinion of the PRC legal advisers on the legal impediments in fulfilling the relevant requirements, the Board considers that it is not practicable for the Company to comply with paragraph 3(f) of PN15 in respect of the Spin-off. Therefore, the Board resolves not to provide shareholders with assured entitlement under the Spin-off. The Board believes that the Spin-off is beneficial for the Company and Hengda Intelligent Control to focus on their core businesses, is conducive to enhancing the overall valuation of the Company and maximising the interests of the shareholders as a whole, and is also helpful to enhance the competitiveness of Hengda Intelligent Control and give full play to the capital market in the optimised allocation of resources so as to cope with the challenges of competition in the industry. The Board considers that the Spin-off and non-provision of assured entitlement under the Spin-off to shareholders are in line with the requirements of existing laws and regulations, are fair and reasonable, and in the interests of the Company and the shareholders as a whole. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraph 3(f) of PN15.

The Company will strictly comply with the requirements of relevant laws, regulations, departmental rules and regulatory documents, and will fulfill its information disclosure obligations in a timely manner according to the progress of the project. Investors are advised to make prudent decisions and pay attention to investment risks.

By Order of the Board  
**Zhengzhou Coal Mining Machinery Group Company Limited**  
鄭州煤礦機械集團股份有限公司  
**JIAO Chengyao**  
*Chairman*

Zhengzhou, PRC, 26 September 2023

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