

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, independent adviser or other professional adviser.

If you have sold or transferred all your shares in Zhengzhou Coal Mining Machinery Group Company Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

REPORT OF THE BOARD FOR THE YEAR 2023
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023
ANNUAL REPORT FOR THE YEAR 2023
REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR
PERFORMANCE FOR THE YEAR 2023
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023
APPOINTMENT OF THE EXTERNAL AUDITORS AND INTERNAL CONTROL
AUDITORS FOR THE YEAR 2024
EXPECTED DAILY RELATED PARTY TRANSACTIONS IN 2024
PROVISION OF GUARANTEES TO AND
AMONG CONTROLLING SUBSIDIARIES
PROVISION OF GUARANTEE ON FINANCE LEASE REPURCHASE AND
BUYER CREDIT TO CUSTOMERS
CONTINUATION OF THE HEDGING BUSINESS
EXTERNAL DONATION
REMUNERATION PACKAGES FOR NON-INDEPENDENT DIRECTORS OF
THE SIXTH SESSION OF THE BOARD
REMUNERATION PACKAGES FOR INDEPENDENT DIRECTORS OF
THE SIXTH SESSION OF THE BOARD
REMUNERATION PACKAGES FOR SUPERVISORS OF THE SIXTH SESSION
OF THE BOARD OF SUPERVISORS
2024-2026 PERFORMANCE INCENTIVE SCHEME
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING

The Company will convene the AGM at 2:00 p.m. on Wednesday, 12 June 2024 at the Conference Room of ASIMCO Intelligent Automobile Technology (Yizheng) Company Limited (亞新科智能汽車技術(儀徵)有限公司) (150 meters north to the intersection of No. 2 Keyan Road and Jingguan Road), Yizheng Economic Development Zone, Yangzhou City, Jiangsu Province, the PRC. The Notice of the AGM is set out on pages 34 to 36 of this circular.

Any Shareholder who intends to appoint a proxy to attend the AGM shall complete the enclosed forms of proxy in accordance with the instructions printed thereon and return the same by 2:00 p.m. on Tuesday, 11 June 2024 (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

13 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Notice of 2023 Annual General Meeting	34
ANNEX A — Report of the Independent Non-executive Directors on Their Performance for the Year 2023	37
ANNEX B — Report on Expected Daily Related Party Transactions in 2024	71
ANNEX C — 2024-2026 Performance Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited	79

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires.

“A Share(s)”	domestic ordinary share(s) with a par value of RMB1.00 each issued by the Company which are subscribed for by domestic investors and are listed for trading on the Shanghai Stock Exchange (stock code: 601717)
“A Shareholder(s)”	holder(s) of A Share(s)
“AGM”	the annual general meeting of the Company to be convened at the Conference Room of ASIMCO Intelligent Automobile Technology (Yizheng) Company Limited (亞新科智能汽車技術(儀徵)有限公司) (150 meters north to the intersection of No. 2 Keyan Road and Jingguan Road), Yizheng Economic Development Zone, Yangzhou City, Jiangsu Province, the PRC at 2:00 p.m. on Wednesday, 12 June 2024 or any adjournment thereof, the notice of which is set out on pages 34 to 36 of this circular
“Articles of Association”	the Articles of Association of Zhengzhou Coal Mining Machinery Group Company Limited
“Board”	the board of directors of the Company
“Board of Supervisors”	the board of supervisors of the Company
“China” or “PRC”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Company”	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 PRC with limited liability, the Shares of which are listed on the main boards of the Hong Kong Stock Exchange and the Shanghai Stock Exchange (stock codes: 00564 and 601717)
“Directors”	the directors of the Company

DEFINITIONS

“Dividends”	the proposed distribution of 2023 final dividends to the Shareholders whose names appear on the register of members for the A Shareholders and the H Shareholders at the close of business on the Record Date, on the basis of a cash dividend of RMB8.40 (inclusive of tax) per 10 existing Shares held by the Shareholders, which are payable in RMB to the A Shareholders and in HK\$ to the H Shareholders
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign invested Share(s) with a par value of RMB1.00 each in the share capital of the Company, which are listed on the Hong Kong Stock Exchange (stock code: 00564) and are subscribed for in HK dollars
“H Shareholders”	holders of H Shares
“HK\$” or “HK dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Record Date”	Wednesday, 26 June 2024, being the record date for ascertaining the Shareholders’ entitlement to dividend on Shares
“Latest Practicable Date”	Wednesday, 8 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shanghai Stock Exchange”	the Shanghai Stock Exchange
“Share(s)”	the share(s) of RMB1.00 each of the Company
“Shareholder(s)”	holders of the share(s) of the Company

DEFINITIONS

“Shareholders’ Meeting” the general meeting of the Shareholders of the Company

“%” per cent.

LETTER FROM THE BOARD



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)

Members of the Board

Executive Directors:

Mr. JIAO Chengyao
Mr. JIA Hao
Mr. FU Zugang
Mr. MENG Hechao
Mr. LI Kaishun

Non-executive Directors:

Mr. CUI Kai
Mr. YUE Taiyu

Independent Non-executive Directors:

Mr. CHENG Jinglei
Mr. JI Feng
Mr. FANG Yuan
Ms. YAO Yanqiu

Registered Office

No. 167, 9th Street,
Zhengzhou Section
(Econ-Tech Development Zone)
of China (He'nan)
Pilot Free Trade Zone, the PRC

**Principal Place of Business in
Hong Kong**

40/F, Dah Sing Financial Centre,
No. 248 Queen's Road East,
Wanchai, Hong Kong

13 May 2024

To the Shareholders

Dear Sir or Madam,

REPORT OF THE BOARD FOR THE YEAR 2023
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2024-2026 PERFORMANCE INCENTIVE SCHEME
AND
NOTICE OF 2023 ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with the Notice of AGM and, among others, other information, so as to enable you to make an informed decision as to whether to vote for or against the following resolutions to be proposed at the AGM:

1. Report of the Board for the year 2023;
2. Report of the Board of Supervisors for the year 2023;
3. Annual report for the year 2023 and the summary thereof;
4. Report of the independent non-executive Directors on their performance for the year 2023;
5. Profit distribution plan for the year 2023;
6. Appointment of the external auditors and internal control auditors for the year 2024;
7. Expected daily related party transactions in 2024;
8. Provision of guarantees to and among controlling subsidiaries;
9. Provision of guarantee on finance lease repurchase and buyer credit to customers;
10. Continuation of the hedging business;
11. External donation;
12. Remuneration packages for non-independent Directors of the sixth session of the Board;
13. Remuneration packages for independent Directors of the sixth session of the Board;
14. Remuneration packages for supervisors of the sixth session of the Board of Supervisors; and
15. 2024-2026 performance incentive scheme.

LETTER FROM THE BOARD

1. REPORT OF THE BOARD FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2023. The full text of the report of the Board for the year 2023 is set out in the annual report for the year 2023 of the Company which was published on 26 April 2024.

2. REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the Board of Supervisors for the year 2023. The full text of the report of the Board of Supervisors for the year 2023 is set out in the annual report for the year 2023 of the Company which was published on 26 April 2024.

3. ANNUAL REPORT FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the annual report of the Company for the year 2023 which was published on 26 April 2024.

4. REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the independent non-executive Directors on their performance for the year 2023. Details of the aforesaid report are set out in Annex A of this circular.

5. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the profit distribution plan for the year 2023.

At the time the Company announced its results for the year ended 31 December 2023 on 28 March 2024, it also announced the proposed payment of the Dividends for the year ended 31 December 2023 of RMB8.40 (inclusive of tax) per 10 Shares, totalling approximately RMB1,499,851,861.20. The aforesaid proposal is subject to the conditions set out in this circular. The current profit distribution plan is as follows:

1. The Company proposes to distribute a cash dividend of RMB8.40 (inclusive of tax) for every 10 shares of the Company to all shareholders without capitalisation of capital reserves or distribution of bonus shares. As at the Latest Practicable Date, the total share capital of the Company was 1,785,537,930 shares, on the basis of this, a total cash dividend of RMB1,499,851,861.20 (inclusive of tax) is proposed to be distributed, representing a cash dividend distribution ratio of 45.81% for the year. The remaining undistributed profits shall be carried forward and retained.

LETTER FROM THE BOARD

2. Pursuant to the relevant provisions of the “Rules on Share Repurchase by Listed Companies” in mainland China and other relevant regulations, shares in the special account for share repurchase by listed companies are not entitled to profit distribution. During the period from the date on which the current profit distribution plan is considered and approved by the Board to the date on which the share rights for the implementation of the equity distribution are registered, if the total share capital of the Company changes as a result of share repurchase/repurchase and cancellation of shares granted under equity incentive, etc., and if certain shares are excluded from the current profit distribution as a result of share repurchase, etc., the total share capital of the Company as at the date on which the share rights for the implementation of the equity distribution are registered in the future minus the number of shares held in the dedicated repurchase account shall be used as the basis, and the distribution ratio per share will be adjusted in accordance with the principle that the total amount to be distributed will remain unchanged.
3. The current profit distribution will be denominated and declared in Renminbi, and will be paid in Renminbi to A shareholders and in HK dollars to H shareholders (for shareholders who have other requirements, it shall be dealt with pursuant to negotiation with such shareholders). The amount of the HK dollar distribution is calculated based on the average benchmark exchange rate of RMB against HK dollar as announced by the People’s Bank of China for the five business days prior to the AGM.
4. After the current profit distribution plan is considered and approved by the AGM, the Company will distribute cash dividends within two months from the date of the AGM.

Subject to the approval of this proposal at the AGM, the Dividends will be payable to the Shareholders whose names appear on the register of members of the Company after the close of the market on Wednesday, 26 June 2024. The share register of members of the Company will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. For the H Shareholders of the Company who wish to be entitled to the final Dividends but have not registered the transfer documents, such transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, 20 June 2024. Subject to the approval of this resolution by the Shareholders, the final Dividends on the H Shares of the Company will be payable on or before 15 July 2024.

According to the EIT Law, the tax rate of enterprise income tax applicable to the income of a non-resident enterprise deriving from the PRC is 10%. In this regard, any H Shares registered under the name of a non-individual enterprise, including under the name of HKSCC Nominees Limited, other nominees or trustees, or other organisations

LETTER FROM THE BOARD

and entities, shall be deemed as Shares held by non-resident enterprise shareholders (as defined under the EIT Law). The Company will distribute the Dividends to those non-resident enterprise Shareholders subject to a deduction of 10% enterprise income tax withheld and paid by the Company on their behalf.

Any resident enterprise (as defined under the EIT Law) which is legally incorporated in the PRC or established pursuant to the laws of foreign countries (regions) but has its effective administrative entity located in the PRC and whose name appears on the Company's H Share register of members should deliver a legal opinion ascertaining its status as a resident enterprise furnished by a practicing PRC lawyer (with the official chop of the law firm affixed thereon) and relevant documents to Computershare Hong Kong Investor Services Limited in due course, if the enterprise does not wish to have the 10% enterprise income tax withheld and paid on their behalf by the Company.

Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Circular SAT No. (1993) 045 (《關於國稅發(1993) 045號文件廢止後有關個人所得稅徵管問題的通知》) (the "Notice") issued by the State Taxation Administration on 28 June 2011, the dividend to be distributed by a domestic non-foreign invested enterprise, which has issued shares in Hong Kong, to overseas resident individual shareholders is subject to individual income tax at a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary, depending on the relevant tax agreements between the countries of their residence and Mainland China. Accordingly, 10% individual income tax will be withheld from the final Dividends upon such Dividends payment to any individual Shareholders of H Shares whose names appear on the H Share register of members of the Company on the Record Date, unless otherwise stated in the relevant taxation regulations, taxation agreements or the Notice.

The Company will not be liable for any claim arising from any delay in, or inaccurate determination of the status of a Shareholder or any disputes over the mechanism of withholding.

Profit Distribution to Investors of Northbound Trading

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A Shares of the Company listed on the Shanghai Stock Exchange (the "Northbound Trading"), their dividends will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to the account of the nominal holder holding such Shares. The Company will withhold and pay income taxes at the rate of 10% on behalf of those investors and will report to the competent tax authorities for the withholding. For investors of the Northbound Trading who are tax residents of other countries and whose country of domicile has entered into a tax treaty with the PRC stipulating a dividend income tax rate of lower than 10%, those enterprises or individuals may apply to the competent tax authorities of the Company for the entitlement of the rate under such tax treaty or may entrust a withholding agent to do so. Upon approval by the competent tax authorities, the paid tax amount in excess of the tax payable based on the tax rate according to such tax treaty will be refunded. The record date and the date of distribution of cash dividends and other arrangements for the investors of the Northbound Trading will be the same as those for the A Shareholders of the Company.

LETTER FROM THE BOARD

Profit Distribution to Investors of Southbound Trading

For investors of the Shanghai Stock Exchange and the Shenzhen Stock Exchange (including enterprises and individuals) investing in the H Shares of the Company listed on the Hong Kong Stock Exchange (the “**Southbound Trading**”), the Company has entered into the Agreement on Distribution of Cash Dividends of H Shares for the Southbound Trading (《**港股通H股股票現金紅利派發協議**》) with China Securities Depository and Clearing Corporation Limited, pursuant to which, China Securities Depository and Clearing Corporation Limited or its branches, as the nominal investors of H Shares for the Southbound Trading, will receive cash Dividends distributed by the Company and distribute the cash Dividends to relevant investors of H Shares of the Southbound Trading through its depository and clearing system.

Cash dividends for the investors of H Shares of the Southbound Trading will be paid in RMB. Pursuant to the relevant requirements under the Notice on the Tax Policies Concerning the Pilot Programme of the Shanghai-Hong Kong Stock Connect (Cai Shui No. [2014]81) (《**關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2014]81號)**》) and the Notice on the Tax Policies Concerning the Pilot Programme of the Shenzhen-Hong Kong Stock Connect (Cai Shui No. [2016]127) (《**關於深港股票市場交易互聯互通機制試點有關稅收政策的通知(財稅[2016]127號)**》), for dividends received by domestic individual investors from investing in H Shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the companies of such H Shares shall withhold individual income tax at the rate of 20% on behalf of the investors. For dividends received by domestic securities investment funds from investing in shares listed on the Hong Kong Stock Exchange through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, the tax payable shall be the same as that for individual investors. The companies of such H Shares will not withhold the income tax of dividends for domestic enterprise investors and such investors shall report and pay relevant tax by themselves.

The record date and the date of distribution of cash dividends and other arrangements for the investors of the Southbound Trading will be the same as those for the H Shareholders of the Company.

6. APPOINTMENT OF THE EXTERNAL AUDITORS AND INTERNAL CONTROL AUDITORS FOR THE YEAR 2024

Reference is made to the announcement of the Company dated 7 May 2024 in relation to the proposed change of auditor. An ordinary resolution will be proposed at the AGM to approve: (i) the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company’s PRC auditor for the year 2024 and the appointment of Deloitte Touche Tohmatsu as the Company’s international auditor for the year 2024; (ii) the remuneration of the Company’s PRC and the international auditors for the year 2024 shall be RMB2.17 million (of which RMB1.67 million is for the annual audit and RMB0.5 million for the internal control audit) and RMB3.28 million (including interim review service), respectively; (iii) the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the Company’s internal control auditor for the year 2024, and the internal control audit fee for the year 2024 has been included in the aforesaid annual audit fee.

LETTER FROM THE BOARD

7. EXPECTED DAILY RELATED PARTY TRANSACTIONS IN 2024

An ordinary resolution will be proposed at the AGM to approve the report on expected daily related party transactions in 2024. Details of the aforesaid report are set out in Annex B of this circular.

8. PROVISION OF GUARANTEES TO AND AMONG CONTROLLING SUBSIDIARIES

According to the needs of production operation and business development of both the Company and relevant controlling subsidiaries, the Company intends to provide guarantees to its controlling subsidiaries and allow such subsidiaries to provide guarantees to each other, so as to support the financing need of subsidiaries in respect of its daily business operation. The specifics are hereby reported as follows:

I. General information of the guarantees

In view of the needs of production operation and business development of both the Company and relevant controlling subsidiaries, some subsidiaries (including subsidiaries of the subsidiaries) within the scope of the Company's and the consolidated financial statements for the year 2024 are required, from time to time, to provide performance bonds to its customers or suppliers or to apply for various types of financing such as letters of guarantee and bills from financial institutions, with the total amount of no more than RMB2.0 billion, in a bid to enhance the flexibility of the Company's funds usage, control the cost of capital and improve the economic effect of capital utilisation. To ensure timely and successful business development and smooth implementation of financing with financial institutions by the Company and its subsidiaries for the year 2024, the Company intends to provide guarantees to its controlling subsidiaries or allow such subsidiaries to provide guarantees to each other, with the above amounts of guarantee not exceeding RMB2.0 billion.

This resolution, subject to approval at the AGM, will be proposed to authorise the operating management of the Company to, within the aforementioned limit, adjust the limit of guarantee to the subsidiaries based on their needs of business development; and the operating management of the Company or its controlling subsidiaries will be authorised to be responsible for signing a relevant guarantee agreement (or separate agreements) with counterparties or financial institutions for the specific guarantees that occur according to needs, and a separate Board meeting or Shareholders' Meeting will not be convened. The limit of guarantee shall be valid from the date of consideration and approval of the resolution at the AGM to the date of the Company's 2024 annual general meeting.

LETTER FROM THE BOARD

II. Particulars of the expected guarantees

Unit: RMB0'000

Guarantor	Guaranteed party	Shareholding proportion of guarantor	Latest gearing ratio of the guaranteed party	Outstanding guarantee limit up to now	Amount of additional guarantee limit	Percentage of the guarantee to the latest net assets of the Company	Expected validity period of guarantee	Collateralized (Y/N)	Counter guarantee (Y/N)
I. Estimated guarantee provided to controlling subsidiaries									
1. Controlling subsidiary with a gearing ratio of above 70%									
The Company or its subsidiaries	ZMJ Australia Pty Ltd	100%	93%	15,700.00	30,000.00	1%	1 year	N	N
The Company or its subsidiaries	SEG Automotive E-Drive System Co., Ltd.	100%	77%	20,000.00	50,000.00	2%	1 year	N	N
2. Controlling subsidiary with a gearing ratio of below 70%									
The Company or its subsidiaries	SEG Automotive Germany GmbH and its subsidiaries	100%	68%	242,596.71	40,000.00	2%	1 year	N	N
The Company or its subsidiaries	ZMJ Commercial Factoring Company Limited	100%	63%	10,250.00	20,000.00	1%	1 year	N	N
The Company or its subsidiaries	Other subsidiaries (including guarantees among subsidiaries in the note pool and credit limit of the Group shared by subsidiaries)	N/A	<70%	31,924.34	60,000.00	3%	1 year	N	N
II. Estimated guarantee provided to joint ventures and associates									
1. Joint ventures and associates with a gearing ratio of 70% or more									
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. Joint ventures and associates with a gearing ratio of less than 70%									
		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: The latest gearing ratio of the guaranteed party is the gearing ratio as of 29 February 2024.

The Company's controlling subsidiaries may transfer guarantee quotas internally, but subsidiaries with a gearing ratio of 70% or more at the time of occurrence of the transfer shall not obtain guarantee quotas from subsidiaries with a gearing ratio of less than 70% at the time of the general meeting.

LETTER FROM THE BOARD

III. Basic information of the guaranteed party

1. ZMJ AUSTRALIA PTY LTD

Company name: ZMJ AUSTRALIA PTY LTD (“ZMJ Australia”)

Registration number: 607 231 434

Date of establishment: 23 July 2015

Company type: Private limited company

Share capital: 100 shares

Registered address: Wollongong, New South Wales, Australia

Scope of business: Sales and service of longwall mining machinery and electronic equipment

Shareholding structure: The Company holds 100% share capital of ZMJ Australia

Key financial data for the recent two years:

Unit: RMB'0,000

Item	31 December 2023/FY2023	31 December 2022/FY2022
Total assets	19,188.34	10,275.37
Total liabilities	17,694.02	10,323.46
Net assets	1,494.33	-48.09
Revenue	24,587.08	2,307.80
Net profit	286.99	-675.42
Gearing ratio	92%	100%

The above guaranteed party is in good standing and is not subject to enforcement. We are not aware of any significant contingent event that could jeopardise the solvency of the guaranteed party.

LETTER FROM THE BOARD

2. *SEG Automotive E-Drive System Co., Ltd.*

Company name: SEG Automotive E-Drive System Co., Ltd. (“SES”)

Unified social credit code: 91430100MA7EE30C5G

Date of establishment: 4 January 2022

Company type: Limited liability company (foreign investment enterprise and domestic joint venture)

Legal representative: Jia Hao

Registered capital: RMB300,000,000

Domicile: No. 50, Section 2, Renmin East Road, Changsha Area, China (Hunan) Pilot Free Trade Zone

Scope of business: General items: research and development of electric motor and its control system; engineering and technology research and experimental development; research and development of automobile parts; electric motor manufacturing; manufacture of automobile parts and components; sales of electric accessories for new energy vehicles; wholesale of automobile parts and components; technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion (except for items subject to approval in accordance with the law, to independently carry out business activities in accordance with the law and with the business licence).

Shareholding structure: 90% directly held by the Company, 10% held by a wholly-owned subsidiary of the Company, SEG Automotive Components (China) Limited, and SES is a wholly-owned subsidiary of the Company.

Key financial data for the recent two years:

Unit: RMB'0,000

Item	31 December 2023/FY2023	31 December 2022/FY2022
Total assets	39,736.68	9,196.82
Total liabilities	27,476.78	4,901.63
Net assets	12,259.90	4,295.18
Revenue	4,457.76	308.79
Net profit	-12,035.29	-5,704.82
Gearing ratio	69%	53%

LETTER FROM THE BOARD

The above guaranteed party is in good standing and is not subject to enforcement. We are not aware of any significant contingent event that could jeopardise the solvency of the guaranteed party.

3. *SEG Automotive Germany GmbH*

Company name: SEG Automotive Germany GmbH (“SEG”)

Registration number: HRB 754886

Date of establishment: 7 December 2015

Company type: Limited liability company

Registered capital: EUR25,000

Domicile: Lotterbergstraße 30, 70499 Stuttgart, Germany

Scope of business: Development, manufacture and sales of motor systems and components, such as starter motors and generators, energy recovery systems and power components, as well as other services in these business areas.

Shareholding structure: SEG was held as to 100% by the Company through its subsidiaries.

Key financial data for the recent two years:

Unit: RMB’0,000

Item	31 December 2023/FY2023	31 December 2022/FY2022
Total assets	948,575.95	910,125.39
Total liabilities	651,060.59	751,048.83
Net assets	297,515.36	159,076.56
Revenue	1,335,515.62	1,186,601.27
Net profit	18,547.19	5,403.55
Gearing ratio	69%	83%

The above guaranteed party is in good standing and is not subject to enforcement. We are not aware of any significant contingent event that could jeopardize the solvency of the guaranteed party.

LETTER FROM THE BOARD

4. *ZMJ Commercial Factoring Company Limited*

Company name: ZMJ Commercial Factoring Company Limited (“**ZMJ Factoring**”)

Unified social credit code: 91120118MA06U6DF8U

Date of establishment: 18 October 2019

Company type: Limited liability company

Legal representative: HUANG Hua

Registered capital: RMB100 million

Domicile: Room 1-1-1601, Financial Trade Center South Zone, No. 6975, Asia Road, Tianjin Pilot Free Trade Zone (Dongjiang Free Trade Port Zone)

Scope of business: Provision of trade financing by way of acquisition of accounts receivable; the settlement, management and collection of account receivables, the management of sales ledgers; the investigation and evaluation of customers’ credit standing (in respect of items which require approval according to law, operation shall only commence upon approval by relevant authorities) and related consulting services.

Shareholding structure: ZMJ Factoring is held directly by the Company as to 100%.

Key financial data for the recent two years:

Unit: RMB’0,000

Item	31 December 2023/FY2023	31 December 2022/FY2022
Total assets	47,225.17	40,765.31
Total liabilities	34,388.48	28,956.83
Net assets	12,836.69	11,808.48
Revenue	2,882.54	2,239.79
Net profit	1,028.21	789.79
Gearing ratio	73%	71%

LETTER FROM THE BOARD

The above guaranteed party is in good standing and is not subject to enforcement. We are not aware of any significant contingent event that could jeopardize the solvency of the guaranteed party.

III. Major content of the guarantee agreement

This guarantee related to the authorization to be granted under the proposed guarantees is contemplated under the guarantee agreement, which is yet to be signed. The principal contents of the guarantee agreement will be determined by the Company and the relevant subsidiaries in consultation with the banks or other relevant financial institutions, and the final actual aggregate amount of the guarantees will not exceed the quota of guarantee granted hereunder.

IV. Necessity and rationale of the guarantee

In view of the production, operation and business development needs of the Company and certain controlling subsidiaries, and in order to enhance flexibility from the perspectives of capital utilization, cost control and hence a higher efficiency of capital utilization, during 2024, the Company and certain of its subsidiaries (including subsidiaries of a subsidiary) whose financial statements are consolidated into the Company's, may from time to time need to provide letters of performance to customers or suppliers or obtain financing such as guarantees and bills from financial institutions. Therefore, the provision of guarantees to controlling subsidiaries by the Company and the inter-provision of guarantees among the Company's controlling subsidiaries are in the interest of the timely and successful development of the abovementioned businesses.

The above guaranteed parties are wholly-owned and controlling subsidiaries of the Company, and the Company has absolute control over them, and their operation is stable, and the guarantee risks are within the control scope of the Company. The gearing ratio of some subsidiaries among the guaranteed parties exceeds 70%, but the above-mentioned company has been operating stably in recent years with good credit and sufficient independent solvency; therefore, the guarantee risk is controllable.

The Board has prudently judged the ability of the guaranteed party to repay the debt, and this guarantee is for the daily operation and development needs of the Company and its subsidiaries, and is conducive to the normal operation of the Company's business. The above guarantee behavior will not harm the interests of the Company and shareholders, and is necessary and reasonable.

V. Opinion of the Board

At the third meeting of the sixth session of the Board and the third meeting of the sixth session of the Board of Supervisors of the Company held on 28 March 2024, the Resolution on the Provision of Guarantees to and among the Controlling Subsidiaries was considered and approved. The Board is of the view that the targets of the guarantees to be given hereunder are all wholly-owned and controlling

LETTER FROM THE BOARD

subsidiaries of the Company, over which the Company exercises absolute control and which are stable in operation and in a good credit standing, therefore the risk of the guarantee is controllable. The loans are mainly for daily operating liquidity needs and the provision of guarantees by the Company or its controlling subsidiaries will not jeopardise the interests of the Company and the Shareholders.

VI. Aggregate number of external guarantees

As of 31 December 2023, the Company and its controlling subsidiaries provided guarantees totalling approximately RMB3,618,797,300, which accounted for approximately 16.54% of the Company's latest audited net assets. Of the aggregate amount, a total of RMB3,405,985,200 was provided by and among the subsidiaries, accounting for 15.57% of the Company's latest audited net assets. Repurchase guarantee provided to customers under the finance lease business was RMB212,812,100, representing 0.97% of the Company's latest audited net assets.

An ordinary resolution will be proposed at the AGM to approve the above arrangement in relation to the provision of guarantees to and among controlling subsidiaries.

9. PROVISION OF GUARANTEE ON FINANCE LEASE REPURCHASE AND BUYER CREDIT TO CUSTOMERS

To promote sales and accelerate the recovery of sales receivables, the Company intends to provide repurchase guarantee to specific non-related customers who purchase products from the Company by way of finance lease, or to provide guarantee to banks in favour of specific non-related customers who purchase the Company's products by way of bank credit facilities, details of which are as follows:

I. General information of the guarantees

Due to the needs of its business development, the Company intends to cooperate with finance lease companies or banks (collectively "Financial Institute") with corresponding business qualifications. Financial Institute will provide finance lease services or buyer credit services to certain customers who are creditworthy, meet financing conditions as reviewed by Financial Institute and have no related relationship with the Company and its subsidiaries. If the customer fails to timely perform the payment obligation to the Financial Institute, the Company will provide repurchase guarantee to finance lease companies or provide buyer credit guarantee to bank in accordance with relevant agreements. The Company will require the customer or a third party designated by the customer to provide necessary counter-guarantees in respect of the guarantee obligations assumed by the Company.

At the third meeting of the sixth session of the Board and the third meeting of the sixth session of the Board of Supervisors of the Company held on 28 March 2024, the Resolution on the Provision of guarantee on finance lease repurchase and Buyer Credit to Customers was considered and approved, and it was agreed that the

LETTER FROM THE BOARD

Company would provide finance lease repurchase guarantees and buyer credit guarantees for customers who are not related parties and who purchase the Company's products by way of finance leasing or buyer credit. At any time during the validity period of the resolution, the aggregate amount of the finance lease repurchase guarantee and buyer credit guarantee that remain in the guarantee period shall not exceed RMB2 billion. Such guarantee quota shall be effective from the date of approval at the AGM to the date of the 2024 annual general meeting of the Company.

The Board proposes to the general meeting of the Company to authorise the General Manager of the Company or his delegate to handle the above guarantee-related matters, and the finance department shall be responsible for the specific organisation and implementation. The Company will not convene a separate Board meeting or general meeting to consider the specific guarantee matters within the aforesaid amount and period.

II. Basic information of the guaranteed party

The guaranteed party is yet to be determined, as the guarantee under consideration is the provision of guarantee for customers who will enter into some of the orders with the Company in the future. Nevertheless, the guaranteed party should be such customers who purchase products from the Company by way of finance lease or buyer credit, and that are creditworthy, meet financing conditions as reviewed by third-party Financial Institute, and have no related relationship with the Company and its subsidiaries.

III. Major content of the guarantee agreement

The guarantee agreement is yet to be signed, as the guarantee under consideration is the provision of guarantee for customers who will enter into some of the orders with the Company in the future. Nevertheless, the guarantee agreement to be signed shall meet the following requirements:

The Company intends to provide repurchase guarantee for certain customers to secure financing from the finance leasing company or provide guarantee for customers to obtain bank facilities. If the customer failed to repay the debts to finance lease companies or banks as they fall due, the Company will provide the finance leasing company with repurchase guarantee or provide guarantee to banks in accordance with to the relevant agreement. The Company will require the customer or a third party designated by the customer to provide necessary counter-guarantee measures against liability undertaken by the Company.

The total guarantee of the Company's financial leasing business and buyer credit business shall not exceed RMB2 billion. The limit of guarantee shall be valid from the date of consideration and approval of the resolution at the AGM of the Company to the date of the Company's 2024 annual general meeting.

LETTER FROM THE BOARD

IV. Risk of the Guarantee and Countermeasures thereof

The Company provides repurchase guarantees under finance leases or buyer credit guarantee to certain customers. In the event of a default by a customer, the Company will be exposed to the risk of litigation and loss in respect of its guarantee obligations. In order to prevent or minimise the occurrence of such risks and to reduce the consequences of risks and damages, the Company has adopted the following risk control measures:

1. Establishing a detailed customer credit evaluation process: the sales department shall collect customer information, the risk management department shall examine the customer's credit status, conduct on-site due diligence visits to the customer if necessary, and after evaluating the overall credit status of the customer, submit the information of creditworthy customers to the finance leasing company or the bank, and sign the relevant agreement after passing the examination.
2. Sales personnel shall visit customers on a regular basis to keep abreast of customers' production and operation status, and dynamically track customers' solvency and changes in their situation.
3. At the same time when the Company provides customers with repurchase guarantees under finance leases or buyer credit guarantee, the customers or the third parties designated by the customers would also enter into guarantee contracts with the finance leasing companies or banks. In the event of default by the customer, the finance leasing company or bank can directly request the customer or the third party designated by the customer to assume the guarantee obligation, thereby reducing the Company's guarantee obligation and increasing the scope of recovery after the Company assumes the guarantee obligation.
4. To require the customer or a third party designated by the customer to provide necessary counter-guarantee measures in respect of the guarantee obligations undertaken by the Company, so as to ensure the effectiveness of recovery after the Company has undertaken the guarantee obligations.
5. The guarantee contract stipulates the "Conditions precedent to the Company's assumption of the guarantee obligation", so that the Company will assume the guarantee obligation only if the customer fails to repay the debt after a specified period of time in the event of a default by the customer.

LETTER FROM THE BOARD

V. Opinions of the Board

The Company provides repurchase guarantee for certain customers to secure financing from the finance leasing company in order to solve the problem of financing guarantees for some customers with good credit but who need financing to pay for goods. The Company will require the customer or a third party designated by the customer to provide necessary counter-guarantee measures against liability undertaken by the Company, therefore, the guarantee risk undertaken by the Company is basically under control.

The Company provides repurchase guarantee for certain customers to secure financing from the finance leasing company, as it is expected to be conducive to promoting sales, accelerating the recovery of sales receivables, development of the Company's business. The guarantee risk is basically under control, and the provision of guarantee is in line with the interests of the Company and shareholders of the Company as a whole.

VI. Number of external guarantees

As of 31 December 2023, the Company and its controlling subsidiaries provided guarantees totalling approximately RMB3,618,797,300, which accounted for approximately 16.54% of the Company's latest audited net assets. Of the aggregate amount, a total of RMB3,405,985,200 was provided to and among the subsidiaries, accounting for 15.57% of the Company's latest audited net assets. Repurchase guarantee provided to customers under the finance lease business was RMB212,812,100, representing 0.97% of the Company's latest audited net assets.

An ordinary resolution will be proposed at the AGM to approve the above arrangements in relation to the provision of guarantee on finance lease repurchase and buyer credit to customers.

10. CONTINUATION OF THE HEDGING BUSINESS

According to the demand of its business development, the Company and its subsidiaries intend to commence the futures and foreign exchange hedging business. Details are reported as follows:

I. Overview of the transaction

(I) The purpose of the transaction

As important raw materials in the production of the Company's auto parts and coal machine businesses, commodities such as copper, aluminium and steel are in high demand and subject to considerable price volatility. To better avoid the impact of such volatility on its profit, the Company and its

LETTER FROM THE BOARD

subsidiaries intend to hedge commodities such as copper, aluminium and steel. The products are meant for hedging and will not be used in speculation and arbitrage.

Meanwhile, the foreign exchange market is highly volatile due to the changes in global economy and political landscape. The Company's business covers various countries in Asia, Europe, America and Africa and is generally settled in currencies such as Euro, US Dollar, Hungarian Forint, Indian Rupee, Brazilian Real and Mexican Peso during overseas transactions. During significant exchange rate fluctuations, the exchange profit or loss will have a material impact on the operating results of the Company. To effectively avert the risk of foreign exchange exposure and prevent the adverse impact of major exchange rate fluctuations on its production and operation, the Company intends to manage the risk of foreign exchange exposure by hedging the products with no involvement in speculation and arbitrage.

(II) Amount of transaction

Based on the Company's projection of its future operational usage requirements and in accordance with the initially proposed hedging strategy, the maximum amount of guarantee provided to the hedging business to be commenced within 12 months from the date of the Board's consideration and approval is not more than RMB1 billion, and the quota can be recycled by adopting a rolling approach to position building.

(III) Sources of funds

Self-owned funds of the Company and its wholly-owned subsidiaries do not involve raised funds.

(IV) Means of transaction

1. Trading instruments: futures, options.
2. Trading types: Trading types are divided into commodity hedging business and foreign exchange hedging business. Commodities hedging business consists of raw materials needed during the production of the Company, such as copper, aluminium and steel. Types of currencies involved in the foreign exchange hedging business consist of Euro, RMB, US Dollar, Hungarian Forint, Indian Rupee, Brazilian Real and Mexican Peso.

LETTER FROM THE BOARD

3. Trading venues: financial institutions approved by the State Administration of Foreign Exchange and the People's Bank of China with corresponding qualifications for the operation of commodity hedging business and foreign exchange hedging business, as well as overseas financial institutions with corresponding trading qualifications.

(V) Duration of transaction

The quota for the current futures and foreign exchange hedging business shall be valid for a period of 12 months from the date of consideration and approval by the Board of the Company, and the funds may be used on a rolling basis within the aforesaid quota and period.

II. Risk analysis and control measures of the transaction

(I) Risk analysis of the hedging business

The hedging business of the Company is grounded in specific business operations instead of speculative transactions, to avert the impact on operating profit arising from the fluctuations of commodity prices and exchange rates, control exposure and avoid risks. Nonetheless, certain risks also exist with the commodities and exchange rate hedging:

1. Market risks

Market risks include systemic risks, mistakes in the direction of commodities or exchange price forecasts and the risks arising from such deviation between the price tendency of commodity futures or forward exchange rates and that of spot goods.

2. Liquidity risks

Lack of market activity in trading the products will result in the hedging positions unable to be transacted at an appropriate price level, leading to a considerable deviation between the actual transaction outcome and the designed solution design and thereby causing losses.

3. Operation risks

Owing to its high professionalism and complexity, the commodities or foreign exchange hedging business may cause certain risks under inadequate internal control systems or the capability of the operators.

LETTER FROM THE BOARD

4. *Credit risks*

In commodities or foreign exchange hedging transactions, credit risks may arise from defaults by counterparties who are unable to perform their obligation of making hedging payment to the Company.

(II) *Proposed risk control measures for the Company*

1. Operation shall take place strictly according to the hedging-related systems prepared by the Company, with decision-making, transaction and risk control separated to render business operations safer, more efficient and controllable.
2. Hedging principles shall be strictly observed, with speculative transactions to be prohibited. Work should be done to avoid the risks from price fluctuations in spot goods through the functions of future and forward products hedging as well as price identification. Work should also be done to protect profitability, regard the operation of spot goods as the constant basis, only engage in hedging relevant product types within the business scope, and adhere to scientific hedging concepts with no engagement in any form of market speculation.
3. Business planning shall take place strictly according to the size of hedging capital approved by the Board and the Shareholders' Meeting, with reasonable use of the deposit to improve capital efficiency and lower capital risks.
4. Relevant requirements, systems and regulations of futures and forward exchanges shall be firmly grasped, with solid knowledge of every process of transacting relevant products as well as proper risk management in relevant departments.
5. A talent cultivation and incentive mechanism shall be emphasised. It is necessary to maintain a combination of internal training and external introduction to prepare talent reserves for the operation of futures and forward products, with scientific and reasonable incentive measures in place to identify and retain talents, so as to lay a solid foundation for the sound development of the hedging business.

III. Effect of the hedging business on the Company and related accounting method

The Company and its subsidiaries carry out foreign exchange hedging business to improve their ability to cope with foreign exchange fluctuation risks, to prevent adverse impacts on the Company's profit and shareholders' interests

LETTER FROM THE BOARD

caused by fluctuations in foreign exchange rates, which is conducive to the enhancement of the Company's financial stability, and will not have any significant impact on the Company's normal production and operations. The Company will conduct corresponding accounting and disclosure of foreign exchange hedging business in accordance with the relevant provisions of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 23 – Transfers of Financial Assets, Accounting Standards for Business Enterprises No. 24 – Hedge Accounting, Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments and their guidelines.

The hedging business carried out by the Company and its subsidiaries could control and reduce the cost of purchases and lock-in profits, maintain the stability of the Company's earnings and reduce the risks of the Company's principal business. The Company accounts for its hedging activities in accordance with the relevant provisions and corresponding guidelines of Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments, Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement, and directly designates its hedging activities as financial assets or financial liabilities at fair value through profit or loss.

An ordinary resolution will be proposed at the AGM to approve the above arrangements on continuation of the hedging business.

11. EXTERNAL DONATION

An ordinary resolution will be proposed at the AGM to approve the proposal in respect of the external donation.

To promote the development of science, education and culture efforts in Henan Province and to support the construction of major projects in the fields of science and technology and education, the Company was invited to become a director unit of Henan Songshan Science Education Foundation (the “**Foundation**”), and made a donation of RMB100 million from its self-owned funds to the Foundation (the “**Donation**”). The details of the Donation are reported as follows:

I. Basic information of the Donation

The Donation was made to Henan Songshan Science Education Foundation, whose basic information is as follows:

Name of social organisation: Henan Songshan Science Education Foundation

Unified social credit code: 53410000MJ0A95159E

Type of social organisation: Foundation

Business management unit: Henan Provincial Department of Science and Technology

LETTER FROM THE BOARD

Registration management authority: Henan Provincial Department of Civil Affairs

Date of establishment: 18 December 2023

Scope of business: Support the construction of major projects in higher education in Henan, education and pedagogical reform, scientific research, cultural heritage, education informationisation and international exchange and cooperation, and scholarship activities. Support the construction of major projects in the field of science and technology and technology research and development, subsidies for activities such as science and education, scientific and technological exchanges, popularisation of science, training of talents, etc., and organise awarding activities and undertake projects entrusted by government departments. Promotion of scientific popularisation, conduct cooperation and exchanges, dissemination of scientific ideas and the spirit of science; support the construction of major projects in the field of culture, cultural development, training of talents, and funding of cultural projects for public welfare; other public welfare projects that are conducive to the development of education, science and technology.

Domicile: Room 2701, 27th Floor, Block B, Dongfang Building, No. 198-19 Songshan South Road, Erqi District, Zhengzhou City, Henan Province, PRC

II. Main contents of the Donation Agreement to be signed for the Donation

Donor (Party A): Zhengzhou Coal Mining Machinery Group Company Limited

Donee (Party B): Henan Songshan Science Education Foundation

Key elements of the Donation Agreement:

1. Party A's donation is: RMB100,000,000.00 (In capital: RMB One Hundred Million Only) ("**Party A's Donated Property**"). After examination and approval by Party A's competent decision-making body, Party A shall pay Party B the donation in instalments and shall have the right to decide whether to continue to pay the remaining donation at any time in accordance with the use of the donated property and the progress of the Songshan Science Forum and the Songshan Prize.
2. Party A's donation shall be legal fund to which Party A has full ownership and disposal rights, and the donation should be voluntary and free of consideration.
3. Party A's donation shall be used to support the development of science, education and other related undertakings in Henan Province, and Party A's Donated Property shall be used for the following specific purposes:

LETTER FROM THE BOARD

(1) to organise scientific forums with global influence and to set up major scientific and technological awards, (2) to subsidise key scientific research projects in Henan Province, (3) to establish a shared think-tank resource, and any other purposes stipulated in the Articles of Association of the Foundation. Party B shall be obliged to use Party A's Donated Property in accordance with the aforesaid agreed purposes.

4. Party B shall provide Party A with a report on the usage and management of the donated property and the financial audit report of the Foundation at the end of each year. If Party B uses the donated property in violation of the donation agreement, Party A shall have the right to request the Foundation to comply with the donation agreement and make remedies and corrections within the time limit requested by Party A, or unilaterally terminate the donation agreement and request Party B to unconditionally return Party A's Donated Property. Party B and its relevant personnel shall fully co-operate with Party A in exercising the aforesaid rights.
5. Party B shall accept Party A's donation in a timely manner in accordance with the prescribed procedures, and complete the relevant procedures and issue relevant documents, invoices and certificates in a timely manner in accordance with the law. Party A has the right to obtain Party B's assistance in respect of relevant corporate income tax deduction and other donation matters.
6. The donation agreement shall establish after being sealed by both parties and signed by the authorised representatives of both parties and approved by the general meeting of Party A, and shall come into effect when Party B receives Party A's Donated Property in full. Matters not yet contained in the agreement shall be discussed separately. If there is any dispute in the performance of the agreement, both parties shall resolve the dispute by negotiation, failing which the dispute shall be referred to China International Economic and Trade Arbitration Commission for arbitration, and the arbitration award shall be final and binding on both parties.

III. Impact of the Donation on the Company

Henan Province has thoroughly implemented the important instructions of General Secretary Xi Jinping's important speeches on the field of science. By joining the Foundation and donating funds, the Company has supported the implementation of the strategy of developing the country through science and education, the strategy of strengthening the country through talents, the strategy of innovation-driven development in Henan Province, and promoted the advancement of science and international exchanges and co-operation, and this is a reflection of the Company's active fulfilment of the social responsibility of a listed company and its contribution to the society, and the Donation is conducive to enhance the Company's social image and expand the influence of its brand. The Donation will

LETTER FROM THE BOARD

not have any material impact on the current and future operating results of the Company, nor will it have any material impact on the interests of the Company and that of the small and medium shareholders.

The Company will make use of the platform of the Foundation to cultivate key projects, develop new quality productivity and assist the Company to implement its development strategy.

- 1. Sharing think-tank resources and mastering cutting-edge science and technology.** The Foundation and its proposed forum and a series of other activities will bring together renowned scientists and experts and scholars to focus on cutting-edge areas of science and explore trends in science and technology innovation. As a director unit of the Foundation, the Company could: firstly, communicate and exchange with experts and scholars from the world's top research institutes and scientific research institutes through the platform of the Foundation and its scientific forums, grasp cutting-edge technologies, stimulate the Company's innovation potential, promote cross-field and cross-border technological exchanges and cooperation, and lay the foundation for the Company's industry to transform into a new-quality productive force in a comprehensive manner. Secondly, to make use of the Foundation and the top think-tank resources it has gathered to provide guidance and technical support for the transformation and upgrading of the Company's existing businesses as well as the development of new businesses. Thirdly, taking the top-level international academic forum as an opportunity to strengthen international exchanges, enhance the Company's capability as regards "go overseas" and globalisation, optimise the global layout, and provide support for the implementation of the Company's strategic objectives in the next 5-10 years.
- 2. Cultivate key projects and develop new quality productivity**

According to the global trend of scientific and technological development and the strategic needs of the State and Henan Province, the Foundation will subsidise corresponding scientific research projects. Firstly, as an innovative enterprise insisting on independent research and development, the Company will make full use of the resources of the Foundation and the forum to apply for key scientific research projects and obtain policy support from the Foundation and government departments. Secondly, centering around the development needs and technical difficulties of the Company, we will combine our understanding of the industry with the technological innovation capabilities of scientific research institutes, so as to promote the in-depth integration of industry, academia and research, cultivate the development of new quality productivity, and promote the high quality development of the enterprise. Thirdly, against the background of rapid science and technological development, we will leverage on the Foundation's platform to explore cutting-edge R&D projects with

LETTER FROM THE BOARD

industrial prospects, and take the lead in learning about original R&D results of leading international standards, so as to participate in-depth in the form of investment, mergers and acquisitions, and joint research and development, and to position ourselves for the future of the industry.

- 3. Create a talent ecosystem and enjoy the convenience of introducing top talents.** The establishment of the Foundation and related forums and awards will be conducive to the promotion of positive interaction among top talents, research institutes and industrial units. Firstly, it is conducive to creating an open, inclusive and innovative talent ecosystem in Henan Province and Zhengzhou Municipality, improving the business environment and laying a good social foundation for the Company to attract and retain top talents. Secondly, the Foundation and its scientific forums and international exchange activities will set up a showcase platform for the Company, facilitate face-to-face communication and exchanges between the Company and the talents, seize the first opportunity to introduce talents, so as to better attract, retain and utilise the talents. Thirdly, the Foundation provides funding support for outstanding foreign researchers to carry out basic research in China, and the Company would utilise this platform to fully demonstrate its corporate image and its funded projects will also facilitate the Company's attraction of high-end talents to break through the bottlenecks in areas such as smart ore mines, high-voltage driving systems, automotive air suspension, and the proposed deployment of strategic new industries.

IV. Decision-making procedures yet to be fulfilled in respect of the Donation

This resolution has been considered and approved at the third meeting of the sixth session of the Board of the Company. The External Donation Management System of Zhengzhou Coal Mining Machinery Group Company Limited stipulates that "For any single donation of an amount of more than RMB10 million, it shall be considered and approved by the Board and submitted to the general meeting for consideration and approval prior to implementation". The Donation is subject to the consideration and approval of the AGM.

12. REMUNERATION PACKAGES FOR NON-INDEPENDENT DIRECTORS OF THE SIXTH SESSION OF THE BOARD

An ordinary resolution will be proposed at the AGM to approve the proposal in relation to remuneration packages for non-independent Directors of the sixth session of the Board.

At the third extraordinary general meeting of 2023 convened on 15 December 2023, the Company elected the non-independent Directors and the independent Directors of the sixth session of the Board, which, together with the Staff Directors elected by the Staff Representatives' Meeting of the Company, formed the sixth session of the Board, with Mr.

LETTER FROM THE BOARD

Jiao Chengyao, Mr. Jia Hao, Mr. Fu Zugang, Mr. Meng Hechao, Mr. Li Kaishun, Mr. Cui Kai, Mr. Yue Taiyu, as the non-independent Directors of the sixth session of the Board of the Company. Based on the change of the term of the Board and taking into account the actual situation of the development of the Company, it is proposed that the Company's remuneration packages for non-independent Directors of the sixth session of the Board are as follows:

I. Guiding principles

1. The principle of compliance with the law.
2. The principle of combining payment corresponding with the position and payment corresponding with the performance.
3. The principle of combination of incentive and restraint.
4. The market-driven principle.

II. Remuneration packages

1. Taking into account the current stage of development of ZMJ Group in terms of its internationalisation and multi-industry operation, as well as its existing business scale, the responsibilities and contributions of the Directors, supervisors and senior management, the Remuneration and Evaluation Committee of the Board has organised a benchmarking survey on the remuneration levels of the Directors, supervisors and senior management of comparable listed companies and proposed that, with effect from the term of office of the sixth session of the Board, the remuneration of the non-independent Directors of the Company shall be determined by a combination of the basic annual salary and the performance-based annual salary, with the proportion of the basic annual salary and the performance-based annual salary to the individual remuneration scale is 50% and 50% respectively; among them, the basic annual salary is determined in accordance with the market-oriented principle, and the basic annual salary (tax exclusive) of the non-independent Directors are as follows: Mr. Jiao Chengyao, the Chairman, RMB1.9 million; Mr. Jia Hao, the Vice Chairman, RMB2.075 million; Mr. Fu Zugang, Director, RMB1.2 million; Mr. Meng Hechao, Director, RMB1.2 million; Mr. Li Kaishun, Director, RMB1 million, respectively. The performance-based annual salary shall be linked to the annual operating results of the enterprise and personal management assessment indicators and is calculated in accordance with the achievement of the actual performance indicators.
2. Mr. Cui Kai and Mr. Yue Taiyu, the other non-independent Directors of the Company, would not receive remuneration from the Company.

LETTER FROM THE BOARD

13. REMUNERATION PACKAGES FOR INDEPENDENT DIRECTORS OF THE SIXTH SESSION OF THE BOARD

An ordinary resolution will be proposed at the AGM to approve the proposal relating to remuneration packages for independent Directors of the sixth session of the Board.

At the third extraordinary general meeting of 2023 convened on 15 December 2023, at which Mr. Cheng Jinglei, Mr. Ji Feng, Mr. Fang Yuan and Ms. Yao Yanqiu were elected as independent Directors of the sixth session of the Board.

Pursuant to Article 41 of the CSRC's Administrative Measures for Independent Directors of Listed Companies (Decree No. 220 of the China Securities Regulatory Commission), "Listed companies shall provide independent Directors with an allowance commensurate with their duties and responsibilities. The criteria for the allowances shall be formulated by the Board, considered and approved by the general meeting and disclosed in the annual report of the listed company". Taking into account the practices of listed companies and the actual circumstances of the Company, such as its scale of operation, industry status and the responsibilities assumed by the independent Directors, it is proposed that the standard of remuneration for the sixth session of the independent Directors of the Company shall be RMB160,000 per annum per person (inclusive of tax) with effect from the commencement of the term of office of the sixth session of the Board.

14. REMUNERATION PACKAGES FOR SUPERVISORS OF THE SIXTH SESSION OF THE BOARD OF SUPERVISORS

An ordinary resolution will be proposed at the AGM to approve the proposal on remuneration packages for supervisors of the sixth session of the Board of Supervisors.

At the third extraordinary general meeting of 2023 convened on 15 December 2023, the Company elected the shareholder representative supervisors for the new session of the Board of Supervisors, who together with the staff representative supervisors elected at the staff representative meeting, formed the sixth session of the Board of Supervisors, and Mr. Liu Qiang was elected to be the chairman of the Board of Supervisors at the first meeting of the sixth session of the Board of Supervisors of the Company convened on the same day. Based on the general election of the Board of Supervisors of the Company and the part-time engagements of the Supervisors, and taking into account the actual situation of the Company, it is proposed that the remuneration packages for supervisors of the sixth session of the Board of Supervisors of the Company are as follows:

I. Guiding Principles

1. The principle of compliance with the law.
2. The principle of combining payment corresponding with the position and payment corresponding with the performance.

LETTER FROM THE BOARD

3. The principle of combination of incentive and restraint.
4. The market-driven principle.

II. Remuneration packages

1. Taking into account the current stage of development of ZMJ in terms of internationalisation, multi-industry segment operation and existing business scale, the Company has organised a benchmarking survey on the remuneration levels of Directors, supervisors and senior management of comparable listed companies and proposed that with effect from the effective date of the term of office of the sixth session of the Board of Supervisors, the remuneration standard for the Chairman of the Board of Supervisors of the Company shall be determined in accordance with the standard for the remuneration of the specific managerial positions in the Company, such as chairman of the trade unions and the like: the standard for the remuneration of Mr. Liu Qiang shall consist of two parts, namely, the basic annual salary and the performance-based annual salary, which account for 50% and 50% of the personal remuneration standard respectively; among which, the basic annual salary is determined in accordance with the market-oriented principle at RMB647,000 (tax exclusive); the performance-based annual salary shall be linked to the annual operating results of the enterprise and personal management assessment indicators and is calculated in accordance with the achievement of the actual performance indicators.
2. The supervisor working within the Company, Ms. Zhu Yuan, is to be assessed and receives remuneration in accordance with the remuneration standards for the specific positions and duties of the Company in which she concurrently work.
3. Mr. Cheng Xiangdong, a supervisor of the Company, would not receive any remuneration from the Company.

15. 2024-2026 PERFORMANCE INCENTIVE SCHEME

An ordinary resolution will be proposed at the AGM to approve the proposal on the 2024-2026 Performance Incentive Scheme.

In order to further improve the legal person governance structure of the Company, improve the long-term incentive and restraint mechanism of the listed company, motivate the new core management team of the listed company, further stimulate the vitality and efficiency of the enterprise, promote high-quality development of the enterprise, achieve long-term stable and good shareholder investment returns and effectively align the interests of shareholders, the listed company and the core management team to ensure the realization of the Company's long-term development strategy and business goals, in accordance with the provisions of the Company Law of the PRC, Securities Law of the

LETTER FROM THE BOARD

PRC and other relevant laws, regulations and normative documents, as well as the Articles of Association, the Company has specifically formulated the 2024-2026 Performance Incentive Scheme of Zhengzhou Coal Mining Machinery Group Company Limited. For details of the scheme, please refer to annex C of this circular.

CLOSURE OF REGISTER

The register of members for H Shares of the Company will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. H Shareholders whose names appear on the Company's register of members on Wednesday, 12 June 2024 are entitled to attend the AGM. For the H Shareholders of the Company who wish to attend the AGM but have yet to be registered, their transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Wednesday, 5 June 2024. If the profit distribution plan for the year 2023 is approved by the Shareholders, the final Dividends on the H Shares of the Company will be paid on or before 15 July 2024.

Subject to the approval of the relevant proposal on dividend distribution at the AGM, the Dividends will be paid to the Shareholders whose names appear on the register of members for H Shares of the Company after the close of the market on Wednesday, 26 June 2024. The register of members for H Shares of the Company will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. For the H Shareholders of the Company who wish to be entitled to receive the final Dividends but have not registered their transfer documents, their transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Shares registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, 20 June 2024.

VOTING AT THE AGM

According to Rule 13.39(4) of the Listing Rules, unless the Chairman decides on good faith that a show of hands is allowed for any resolution in relation to procedural or administrative issues, any vote by the Shareholders at any Shareholders' Meeting shall be conducted by poll. As such, the Chairman of the AGM will, pursuant to Article 121 of the Articles of Association, demand a vote by poll for every resolution proposed at the AGM.

During a poll vote, every Shareholder present in person or by proxy (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote for each Share registered in the Shareholder's name in the register for members. According to Article 123 of the Articles of Association, a Shareholder (including proxy) entitled to two or over two votes is under no obligation to cast all his/her votes for or against any resolution.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believes that all the resolutions mentioned above are in the best interest of the Company and its Shareholders as a whole. Therefore, the Board recommends the Shareholders to vote for the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM.

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

NOTICE OF 2023 ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2023 Annual General Meeting (the “AGM”) of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**”) will be convened at the Conference Room of ASIMCO Intelligent Automobile Technology (Yizheng) Company Limited (亞新科智能汽車技術(儀徵)有限公司) (150 meters north to the intersection of No. 2 Keyan Road and Jingguan Road), Yizheng Economic Development Zone, Yangzhou City, Jiangsu Province, the PRC at 2:00 p.m. on Wednesday, 12 June 2024 for the following purposes:

ORDINARY RESOLUTIONS

1. Report of the Board for the year 2023;
2. Report of the Board of Supervisors for the year 2023;
3. Annual report for the year 2023;
4. Report of the independent non-executive Directors on their performance for the year 2023;
5. Profit distribution plan for the year 2023;
6. Appointment of the external auditors and internal control auditors for the year 2024;
7. Expected daily related party transactions in 2024;
8. Provision of guarantees to and among controlling subsidiaries;
9. Provision of guarantee on finance lease repurchase and buyer credit to customers;
10. Continuation of the hedging business;
11. External donation;

NOTICE OF 2023 ANNUAL GENERAL MEETING

12. Remuneration packages for non-independent Directors of the sixth session of the Board;
13. Remuneration packages for independent Directors of the sixth session of the Board;
14. Remuneration packages for supervisors of the sixth session of the Board of Supervisors; and
15. 2024-2026 performance incentive scheme.

Notes:

- (1) A circular for the AGM and the form of proxy of the Company have been dispatched on 13 May 2024. Any shareholders of the Company (the “Shareholders”) who intend to appoint a proxy to attend the AGM should read the 2023 Annual Report of the Company which is posted on the websites of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) and the Company or dispatched to the Shareholders concerned. The 2023 Annual Report consists of the 2023 Report of the Board, the 2023 Report of the Board of Supervisors and the audited financial statements and the auditor’s report for the year 2023.
- (2) All votes on the resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”), and the results of the poll will be published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.zmj.com) in accordance with the Listing Rules.
- (3) The register of members of the Company will be closed from Thursday, 6 June 2024 to Wednesday, 12 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. Any H Shareholders of the Company who intend to attend the AGM but have yet to be registered are required to deposit their transfer documents together with the relevant share certificates at the Company’s share registrar for H shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Wednesday, 5 June 2024.

Upon the relevant resolution in connection with the proposal of the payment of Dividends is approved at the 2023 AGM, the Dividends will be paid to the Shareholders whose names appear on the register of members of the Company after the close of the market on Wednesday, 26 June 2024. The register of members of the Company will be closed from Friday, 21 June 2024 to Wednesday, 26 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. Any H Shareholders of the Company who wish to be entitled to receive the final Dividends but have yet to be registered, are required to deposit their transfer documents together with the relevant share certificates at the Company’s share registrar for H shares, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong at or before 4:30 p.m. on Thursday, 20 June 2024. If the profit distribution plan for the year 2023 is approved by the Shareholders, the final Dividends for H Shares will be paid on or before 15 July 2024.

- (4) Any Shareholders entitled to attend and vote at the AGM can appoint one or more proxies to attend and vote at the AGM on his/her/its behalf. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and type of Shares in respect of which each proxy is so appointed.
- (5) The Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been duly authorised in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation’s seal or signed by its director, or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorisation document(s) shall be notarised. For the H Shareholders, the aforementioned documents must be lodged with the share registrar for H shares, Computershare Hong

NOTICE OF 2023 ANNUAL GENERAL MEETING

Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 2:00 p.m. on Tuesday, 11 June 2024 (Hong Kong time) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

- (6) The Shareholders shall produce their identification documents when attending the AGM.
- (7) If a proxy attends the AGM on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specifies the date of its issuance. If a representative of a corporate Shareholder attends the AGM, such representative shall produce his/her identification document and a notarised copy of the resolution passed by the Board or other authority or other notarised copies of any authorisation documents issued by such corporate Shareholder.
- (8) The AGM is expected to last for half a day. Shareholders who attend the AGM (in person or by proxy) shall bear their own travelling, accommodation and other expenses.
- (9) Contact information of the Company:

Address: Zhengzhou Coal Mining Machinery Group Company Limited
No. 167, 9th Street, Zhengzhou Section (Econ-Tech Development Zone) of
China (He'nan) Pilot Free Trade Zone, the PRC
Postal Code: 450016
Telephone: 86-371-6789 1199
Contact Person: Mr. Xi Zhipeng
Facsimile: 86-371-6789 1000

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, 13 May 2024

As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. FU Zugang, Mr. MENG Hechao and Mr. LI Kaishun, 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, Mr. FANG Yuan and Ms. YAO Yanqiu.

INDEPENDENT DIRECTOR – CHENG JINGLEI

During 2023 (the “Reporting Period”), as an independent Director of Zhengzhou Coal Mining Machinery Group Company Limited (the “Company” or “ZMJ”), I strictly complied with the requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), as well as the Articles of Association and the Working System of Independent Directors of the Company (《公司獨立董事工作制度》). I performed my duties conscientiously, diligently and prudently, attended relevant meetings proactively, considered each resolution carefully, and expressed independent opinions on material matters of the Company, in a responsible manner to all shareholders. I fully played my role as an independent Director, effectively ensured the regulated operation of the Company, and protected the legitimate interests of the Company and its Shareholders, especially minority Shareholders. I hereby submit the report on my performance of duties as an independent Director in 2023:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I have been serving as an independent non-executive Director of the Company since October 2019. My basic information is as follows:

Cheng Jinglei (程驚雷), male, was born in September 1967. I am a CPC member and a professor-level senior engineer with a master’s degree in business administration. I served for SAIC VOLKSWAGEN as an engineer in logistics and industrial engineering, head of the planning and logistics department, head of the production planning department and head of the product engineering department, and served at SAIC Motor as the general manager of its technology and quality department, president of the engineering academy, as well as general manager of the strategy and business planning department and chief engineer. I was also the chairman of SAIC Silicon Valley Venture Capital (上汽矽谷風險投資公司), Dalian Sunrise Power Company (Fuel Cell) (大連新源公司(燃料電池)) and DIAS Automotive Electronic Systems Co., Ltd. (聯創汽車電子有限公司), a director of SAIC VOLKSWAGEN and SAIC GM, the vice president of China Society of Automotive Engineers, the president of Shanghai Society of Automotive Engineers, an independent non-executive director of Dah Chong Hong Holdings Limited, and the partner and president of AGRC. I am currently an executive director and the general manager of Shanghai Shengshi Management Consulting Co., Ltd. (上海昇軾管理諮詢有限公司), the chairman of Qingdao SunHydro Group Co., Ltd., an independent director of Shanghai Carthane Co., Ltd. (上海凱眾材料科技股份有限公司) (stock code: 603037), and a director of Shanghai ChipON Microelectronics Technology Co., Ltd. Since October 2019, I have been an independent Director of Zhengzhou Coal Mining Machinery Group Company Limited.

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2023
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As an independent Director of the Company, I do not hold any positions in the Company other than those of independent Director and member of the professional committee of the Board, nor do I hold any positions in or receive remuneration from the major shareholders of the Company. I have no interests in the Company and major shareholders or any other relationship that may hinder my independent and objective judgment, and there are no circumstances affecting my independence.

II. PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR DURING THE YEAR

(I) Attendance at Meetings

During the Reporting Period, I attended the general meetings, the Board meetings and special committee meetings of the Company proactively. I reviewed the information of the meetings, considered each resolution carefully, actively participated in discussions and provided reasonable recommendations. Upon adequate communication and discussion, the independent non-executive Directors voted for all the matters considered at the Board meetings and special committee meetings, and all the resolutions thereof were approved with no objection, opposition or abstention.

1. *Attendance at the Board meetings and Shareholders' Meetings:*

Name of Independent Director	Number of meetings to attend	Attendance of meetings of the Board				Inability to attend two consecutive meetings in person	Participation in Shareholders' General Meetings
		Number of meetings attended in person	Number of meetings attended by means of communication	Number of meetings attended by proxy	Times of participation in Shareholders' General Meetings		
CHENG Jinglei	15	15	13	0	0	No	4

Note: Attending by means of communication is deemed as attending in person

2. *Attendance at the special committee meetings of the Board:*

As a member of the Nomination Committee of the Board of the Company, I attended the meeting of the Nomination Committee as follows:

Name of Independent Director	Nomination Committee		
	Number of meetings to attend	Number of meetings attended	Number of absence
CHENG Jinglei	3	3	0

(II) *The Exercise of Power as an Independent Director*

In 2023, I did not propose to independently engage any intermediary to audit, consult or verify the specific matters of the Company; did not make any request to the Board to convene any extraordinary general meeting; did not propose to convene any board meeting; did not solicit Shareholders' rights from Shareholders.

In 2023, I carefully reviewed the Company's annual report for 2022, first quarterly report for 2023, interim report for 2023 and third quarterly report for 2023, took the Company's report on finance and internal control on board, and took on board and reviewed the accounting firm's work plan and related materials on the audit of the Company's annual report. I provided specific opinions and requirements on the overall audit strategy, effectively fulfilled the responsibilities as an independent Director, and ensured the timely disclosure of the Company's annual report.

In 2023, I closely communicated with other Directors, senior management and other relevant staff of the Company through various means, taking advantage of opportunities such as attending Board meetings, general meeting, site visits and other occasions at work, constantly monitored the impact of external environment and market changes on the Company, and comprehensively gained knowledge of the Company's daily operation, standard operation and possible business risks. Leveraging my expertise, I also promoted the scientific decision-making of the Board, monitored the implementation of the Board's resolutions, construction and implementation of the internal control system and the progress of material matters, and promoted the improvement of the standard of management of the Company.

III. KEY CONCERNS TO THE INDEPENDENT DIRECTORS IN PERFORMING DUTIES DURING THE YEAR

In 2023, I performed my duties in a careful, conscientious and prudent manner pursuant to the requirements of the Measures for the Administration of Independent Directors of Listed Companies and the Working System of Independent Directors of the Company, participated in Board meetings and special committee meetings of the Company and made independent and clear judgments on the legality and compliance of relevant matters prior to the Company's decision-making, the details of which are set out as follows:

(I) Discloseable Related Party Transactions

Related party transactions entered into by the Company in 2023 primarily include related party transactions in the ordinary course of business in 2023, confirmation of the holding of shares in the subsidiary proposed to be spun off by certain Directors, Supervisors, senior management and key employees of the Company, i.e. related party transactions, capital increase and related party transactions of ASIMCO (Nanjing) Limited, a wholly-owned subsidiary of the Company. The Company's related party transactions followed the principles of openness, fairness and justice, and did not adversely affect the Company's existing assets and ability to continue operations. The related parties abstained from voting when considering and approving such related party transactions, and the decision-making procedures of the Company's related party transactions were legal and effective, and did not harm the interests of the Company and shareholders as a whole, especially small and medium-sized investors.

(II) Fulfillment of Undertakings by the Company and its Shareholders

During the Reporting Period, all undertakings made by the Company and its Shareholders were effectively fulfilled in accordance with the agreement, and there was no breach of any undertaking by the Company and its Shareholders.

(III) Disclosure of Financial Information and Internal Control Evaluation Reports in Financial Accounting Reports and Periodic Reports

During the Reporting Period, the Company prepared and disclosed the Annual Report 2022, the First Quarter Report 2023, the Semi-Annual Report 2023 and the Third Quarter Report 2023 on a timely basis and in strict compliance with the requirements of the Company Law, the Securities Law, the Management Measures for Information Disclosure of Listed Companies and other laws, regulations and normative documents, and accurately disclosed the financial data and important matters in the corresponding Reporting Period, and fully revealed the Company's operation to investors.

The above reports were reviewed and approved by the Board and the Board of Supervisors of the Company. During the Reporting Period, the Company disclosed the 2022 Annual Internal Control Evaluation Report. In order to implement the Basic Norms for Enterprise Internal Control, strengthen the Company's internal control, improve the Company's operation and management level and risk prevention ability, the Company comprehensively carried out the construction, implementation and evaluation of internal control, and promoted the steady implementation of the enterprise internal control standard system. Currently, the Company has not identified any material defects in the design or execution of internal controls.

(IV) Accounting Firms Engaged in Auditing Services for Listed Companies

The Resolution on the Re-appointment of External Audit Institution and Internal Control Audit Institution for 2023 was considered and approved at the twenty second meeting of the fifth session of the Board of the Company held on 29 March 2023, pre-reviewed and approved by the Audit and Risk Management Committee of the fifth session of the Board of the Company, and was considered and approved at the 2022 annual general meeting. BDO China Shu Lun Pan Certified Public Accountants LLP was re-appointed as the domestic A-share financial auditing firm and internal control auditing firm of the Company for 2023, while PricewaterhouseCoopers was re-appointed as the H-share financial auditing firm of the Company for 2023, in each case being in accordance with the requirements of the Company Law and the Articles of Association. I, as an independent Director of the Company, conducted prior review of the matter and issued a pre-approving and concurring independent opinion that the appointment of the accounting firms as mentioned above could satisfy the auditing requirements of the Company, and the decision-making procedures for such appointments complied with the requirements of laws and regulations and the Articles of Association, without prejudice to the interests of the Company and Shareholders.

(V) Appointment or Dismissal of Financial Officer of Listed Companies

The Company held the second meeting of the sixth session of the Board on 29 December 2023, to consider and approve the Resolution on the Appointment of Deputy General Manager and Chief Financial Officer of the Company, which had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of Chief Financial Officer had been reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company. No financial officer was dismissed during the year.

The above appointment decision-making procedures complied with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VI) Nomination or Removal of Directors and Appointment or Dismissal of Senior Management

Election of the Board: The Company held the 32nd meeting of the fifth session of the Board on 15 November 2023, and reviewed and passed the Resolution on the Nomination of Non-independent Directors for the Sixth Session of the Board of the Company and the Resolution on the Nomination of Independent Directors of the Sixth Session of the Board of the Company. The qualifications of the proposed non-independent Directors and independent Directors were pre-reviewed and approved by the Nomination Committee of the fifth session of the Board of the Company, and were elected and approved at the third extraordinary general meeting of 2023 held on 15 December 2023. Prior to the general meeting, the Company had democratically elected the staff Directors of the sixth session of the Board through the staff representative meeting.

Appointment of Senior Management: The Company held the second meeting of the sixth session of the Board on 29 December 2023, to review and approve the Resolution on the Appointment of the General Manager of the Company, Resolution on the Appointment of the Deputy General Manager and the Chief Financial Officer of the Company, Resolution on the Appointment of the Secretary to the Board of the Company, Joint Company Secretary, Authorized Representative and Securities Affairs Representative, etc. Among them, the qualifications of senior managers had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of the Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company.

The above procedures for nominating and electing Directors and appointing senior management personnel comply with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VII) Remuneration of Directors and Senior Management, Formulation or Alteration of Equity Incentive Schemes and Employee Stock Ownership Plans, Achievement of the Conditions for the Granting and Exercise of Rights and Interests of the Grantee, and the Arrangement of Shareholding Plans for the Directors and Senior Management in the Subsidiary to be Spun-off

Remuneration of Directors and Senior Management: The remuneration of Directors and senior management of the Company is in line with the actual business situation of the Company and the salary level of the industry and region in which they are located, and the assessment and payment procedures are in line with relevant national laws and regulations and the Articles of Association and other relevant provisions.

Progress of the Implementation of the Share Incentive Scheme: At the 26th meeting of the fifth session of the Board held on 9 June 2023, the Resolution on the Adjustment of the Repurchase Price of the 2021 Restricted Share Incentive Scheme, Resolution on the Repurchase and Cancellation of Certain Granted But Not Yet Released Restricted Shares Under the 2021 Restricted Share Incentive Scheme, Resolution on the Achievement of the Second Unlocking Conditions of the 2021 Restricted Share Incentive Scheme and the Resolution on the Adjustment of the Exercise Price of the 2019 Share Incentive Scheme. On 29 December 2023, the second meeting of the sixth session of the Board was held to consider and approve the Resolution on the Adjustment of the List of Participants and the Number of Options of the Company's 2019 Share Incentive Scheme and Cancellation of Certain Options and the Resolution on the Achievement of the Exercise Conditions of the Third Exercise Period of the Company's 2019 Share Incentive Scheme.

During the Reporting Period, the Company adjusted the repurchase price of the 2021 Restricted Share Incentive Scheme (hereinafter referred to as the "**Restricted Share Incentive Scheme**"), and repurchased and cancelled certain Restricted Shares that had been granted to the participants but had not yet been unlocked, and the second unlocking period of the Restricted Share Incentive Scheme was lifted. For the 170 qualified participants, the Company has proceeded with the second unlocking of Restricted Shares and applied for listing of those shares.

During the Reporting Period, the Company adjusted the exercise price, the list of participants and the number of options for the 2019 Share Option Incentive Scheme (hereinafter referred to as the "**Option Incentive Scheme**"), and cancelled certain share options that had been granted to the participants but had not been exercised. The exercise conditions of the third exercise period were achieved, and the Company intended to proceed with the exercise procedures for 283 participants that meet the exercise conditions.

As an independent Director of the Company, I carefully checked the adjustment and unlocking/exercise of the above share incentive schemes, and issued a concurrent independent opinion, believing that the above adjustment and unlocking/exercise are in line with the relevant provisions of the Measures for the Administration of Share Incentives of Listed Companies and the relevant consideration and decision-making procedures are legal and compliant, and did not harm the interests of the Company and shareholders.

Arrangement and Shareholding of Directors and Senior Management in the Subsidiary Proposed to be Spun-off: The Company intends to spin off its subsidiary, Zhengzhou Hengda Intelligent Control Technology Co., Ltd., for the initial public offering and listing of shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange. At the 23rd meeting of the fifth session of the Board held on 18 April 2023, and the 28th meeting of the fifth session of the Board held on 31 July 2023, the Company considered and approved the Resolution on the Holding of Shares by Certain Directors, Supervisors, Senior Management and Core Employees of the Company in a Subsidiary Proposed to be Spun-off and Related Party Transactions, approving the holding of shares by certain Directors, Supervisors, senior management of the Company, the Company's headquarters and the core employees of the coal machinery sector in Hengda Intelligent Holding, the subsidiary proposed to be spun-off. This resolution was considered and approved by the first extraordinary general meeting of the Company in 2023 held on 22 August 2023. As an independent Director of the Company, I conducted a prior review of the matter and issued a prior approved opinion and concurrent independent opinion. Certain Directors, Supervisors and senior management of the Company followed the principle of openness, fairness and justice in the pricing of the shareholding plan and related party transactions of the subsidiary to be spun-off, which did not harm the interests of the Company and all shareholders as a whole. The spin-off does not constitute a major asset reorganization as stipulated in the Administrative Measures for the Reorganization of Major Assets of Listed Companies, and the review procedure of the Board was legal and compliant.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During my term of office in 2023, I, as an independent Director, upheld the spirit of integrity and diligence to perform my duties in an objective, fair and independent manner. I acquired and secured relevant information in advance and made use of my expertise and experience to form independent, objective and reasonable opinions and recommendations on the Company's production, operation and relevant matters, and effectively protected the legitimate interests of all our Shareholders, particularly minority Shareholders. My independent performance of duties was not affected by the substantial Shareholders and other companies or individuals that are interested parties of the Company.

In 2024, I will continue to perform duties in a conscientious, diligent and cautious manner to keep improving my performance and fully exert the independent role of independent Directors in accordance with the requirements of various laws and regulations, the Articles of Association and relevant governance rules, so as to facilitate the proper operation and healthy development of the Company and effectively safeguard the legitimate rights and interests of the Company and all Shareholders, especially small and medium Shareholders.

It is hereby reported as above.

Independent Director
CHENG Jinglei

28 March 2024

INDEPENDENT DIRECTOR – JI FENG

During 2023 (the “Reporting Period”), as an independent Director of Zhengzhou Coal Mining Machinery Group Company Limited (the “Company” or “ZMJ”), I strictly complied with the requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), as well as the Articles of Association and the Working System of Independent Directors of the Company (《公司獨立董事工作制度》). I performed my duties conscientiously, diligently and prudently, attended relevant meetings proactively, considered each resolution carefully, and expressed independent opinions on material matters of the Company, in a responsible manner to all shareholders. I fully played my role as an independent Director, effectively ensured the regulated operation of the Company, and protected the legitimate interests of the Company and its Shareholders, especially minority Shareholders. I hereby submit the report on my performance of duties as an independent Director in 2023:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I have been serving as an independent non-executive Director of the Company since March 2021. My basic information is as follows:

Ji Feng (季豐), male, was born in 1970. I am a certified public accountant and a certified appraiser with a master’s degree in accounting. In July 1992, I graduated from Jilin College of Finance and Trade (吉林財貿學院) (now Jilin University of Finance and Economics) and obtained a bachelor’s degree in accounting. In December 2010, I obtained a master’s degree in accounting from the Business School of Jilin University. Since January 2002, I have been a partner, a managing partner, and a quality control managing partner of Dahua Certified Public Accountants (Special General Partnership). From April 2020, I have been an independent director of Beijing Tieke Shougang Railway-Tech Co., Ltd.

As an independent Director of the Company, I do not hold any positions in the Company other than those of independent Director and member of the professional committee of the Board, nor do I hold any positions in or receive remuneration from the major shareholders of the Company. I have no interests in the Company and major shareholders or any other relationship that may hinder my independent and objective judgment, and there are no circumstances affecting my independence.

II. PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR DURING THE YEAR

(I) Attendance at Meetings

During the Reporting Period, I attended the general meetings, the Board meetings and special committee meetings of the Company proactively. I reviewed the information of the meetings, considered each resolution carefully, actively participated in discussions and provided reasonable recommendations. Upon adequate communication and discussion, the independent non-executive Directors voted for all the matters considered at the Board meetings and special committee meetings, and all the resolutions thereof were approved with no objection, opposition or abstention.

1. Attendance at the Board meetings and Shareholders' Meetings:

Name of Independent Director	Number of meetings to attend	Attendance of meetings of the Board				Inability to attend two consecutive meetings in person	Participation in Shareholders' General Meetings
		Number of meetings attended in person	Number of meetings attended by means of communication	Number of meetings attended by proxy	Number of absence		Times of participation in Shareholders' General Meetings
JI Feng	15	15	15	0	0	No	4

Note: Attending by means of communication is deemed as attending in person

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2023
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2. *Attendance at the special committee meetings of the Board:*

As a member of the Audit and Risk Management Committee and the Remuneration and Assessment Committee of the Board of the Company, I attended the meeting of the special committee as follows:

Name of Independent Director	Audit and Risk Management Committee			Remuneration and Evaluation Committee		
	Number of meetings to attend	Number of meetings attended	Number of absence	Number of meetings to attend	Number of meetings attended	Number of absence
JI Feng	5	5	0	2	2	0

(II) The Exercise of Power as an Independent Director

In 2023, I did not propose to independently engage any intermediary to audit, consult or verify the specific matters of the Company; did not make any request to the Board to convene any extraordinary general meeting; did not propose to convene any Board meeting; did not solicit Shareholders' rights from Shareholders.

In 2023, I carefully reviewed the Company's annual report for 2022, first quarterly report for 2023, interim report for 2023 and third quarterly report for 2023, took the Company's report on finance and internal control on board, and took on board and reviewed the accounting firm's work plan and related materials on the audit of the Company's annual report. I provided specific opinions and requirements on the overall audit strategy, effectively fulfilled the responsibilities as an independent Director, and ensured the timely disclosure of the Company's annual report.

In 2023, I closely communicated with other Directors, senior management and other relevant staff of the Company through various means, taking advantage of opportunities such as attending board meetings, general meeting and other occasions at work, constantly monitored the impact of external environment and market changes on the Company, and comprehensively gained knowledge of the Company's daily operation, standard operation and possible business risks. Leveraging my expertise, I also promoted the scientific decision-making of the Board, monitored the implementation of the Board's resolutions, construction and implementation of the internal control system and the progress of material matters, and promoted the improvement of the standard of management of the Company.

III. KEY CONCERNS TO THE INDEPENDENT DIRECTORS IN PERFORMING DUTIES DURING THE YEAR

In 2023, I performed my duties in a careful, conscientious and prudent manner pursuant to the requirements of the Measures for the Administration of Independent Directors of Listed Companies and the Working System of Independent Directors of the Company, participated in Board meetings and special committee meetings of the Company and made independent and clear judgments on the legality and compliance of relevant matters prior to the Company's decision-making, the details of which are set out as follows:

(I) Discloseable Related Party Transactions

Related party transactions entered into by the Company in 2023 primarily include related party transactions in the ordinary course of business in 2023, confirmation of the holding of shares in the subsidiary proposed to be spun off by certain Directors, Supervisors, senior management and key employees of the Company, i.e. related party transactions, capital increase and related party transactions of ASIMCO (Nanjing) Limited, a wholly-owned subsidiary of the Company. The Company's related party transactions followed the principles of openness, fairness and justice, and did not adversely affect the Company's existing assets and ability to continue operations. The related parties abstained from voting when considering and approving such related party transactions, and the decision-making procedures of the Company's related party transactions were legal and effective, and did not harm the interests of the Company and shareholders as a whole, especially small and medium-sized investors.

(II) Fulfillment of Undertakings by the Company and its Shareholders

During the Reporting Period, all undertakings made by the Company and its Shareholders were effectively fulfilled in accordance with the agreement, and there was no breach of any undertaking by the Company and its Shareholders.

(III) Disclosure of Financial Information and Internal Control Evaluation Reports in Financial Accounting Reports and Periodic Reports

During the Reporting Period, the Company prepared and disclosed the Annual Report 2022, the First Quarter Report 2023, the Semi-Annual Report 2023 and the Third Quarter Report 2023 on a timely basis and in strict compliance with the requirements of the Company Law, the Securities Law, the Management Measures for Information Disclosure of Listed Companies and other laws, regulations and normative documents, and accurately disclosed the financial data and important matters in the corresponding Reporting Period, and fully revealed the Company's operation to investors.

The above reports were reviewed and approved by the Board and the Board of Supervisors of the Company. During the Reporting Period, the Company disclosed the 2022 Annual Internal Control Evaluation Report. In order to implement the Basic Norms for Enterprise Internal Control, strengthen the Company's internal control, improve the Company's operation and management level and risk prevention ability, the Company comprehensively carried out the construction, implementation and evaluation of internal control, and promoted the steady implementation of the enterprise internal control standard system. Currently, the Company has not identified any material defects in the design or execution of internal controls.

(IV) Accounting Firms Engaged in Auditing Services for Listed Companies

The Resolution on the Re-appointment of External Audit Institution and Internal Control Audit Institution for 2023 was considered and approved at the twenty second meeting of the fifth session of the Board of the Company held on 29 March 2023, pre-reviewed and approved by the Audit and Risk Management Committee of the fifth session of the Board of the Company, and was considered and approved at the 2022 annual general meeting. BDO China Shu Lun Pan Certified Public Accountants LLP was re-appointed as the domestic A-share financial auditing firm and internal control auditing firm of the Company for 2023, while PricewaterhouseCoopers was re-appointed as the H-share financial auditing firm of the Company for 2023, in each case being in accordance with the requirements of the Company Law and the Articles of Association. I, as an independent Director of the Company, conducted prior review of the matter and issued a pre-approving and concurring independent opinion that the appointment of the accounting firms as mentioned above could satisfy the auditing requirements of the Company, and the decision-making procedures for such appointments complied with the requirements of laws and regulations and the Articles of Association, without prejudice to the interests of the Company and Shareholders.

(V) Appointment or Dismissal of Financial Officer of Listed Companies

The Company held the second meeting of the sixth session of the Board on 29 December 2023, to consider and approve the Resolution on the Appointment of Deputy General Manager and Chief Financial Officer of the Company, which had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company. No financial officer was dismissed during the year.

The above appointment decision-making procedures complied with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VI) Nomination or Removal of Directors and Appointment or Dismissal of Senior Management

Election of the Board: The Company held the 32nd meeting of the fifth session of the Board on 15 November 2023, and reviewed and passed the Resolution on the Nomination of non-independent Directors for the Sixth Session of the Board of the Company and the Resolution on the Nomination of Independent Directors of the Sixth Session of the Board of the Company. The qualifications of the proposed non-independent Directors and independent Directors were pre-reviewed and approved by the Nomination Committee of the fifth session of the Board of the Company, and were elected and approved at the third extraordinary general meeting of 2023 held on 15 December 2023. Prior to the general meeting, the Company had democratically elected the staff Directors of the sixth session of the Board through the staff representative meeting.

Appointment of Senior Management: The Company held the second meeting of the sixth session of the Board on 29 December 2023, to review and approve the Resolution on the Appointment of the General Manager of the Company, Resolution on the Appointment of the Deputy General Manager and the Chief Financial Officer of the Company, Resolution on the Appointment of the Secretary to the Board of the Company, Joint Company Secretary, Authorized Representative and Securities Affairs Representative, etc. Among them, the qualifications of senior managers had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of the Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company.

The above procedures for nominating and electing Directors and appointing senior management personnel comply with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VII) Remuneration of Directors and Senior Management, Formulation or Alteration of Equity Incentive Schemes and Employee Stock Ownership Plans, Achievement of the Conditions for the Granting and Exercise of Rights and Interests of the Grantee, and the Arrangement of Shareholding Plans for the Directors and Senior Management in the Subsidiary to be Spun-off

Remuneration of Directors and Senior Management: The remuneration of Directors and senior management of the Company is in line with the actual business situation of the Company and the salary level of the industry and region in which they are located, and the assessment and payment procedures are in line with relevant national laws and regulations and the Articles of Association and other relevant provisions.

Progress of the Implementation of the Share Incentive Scheme: At the 26th meeting of the fifth session of the Board held on 9 June 2023, the Resolution on the Adjustment of the Repurchase Price of the 2021 Restricted Share Incentive Scheme, Resolution on the Repurchase and Cancellation of Certain Granted But Not Yet Released Restricted Shares Under the 2021 Restricted Share Incentive Scheme, Resolution on the Achievement of the Second Unlocking Conditions of the 2021 Restricted Share Incentive Scheme and the Resolution on the Adjustment of the Exercise Price of the 2019 Share Incentive Scheme. On 29 December 2023, the second meeting of the sixth session of the Board was held to consider and approve the Resolution on the Adjustment of the List of Participants and the Number of Options of the Company's 2019 Share Incentive Scheme and Cancellation of Certain Options and the Resolution on the Achievement of the Exercise Conditions of the Third Exercise Period of the Company's 2019 Share Incentive Scheme.

During the Reporting Period, the Company adjusted the repurchase price of the 2021 Restricted Share Incentive Scheme (hereinafter referred to as the "**Restricted Share Incentive Scheme**"), and repurchased and cancelled certain Restricted Shares that had been granted to the participants but had not yet been unlocked, and the second unlocking period of the Restricted Share Incentive Scheme was lifted. For the 170 qualified participants, the Company has proceeded with the second unlocking of Restricted Shares and applied for listing of those shares.

During the Reporting Period, the Company adjusted the exercise price, the list of participants and the number of options for the 2019 Share Option Incentive Scheme (hereinafter referred to as the "**Option Incentive Scheme**"), and cancelled certain share options that had been granted to the participants but had not been exercised. The exercise conditions of the third exercise period were achieved, and the Company intended to proceed with the exercise procedures for 283 participants that meet the exercise conditions.

As an independent Director of the Company, I carefully checked the adjustment and unlocking/exercise of the above share incentive schemes, and issued a concurrent independent opinion, believing that the above adjustment and unlocking/exercise are in line with the relevant provisions of the Measures for the Administration of Share Incentives of Listed Companies and the relevant consideration and decision-making procedures are legal and compliant, and did not harm the interests of the Company and shareholders.

Arrangement and Shareholding of Directors and Senior Management in the Subsidiary Proposed to be Spun-off: The Company intends to spin off its subsidiary, Zhengzhou Hengda Intelligent Control Technology Co., Ltd., for the initial public offering and listing of shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange. At the 23rd meeting of the fifth session of the Board held on 18 April 2023, and the 28th meeting of the fifth session of the Board held on 31 July 2023, the Company considered and approved the Resolution on the Holding of Shares by Certain Directors, Supervisors, Senior Management and Core Employees of the Company in a Subsidiary Proposed to be Spun-off and Related Party Transactions, approving the holding of shares by certain Directors, Supervisors, senior management of the Company, the Company's headquarters and the core employees of the coal machinery sector in Hengda Intelligent Holding, the subsidiary proposed to be spun-off. This resolution was considered and approved by the first extraordinary general meeting of the Company in 2023 held on 22 August 2023. As an independent Director of the Company, I conducted a prior review of the matter and issued a prior approved opinion and concurrent independent opinion. Certain Directors, Supervisors and senior management of the Company followed the principle of openness, fairness and justice in the pricing of the shareholding plan and related party transactions of the subsidiary to be spun-off, which did not harm the interests of the Company and all shareholders as a whole. The spin-off does not constitute a major asset reorganization as stipulated in the Administrative Measures for the Reorganization of Major Assets of Listed Companies, and the review procedure of the Board was legal and compliant.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During my term of office in 2023, I, as an independent Director, upheld the spirit of integrity and diligence to perform my duties in an objective, fair and independent manner. I acquired and secured relevant information in advance and fully utilized my expertise and experience to form independent, objective and reasonable opinions and recommendations on the Company's production, operation and relevant matters, conducted independent review on important documents including the annual financial report and formed opinion and recommendations, and effectively protected the legitimate interests of all our Shareholders, particularly minority Shareholders. My independent performance of duties was not affected by the substantial Shareholders and other companies or individuals that are interested parties of the Company.

In 2024, I will continue to perform duties in a conscientious, diligent and cautious manner to keep improving my performance and fully exert the independent role of independent Directors in accordance with the requirements of various laws and regulations, the Articles of Association and relevant governance rules, so as to facilitate the proper operation and healthy development of the Company and effectively safeguard the legitimate rights and interests of the Company and all Shareholders, especially small and medium Shareholders.

It is hereby reported as above.

Independent Director

JI Feng

28 March 2024

INDEPENDENT DIRECTOR – FANG YUAN

During 2023 (the “Reporting Period”), as an independent Director of Zhengzhou Coal Mining Machinery Group Company Limited (the “Company” or “ZMJ”), I strictly complied with the requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), as well as the Articles of Association and the Working System of Independent Directors of the Company (《公司獨立董事工作制度》). I performed my duties conscientiously, diligently and prudently, attended relevant meetings proactively, considered each resolution carefully, and expressed independent opinions on material matters of the Company, in a responsible manner to all shareholders. I fully played my role as an independent Director, effectively ensured the regulated operation of the Company, and protected the legitimate interests of the Company and its Shareholders, especially minority Shareholders. I hereby submit the report on my performance of duties as an independent Director in 2023:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I have been serving as an independent non-executive Director of the Company since March 2021. My basic information is as follows:

Fang Yuan (方遠), male, was born in 1977. I am qualified as a certified public accountant in the PRC with a master’s degree in business administration. Currently, I am the founding managing partner of Starquest Capital. Prior to founding Starquest Capital in 2018, I served as the head of LGT Capital Partners in China for 12 years. Before joining LGT Capital Partners in early 2007, I worked for AXA Private Equity Group in Singapore, focusing on fund investment and direct investment in the Pan-Asia region. I have over 20 years’ experience in the financial sector and hold a bachelor’s degree in accounting from Shanghai Jiao Tong University, a MBA degree from INSEAD Business School and an EMBA degree from Tsinghua University PBC School of Finance. I have been an independent non-executive director of VCREDIT Holdings Limited (stock code: HK02003).

As an independent Director of the Company, I do not hold any positions in the Company other than those of independent Director and member of the professional committee of the Board, nor do I hold any positions in or receive remuneration from the major shareholders of the Company. I have no interests in the Company and major shareholders or any other relationship that may hinder my independent and objective judgment, and there are no circumstances affecting my independence.

II. PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR DURING THE YEAR

(I) Attendance at Meetings

During the Reporting Period, I attended the general meetings, the Board meetings and special committee meetings of the Company proactively. I reviewed the information of the meetings, considered each resolution carefully, actively participated in discussions and provided reasonable recommendations. Upon adequate communication and discussion, the independent non-executive Directors voted for all the matters considered at the Board meetings and special committee meetings, and all the resolutions thereof were approved with no objection, opposition or abstention.

1. Attendance at the Board meetings and Shareholders' Meetings:

Name of Independent Director	Number of meetings to attend	Attendance of meetings of the Board				Inability to attend two consecutive meetings in person	Participation in Shareholders' General Meetings
		Number of meetings attended in person	Number of meetings attended by means of communication	Number of meetings attended by proxy	Number of absence		Times of participation in Shareholders' General Meetings
FANG Yuan	15	15	15	0	0	No	4

Note: Attending by means of communication is deemed as attending in person

2. *Attendance at the special committee meetings of the Board:*

As a member of the Remuneration and Assessment Committee of the Board of the Company, I attended the meeting of the special committee as follows:

Name of Independent Director	Remuneration and Evaluation Committee		
	Number of meetings to attend	Number of meetings attended	Number of absence
FANG Yuan	2	2	0

(II) *The Exercise of Power as an Independent Director*

In 2023, I did not propose to independently engage any intermediary to audit, consult or verify the specific matters of the Company; did not make any request to the Board to convene any extraordinary general meeting; did not propose to convene any Board meeting; did not solicit Shareholders' rights from Shareholders.

In 2023, I carefully reviewed the Company's annual report for 2022, first quarterly report for 2023, interim report for 2023 and third quarterly report for 2023, took the Company's report on finance and internal control on board, and took on board and reviewed the accounting firm's work plan and related materials on the audit of the Company's annual report. I provided specific opinions and requirements on the overall audit strategy, effectively fulfilled the responsibilities as an independent Director, and ensured the timely disclosure of the Company's annual report.

In 2023, I closely communicated with other Directors, senior management and other relevant staff of the Company through various means, taking advantage of opportunities such as attending board meetings, general meeting and other occasions at work, constantly monitored the impact of external environment and market changes on the Company, and comprehensively gained knowledge of the Company's daily operation, standard operation and possible business risks. Leveraging my expertise, I also promoted the scientific decision-making of the Board, monitored the implementation of the Board's resolutions, construction and implementation of the internal control system and the progress of material matters, and promoted the improvement of the standard of management of the Company.

III. KEY CONCERNS TO THE INDEPENDENT DIRECTORS IN PERFORMING DUTIES DURING THE YEAR

In 2023, I performed my duties in a careful, conscientious and prudent manner pursuant to the requirements of the Measures for the Administration of Independent Directors of Listed Companies and the Working System of Independent Directors of the Company, participated in Board meetings and special committee meetings of the Company and made independent and clear judgments on the legality and compliance of relevant matters prior to the Company's decision-making, the details of which are set out as follows:

(I) Discloseable Related Party Transactions

Related party transactions entered into by the Company in 2023 primarily include related party transactions in the ordinary course of business in 2023, confirmation of the holding of shares in the subsidiary proposed to be spun off by certain Directors, Supervisors, senior management and key employees of the Company, i.e. related party transactions, capital increase and related party transactions of ASIMCO (Nanjing) Limited, a wholly-owned subsidiary of the Company. The Company's related party transactions followed the principles of openness, fairness and justice, and did not adversely affect the Company's existing assets and ability to continue operations. The related parties abstained from voting when considering and approving such related party transactions, and the decision-making procedures of the Company's related party transactions were legal and effective, and did not harm the interests of the Company and shareholders as a whole, especially small and medium-sized investors.

(II) Fulfillment of Undertakings by the Company and its Shareholders

During the Reporting Period, all undertakings made by the Company and its Shareholders were effectively fulfilled in accordance with the agreement, and there was no breach of any undertaking by the Company and its Shareholders.

(III) Disclosure of Financial Information and Internal Control Evaluation Reports in Financial Accounting Reports and Periodic Reports

During the Reporting Period, the Company prepared and disclosed the Annual Report 2022, the First Quarter Report 2023, the Semi-Annual Report 2023 and the Third Quarter Report 2023 on a timely basis and in strict compliance with the requirements of the Company Law, the Securities Law, the Management Measures for Information Disclosure of Listed Companies and other laws, regulations and normative documents, and accurately disclosed the financial data and important matters in the corresponding Reporting Period, and fully revealed the Company's operation to investors.

The above reports were reviewed and approved by the Board and the Board of Supervisors of the Company. During the Reporting Period, the Company disclosed the 2022 Annual Internal Control Evaluation Report. In order to implement the Basic Norms for Enterprise Internal Control, strengthen the Company's internal control, improve the Company's operation and management level and risk prevention ability, the Company comprehensively carried out the construction, implementation and evaluation of internal control, and promoted the steady implementation of the enterprise internal control standard system. Currently, the Company has not identified any material defects in the design or execution of internal controls.

(IV) Accounting Firms Engaged in Auditing Services for Listed Companies

The Resolution on the Re-appointment of External Audit Institution and Internal Control Audit Institution for 2023 was considered and approved at the twenty second meeting of the fifth session of the Board of the Company held on 29 March 2023, pre-reviewed and approved by the Audit and Risk Management Committee of the fifth session of the Board of the Company, and was considered and approved at the 2022 annual general meeting. BDO China Shu Lun Pan Certified Public Accountants LLP was re-appointed as the domestic A-share financial auditing firm and internal control auditing firm of the Company for 2023, while PricewaterhouseCoopers was re-appointed as the H-share financial auditing firm of the Company for 2023, in each case being in accordance with the requirements of the Company Law and the Articles of Association. I, as an independent Director of the Company, conducted prior review of the matter and issued a pre-approving and concurring independent opinion that the appointment of the accounting firms as mentioned above could satisfy the auditing requirements of the Company, and the decision-making procedures for such appointments complied with the requirements of laws and regulations and the Articles of Association, without prejudice to the interests of the Company and Shareholders.

(V) Appointment or Dismissal of Financial Officer of Listed Companies

The Company held the second meeting of the sixth session of the Board on 29 December 2023, to consider and approve the Resolution on the Appointment of Deputy General Manager and Chief Financial Officer of the Company, which had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company. No financial officer was dismissed during the year.

The above appointment decision-making procedures complied with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VI) Nomination or Removal of Directors and Appointment or Dismissal of Senior Management

Election of the Board: The Company held the 32nd meeting of the fifth session of the Board on 15 November 2023, and reviewed and passed the Resolution on the Nomination of Non-independent Directors for the Sixth Session of the Board of the Company and the Resolution on the Nomination of Independent Directors of the Sixth Session of the Board of the Company. The qualifications of the proposed non-independent Directors and independent Directors were pre-reviewed and approved by the Nomination Committee of the fifth session of the Board of the Company, and were elected and approved at the third extraordinary general meeting of 2023 held on 15 December 2023. Prior to the general meeting, the Company had democratically elected the staff Directors of the sixth session of the Board through the staff representative meeting.

Appointment of Senior Management: The Company held the second meeting of the sixth session of the Board on 29 December 2023, to review and approve the Resolution on the Appointment of the General Manager of the Company, Resolution on the Appointment of the Deputy General Manager and the Chief Financial Officer of the Company, Resolution on the Appointment of the Secretary to the Board of the Company, Joint Company Secretary, Authorized Representative and Securities Affairs Representative, etc. Among them, the qualifications of senior managers had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of the Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company.

The above procedures for nominating and electing Directors and appointing senior management personnel comply with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VII) Remuneration of Directors and Senior Management, Formulation or Alteration of Equity Incentive Schemes and Employee Stock Ownership Plans, Achievement of the Conditions for the Granting and Exercise of Rights and Interests of the Grantee, and the Arrangement of Shareholding Plans for the Directors and Senior Management in the Subsidiary to be Spun-off

Remuneration of Directors and Senior Management: The remuneration of Directors and senior management of the Company is in line with the actual business situation of the Company and the salary level of the industry and region in which they are located, and the assessment and payment procedures are in line with relevant national laws and regulations and the Articles of Association and other relevant provisions.

Progress of the Implementation of the Share Incentive Scheme: At the 26th meeting of the fifth session of the Board held on 9 June 2023, the Resolution on the Adjustment of the Repurchase Price of the 2021 Restricted Share Incentive Scheme, Resolution on the Repurchase and Cancellation of Certain Granted But Not Yet Released Restricted Shares Under the 2021 Restricted Share Incentive Scheme, Resolution on the Achievement of the Second Unlocking Conditions of the 2021 Restricted Share Incentive Scheme and the Resolution on the Adjustment of the Exercise Price of the 2019 Share Incentive Scheme. On 29 December 2023, the second meeting of the sixth session of the Board was held to consider and approve the Resolution on the Adjustment of the List of Participants and the Number of Options of the Company's 2019 Share Incentive Scheme and Cancellation of Certain Options and the Resolution on the Achievement of the Exercise Conditions of the Third Exercise Period of the Company's 2019 Share Incentive Scheme.

During the Reporting Period, the Company adjusted the repurchase price of the 2021 Restricted Share Incentive Scheme (hereinafter referred to as the "**Restricted Share Incentive Scheme**"), and repurchased and cancelled certain Restricted Shares that had been granted to the participants but had not yet been unlocked, and the second unlocking period of the Restricted Share Incentive Scheme was lifted. For the 170 qualified participants, the Company has proceeded with the second unlocking of Restricted Shares and applied for listing of those shares.

During the Reporting Period, the Company adjusted the exercise price, the list of participants and the number of options for the 2019 Share Option Incentive Scheme (hereinafter referred to as the "**Option Incentive Scheme**"), and cancelled certain share options that had been granted to the participants but had not been exercised. The exercise conditions of the third exercise period were achieved, and the Company intended to proceed with the exercise procedures for 283 participants that meet the exercise conditions.

As an independent Director of the Company, I carefully checked the adjustment and unlocking/exercise of the above share incentive schemes, and issued a concurrent independent opinion, believing that the above adjustment and unlocking/exercise are in line with the relevant provisions of the Measures for the Administration of Share Incentives of Listed Companies and the relevant consideration and decision-making procedures are legal and compliant, and did not harm the interests of the Company and shareholders.

Arrangement and Shareholding of Directors and Senior Management in the Subsidiary Proposed to be Spun-off: The Company intends to spin off its subsidiary, Zhengzhou Hengda Intelligent Control Technology Co., Ltd., for the initial public offering and listing of shares on the Sci-Tech Innovation Board of the Shanghai Stock Exchange. At the 23rd meeting of the fifth session of the Board held on 18 April 2023, and the 28th meeting of the fifth session of the Board held on 31 July 2023, the Company considered and approved the Resolution on the Holding of Shares by Certain Directors, Supervisors, Senior Management and Core Employees of the Company in a Subsidiary Proposed to be Spun-off and Related Party Transactions, approving the holding of shares by certain Directors, Supervisors, senior management of the Company, the Company's headquarters and the core employees of the coal machinery sector in Hengda Intelligent Holding, the subsidiary proposed to be spun-off. This resolution was considered and approved by the first extraordinary general meeting of the Company in 2023 held on 22 August 2023. As an independent Director of the Company, I conducted a prior review of the matter and issued a prior approved opinion and concurrent independent opinion. Certain Directors, Supervisors and senior management of the Company followed the principle of openness, fairness and justice in the pricing of the shareholding plan and related party transactions of the subsidiary to be spun-off, which did not harm the interests of the Company and all shareholders as a whole. The spin-off does not constitute a major asset reorganization as stipulated in the Administrative Measures for the Reorganization of Major Assets of Listed Companies, and the review procedure of the Board was legal and compliant.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During my term of office in 2023, I, as an independent Director, upheld the spirit of integrity and diligence to perform my duties in an objective, fair and independent manner. I acquired and secured relevant information in advance and made use of my expertise and experience to form independent, objective and reasonable opinions and recommendations on the Company's production, operation and relevant matters, and effectively protected the legitimate interests of all our Shareholders, particularly minority Shareholders. My independent performance of duties was not affected by the substantial Shareholders and other companies or individuals that are interested parties of the Company.

In 2024, I will continue to perform duties in a conscientious, diligent and cautious manner to keep improving my performance and fully exert the independent role of independent Directors in accordance with the requirements of various laws and regulations, the Articles of Association and relevant governance rules, so as to facilitate the proper operation and healthy development of the Company and effectively safeguard the legitimate rights and interests of the Company and all Shareholders, especially small and medium Shareholders.

It is hereby reported as above.

Independent Director

FANG Yuan

28 March 2024

INDEPENDENT DIRECTOR – YAO YANQIU

During 2023 (the “**Reporting Period**”), as an independent Director of Zhengzhou Coal Mining Machinery Group Company Limited (the “**Company**” or “**ZMJ**”), I strictly complied with the requirements of relevant laws, regulations and regulatory documents such as the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the Code of Corporate Governance for Listed Companies (《上市公司治理準則》) and the Measures for the Administration of Independent Directors of Listed Companies (《上市公司獨立董事管理辦法》), as well as the Articles of Association and the Working System of Independent Directors of the Company (《公司獨立董事工作制度》). I performed my duties conscientiously, diligently and prudently, attended relevant meetings proactively, considered each resolution carefully, and expressed independent opinions on material matters of the Company, in a responsible manner to all shareholders. I fully played my role as an independent Director, effectively ensured the regulated operation of the Company, and protected the legitimate interests of the Company and its Shareholders, especially minority Shareholders. I hereby submit the report on my performance of duties as an independent Director in 2023:

I. BASIC INFORMATION OF THE INDEPENDENT DIRECTOR

I have been serving as an independent non-executive Director of the Company since 15 December 2023. My basic information is as follows:

Yao Yanqiu, female, was born in 1970. I am a second-grade lawyer with a postgraduate degree in economics and law from the Law School of Zhengzhou University. I have been engaged in the work of a lawyer since May 1994, and served as a partner and director of Henan Asia Pacific People’s Law Firm (河南亞太人律師事務所); since April 2017, I have been a senior partner of Shanghai Hiways (Zhengzhou) Law Firm (上海市海華永泰(鄭州)律師事務所). I served as a council of direct subordinate of Henan Provincial Lawyers Association, a director of the civil law business committee of direct subordinate of the Henan Provincial Lawyers Association, and a member of the administrative law business committee of direct subordinate of the Henan Provincial Lawyers Association; currently, I serve as a standing director of the administrative law association of the Henan Provincial Law Society, and an executive member of the real estate specialty committee of the Henan Provincial Lawyers Association. I have extensive experience in corporate governance, mergers and acquisitions of enterprises, real estate development, expropriation, as well as administrative litigation.

As an independent Director of the Company, I do not hold any positions in the Company other than those of independent Director and member of the professional committee of the Board, nor do I hold any positions in or receive remuneration from the major shareholders of the Company. I have no interests in the Company and major shareholders or any other relationship that may hinder my independent and objective judgment, and there are no circumstances affecting my independence.

II. PERFORMANCE OF DUTIES AS AN INDEPENDENT DIRECTOR DURING THE YEAR

(I) Attendance at Meetings

During the Reporting Period, I was present in the general meetings, attended the Board meetings and special committee meetings of the Company proactively. I reviewed the information of the meetings, considered each resolution carefully, actively participated in discussions and provided reasonable recommendations. Upon adequate communication and discussion, the independent non-executive Directors voted for all the matters considered at the Board meetings and special committee meetings, and all the resolutions thereof were approved with no objection, opposition or abstention.

1. Attendance at the Board meetings and Shareholders' Meetings:

Name of Independent Director	Number of meetings to attend	Attendance of meetings of the Board				Inability to attend two consecutive meetings in person	Participation in Shareholders' General Meetings
		Number of meetings attended in person	Number of meetings attended by means of communication	Number of meetings attended by proxy	Number of absence		Times of participation in Shareholders' General Meetings
YAO Yanqiu	2	2	1	0	0	No	0

Notes: (1) Attending by means of communication is deemed as attending in person; (2) I attended the third extraordinary general meeting of the Company in 2023 as a proposed independent Director on 15 December 2023, and was elected as an independent Director of the Company at that general meeting.

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2023
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2. *Attendance at the special committee meetings of the Board:*

As a member of the Audit and Risk Management Committee and Nomination Committee of the Board of the Company, I attended the meeting of the special committee as follows:

Name of Independent Director	Audit and Risk Management Committee			Remuneration and Evaluation Committee		
	Number of meetings to attend	Number of meetings attended	Number of absence	Number of meetings to attend	Number of meetings attended	Number of absence
YAO Yanqiu	1	1	0	1	1	0

(II) The Exercise of Power as an Independent Director

I have been serving as an independent Director of the Company since December 2023. During my tenure, I did not propose to independently engage any intermediary to audit, consult or verify the specific matters of the Company; did not make any request to the Board to convene any extraordinary general meeting; did not propose to convene any Board meeting; did not solicit Shareholders' rights from Shareholders. I closely communicated with other Directors, senior management and other relevant staff of the Company through various means, taking advantage of opportunities such as attending board meetings, general meeting, site visits and other occasions at work, constantly monitored the circumstances of the Company, and comprehensively gained knowledge of the Company's daily operation, standard operation and possible business risks. Leveraging my expertise, I also promoted the scientific decision-making of the Board, monitored the implementation of the Board's resolutions, construction and implementation of the internal control system and the progress of material matters, and promoted the improvement of the standard of management of the Company.

III. KEY CONCERNS TO THE INDEPENDENT DIRECTORS IN PERFORMING DUTIES DURING THE YEAR

Since serving as an independent Director of the Company, I performed my duties in a careful, conscientious and prudent manner pursuant to the requirements of the Measures for the Administration of Independent Directors of Listed Companies and the Working System of Independent Directors of the Company, participated in Board meetings and special committee meetings of the Company and made independent and clear judgments on the legality and compliance of relevant matters prior to the Company's decision-making, the details of which are set out as follows:

(I) *Discloseable Related Party Transactions*

During the Reporting Period, there were no new related party transactions during my tenure.

(II) *Fulfillment of Undertakings by the Company and its Shareholders*

During the Reporting Period, all undertakings made by the Company and its Shareholders were effectively fulfilled in accordance with the agreement, and there was no breach of any undertaking by the Company and its Shareholders.

(III) *Disclosure of Financial Information and Internal Control Evaluation Reports in Financial Accounting Reports and Periodic Reports*

During the Reporting Period, no new financial report was published by the Company during my tenure. The Company comprehensively carried out the construction, implementation and evaluation of internal control, and promoted the steady implementation of the enterprise internal control standard system. Currently, the Company has not identified any material defects in the design or execution of internal controls.

(IV) *Accounting Firms Engaged in Auditing Services for Listed Companies*

The Resolution on the Re-appointment of External Audit Institution and Internal Control Audit Institution for 2023 was considered and approved at the twenty second meeting of the fifth session of the Board of the Company held on 29 March 2023, pre-reviewed and approved by the Audit and Risk Management Committee of the fifth session of the Board of the Company, and was considered and approved at the 2022 annual general meeting. BDO China Shu Lun Pan Certified Public Accountants LLP was re-appointed as the domestic A-share financial auditing firm and internal control auditing firm of the Company for 2023, while PricewaterhouseCoopers was re-appointed as

the H-share financial auditing firm of the Company for 2023, in each case being in accordance with the requirements of the Company Law and the Articles of Association.

(V) Appointment or Dismissal of Financial Officer of Listed Companies

The Company held the second meeting of the sixth session of the Board on 29 December 2023, to consider and approve the Resolution on the Appointment of Deputy General Manager and Chief Financial Officer of the Company, which had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company. No financial officer was dismissed during the year.

The above appointment decision-making procedures complied with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VI) Nomination or Removal of Directors and Appointment or Dismissal of Senior Management

Election of the Board: The Company held the 32nd meeting of the fifth session of the Board on 15 November 2023, and reviewed and passed the Resolution on the Nomination of Non-independent Directors for the Sixth Session of the Board of the Company and the Resolution on the Nomination of Independent Directors of the Sixth Session of the Board of the Company. The qualifications of the proposed non-independent Directors and independent Directors were pre-reviewed and approved by the Nomination Committee of the fifth session of the Board of the Company, and were elected and approved at the third extraordinary general meeting of 2023 held on 15 December 2023. Prior to the general meeting, the Company had democratically elected the staff Directors of the sixth session of the Board through the staff representative meeting.

Appointment of Senior Management: I attended the second meeting of the sixth session of the Board on 29 December 2023, to review and approve the Resolution on the Appointment of the General Manager of the Company, Resolution on the Appointment of the Deputy General Manager and the Chief Financial Officer of the Company, Resolution on the Appointment of the Secretary to the Board of the Company, Joint Company Secretary, Authorized Representative and Securities Affairs Representative, etc. Among them, the qualifications of senior managers had been pre-reviewed and approved by the Nomination Committee of the sixth session of the Board of the Company, and the appointment of the Chief Financial Officer had been pre-reviewed and approved by the Audit and Risk Management Committee of the sixth session of the Board of the Company. The procedures for the appointment of senior

management comply with the provisions of relevant laws and regulations, normative documents and the Articles of Association.

(VII) Formulation or Alteration of Equity Incentive Schemes and Employee Stock Ownership Plans, Achievement of the Conditions for the Granting and Exercise of Rights and Interests of the Grantee

During the Reporting Period, I was present at the second meeting of the sixth session of the Board held on 29 December 2023 to consider and approve the Resolution on the Adjustment of the List of Participants and the Number of Options of the Company's 2019 Share Incentive Scheme and Cancellation of Certain Options and the Resolution on the Achievement of the Exercise Conditions of the Third Exercise Period of the Company's 2019 Share Incentive Scheme. The Company adjusted the list of participants and the number of options for the 2019 Share Option Incentive Scheme (hereinafter referred to as the "**Option Incentive Scheme**"), and cancelled certain share options that had been granted to the participants but had not been exercised. The exercise conditions of the third exercise period were achieved, and the Company intended to proceed with the exercise procedures for 283 participants that meet the exercise conditions. As an independent Director of the Company, I carefully checked the adjustment and exercise of the above share incentive schemes, and issued a concurrent independent opinion, believing that the above adjustment and unlocking/exercise are in line with the relevant provisions of the Measures for the Administration of Share Incentives of Listed Companies and the relevant consideration and decision-making procedures are legal and compliant, and did not harm the interests of the Company and shareholders.

IV. OVERALL EVALUATION AND RECOMMENDATIONS

During my term of office in 2023, I, as an independent Director, upheld the spirit of integrity and diligence to perform my duties in an objective, fair and independent manner. I acquired and secured relevant information in advance and effectively protected the legitimate interests of all our Shareholders, particularly minority Shareholders. My independent performance of duties was not affected by the substantial Shareholders and other companies or individuals that are interested parties of the Company.

ANNEX A	REPORT OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS ON THEIR PERFORMANCE FOR THE YEAR 2023
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In 2024, I will continue to perform duties in a conscientious, diligent and cautious manner to keep improving my performance and fully exert the independent role of independent Directors in accordance with the requirements of various laws and regulations, the Articles of Association and relevant governance rules, so as to facilitate the proper operation and healthy development of the Company and effectively safeguard the legitimate rights and interests of the Company and all Shareholders, especially small and medium Shareholders.

It is hereby reported as above.

Independent Director

YAO Yanqiu

28 March 2024

In accordance with the relevant requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Guideline No. 5 on Self-discipline Supervision of Listed Companies of the Shanghai Stock Exchange – Transactions and Related Party Transactions, the estimated daily related party transactions of the Company in 2024 are reported as follows:

I. ESTIMATED AMOUNT AND CATEGORY OF THE DAILY RELATED PARTY TRANSACTIONS FOR 2024

Estimated amount and category of the daily related party transactions for 2024:

Type of related party transaction	Related parties	Estimated amount for the year (RMB0'000)	Percentage of similar business (%)	Accumulated amount of transactions with related parties from the beginning of the year	Actual amount for the previous year	Percentage of similar business (%)
				to the reporting date (RMB0'000)	(RMB0'000)	
Purchase of goods and receipt of services from related parties	Zhengzhou Suda Industrial Machinery Service Co., Ltd.	25,000.00	0.84	1,713.84	23,234.23	0.82
	ZMJ Intelligent Mining Face Technology Co., Ltd.	13,000.00	0.43	1,915.32	7,972.23	0.28
	Nanjing Bestway Intelligent Control Technology Co., Ltd.	15,000.00	0.50	1,835.83	11,175.51	0.39
	Anyang Iron & Steel Group Co., Ltd.	300,000.00	10.04	47,879.50	264,159.52	9.31
	Others	15,000.00	0.50	1,789.00	9,439.12	0.33
	Sub-total	368,000.00	12.31	55,133.49	315,980.61	11.14
Sales of goods and rendering of services to related parties	Zhengzhou Suda Industrial Machinery Service Co., Ltd.	15,000.00	0.38	1,410.54	10,825.95	0.30
	Others	2,000.00	0.05	189.98	573.24	0.02
	Sub-total	17,000.00	0.44	1,600.52	11,399.19	0.31
Other daily related party transactions	ZMJ Intelligent Mining Face Technology Co., Ltd.	800.00	0.02	108.10	377.4	0.01
	Others	1,000.00	0.03	57.36	891.76	0.02
	Sub-total	1,800.00	0.05	165.46	1,269.16	0.03
	Total	386,800.00	5.61	56,899.47	328,648.96	5.07

Estimated amount of daily related party transactions of factoring business in 2024:

Type of related party transaction	Related parties	Estimated factoring amount for the year (RMB0' 000)	Estimated factoring interest income (RMB0' 000)	Actual factoring amount for the previous year (RMB0' 000)	Actual factoring interest income for the previous year (RMB0' 000)
Factoring business	ZMJ Intelligent Mining Face Technology Co., Ltd.	10,000.00	300.00	4,500.00	147.77
	Luoyang Bearing Group Co., Ltd.	10,000.00	300.00		
	Zhengzhou Suda Industrial Machinery Service Co., Ltd.	10,000.00	300.00	9,054.92	129.46
	Others	12,000.00	360.00		
	Total	42,000.00	1,260.00	13,554.92	277.23

II. INTRODUCTION AND RELATIONSHIP WITH MAJOR RELATED PARTIES

1. Zhengzhou Suda Industrial Machinery Service Co., Ltd.

Name of the enterprise: Zhengzhou Suda Industrial Machinery Service Co., Ltd. (“Suda”)

Unified social credit code: 91410100692197704R

Type: Joint stock limited company (unlisted, invested or controlled by natural person)

Registered capital: RMB57,000,000

Date of establishment: 07 July 2009

Legal representative: Li Xiyuan

Domicile: West of the intersection of Huanghai Road and Planned Gongye No. 5 Street, Zhengzhou Airport Economic Comprehensive Experimental Zone, Henan Province

Scope of business: Sales of special machinery accessories for coal mine, engineering and tunnel construction; production, repair and maintenance of special

machinery and equipment for coal mine, engineering and tunnel construction; leasing and sales of coal mining equipment; technical services for complete set of coal mining equipment; hydraulic hose assembly buckling installation; sales of hydraulic hoses, connectors and other hydraulic components; technology development and technical services for fluid connection safety protection products; sales of liquid connection safety protection products; recycling of waste materials; recycling and reuse of recycled materials; being engaged in import and export of goods and technology.

Related relationship: The Company holds approximately 11,300,000 shares of Suda, representing 19.82% of its total share capital, and Mr. Zhang Haibin, deputy general manager of the Company, serves as a director of Suda, and Mr. Zhang Yichen, secretary to the Board of the Company, serves as the chairman of board of supervisors of Suda, therefore, Suda is a related legal person of the Company.

Suda has good financial position and strong performance ability.

2. ZMJ Intelligent Mining Face Technology Co., Ltd.

Name of the enterprise: ZMJ Intelligent Mining Face Technology Co., Ltd.
 (“**Intelligent Mining Face Company**”)

Unified social credit code: 91410100MA466C0K9P

Type: Limited liability company (invested or controlled by natural person)

Registered capital: RMB100,000,000

Date of establishment: 20 December 2018

Legal representative: Zhang Wenqi

Domicile: No. 92, Jingnan 4th Road, Zhengzhou Area (Economic Development) of Henan Pilot Free Trade Zone

Scope of business: Research and development, design, processing and manufacturing of mining machinery, equipment and accessories; mechanical and electrical equipment (excluding cars) and accessories, general mechanical equipment and accessories; electrical automation equipment and accessories; research and development, manufacturing and sales of petroleum automation equipment; maintenance of mining equipment (excluding special equipment) and accessories; maintenance of mechanical and electrical equipment (excluding cars) and accessories; maintenance of general mechanical equipment and accessories; maintenance of electrical automation equipment and accessories; corporate management consulting; import and export of goods or technology; import and export of coal mining machinery, roadheaders, scraper conveyor, explosion-proof electrical products, special mining equipment, mining communication equipment,

mine auxiliary transportation equipment, mining machinery equipment, complete sets of equipment and technology.

Related relationship: The Company holds a 28% interest in the equity of Intelligent Mining Face Company, and Wang Yongqiang, deputy general manager of the Company, serves as its director, therefore, Intelligent Mining Face Company is a related legal person of the Company.

Intelligent Mining Face Company has good financial position and strong performance ability.

3. Nanjing Bestway Intelligent Control Technology Co., Ltd.

Name of the enterprise: Nanjing Bestway Intelligent Control Technology Co., Ltd. (“**Bestway Intelligent Control**”)

Unified social credit code: 91320115663777275W

Type: Joint stock limited company (listed)

Registered capital: RMB87,681,160

Date of establishment: 13 August 2007

Legal representative: Yu Shengli

Domicile: No. 50 Baoxiang Road, Jiangning Binjiang Economic Development Zone, Nanjing

Scope of business: Development, production, sales and technical services of network equipment, communication equipment, mining communication equipment and electronic products; design, construction and system integration of communication engineering, computer network, mechanical and electrical engineering, coal mine automation engineering; software development; security engineering design and construction; general instrument manufacturing. (For projects subject to approval in accordance with the law, business activities can only be carried out after approval by relevant authorities.) General project: Intelligent control system integration (except for projects subject to approval according to law, business activities shall be carried out independently according to law with business license).

Related relationship: The Company holds approximately 6% of the shares of Bestway Intelligent Control, and Wang Yongqiang, deputy general manager of the Company, serves as its director, therefore, Bestway Intelligent Control is a related legal person of the Company.

Bestway Intelligent Control has good financial position and strong performance ability.

4. Anyang Iron & Steel Group Co., Ltd.

Name of the enterprise: Anyang Iron & Steel Group Co., Ltd. (“**Anyang Iron & Steel Group**”)

Unified social credit code: 91410000706780942L

Type: Limited liability company (sole proprietorship invested or controlled by non-natural person)

Registered capital: RMB3,771,936,000

Date of establishment: 27 December 1995

Legal representative: Bo Xuebin

Domicile: Meiyuanzhuang, Yindu District, Anyang Municipality

Scope of business: Export of self-produced products and related technologies of the Company; import of raw and auxiliary materials, machinery and equipment, instruments and meters, spare parts and related technologies required for production and scientific research of the Company itself; processing of imported materials and “Three Import and One Compensation Trading” business of the Company itself. Production and sales of beverage, purified water, frozen beverage and house leasing (operation of the above shall be limited to branches with a valid license). Operation of state-owned assets authorized by the government, production and operation of metallurgical products and by-products, steel extension products, chemical products (excluding flammable, explosive and dangerous goods), metallurgical auxiliary materials, machining products, agricultural and sideline products (excluding cotton, tobacco, cocoon and grain); design, manufacture and operation of metallurgical electromechanical equipment, technical services, collaboration and consulting services; leveraging its own television stations, publication of domestic television advertisements and undertaking classified television advertising business. Sales of home appliances and accessories, cultural and sports goods, broadcasting and television equipment; accommodation, catering, tourism management, software and information technology services; bidding agent.

Related relationship: Anyang Iron & Steel Group is a holding subsidiary of Henan State-owned Capital Operation Group Co., Ltd. (河南國有資本運營集團有限公司) (“**Henan Capital Group**”), a shareholder holding more than 5% of the shares of the Company, and Anyang Iron & Steel Group is a related legal person of the Company.

Anyang Iron & Steel Group has good financial position and strong performance ability.

5. Luoyang Bearing Group Co., Ltd.

Name of the enterprise: Luoyang Bearing Group Co., Ltd.(formerly known as Luoyang LYC Bearing Co., Ltd.) (“**Luoyang Bearing Group**”)

Unified social credit code: 914103007694752837

Type: Other limited liability company

Registered capital: RMB600,000,000

Date of establishment: 6 December 2004

Legal representative: Wang Xinying

Domicile: No. 96 Jianshe Road, Jianxi District, Luoyang Municipality

Scope of business: General items: manufacturing of bearings; sales of bearings; manufacturing of bearings, gears and transmission parts; sales of bearings, gears and transmission parts; research and development of new material technology; technical services, technology development, technical consultation, technical exchanges, technology transfer, technology promotion; import and export of goods; import and export of technology; import and export agent; production of bearing steel products; measurement technology services; testing machine manufacturing; information system integration services; housing leasing; machinery equipment leasing; non-residential real estate leasing; transportation equipment leasing services; repair of metal products; repair of special equipment; repair of electrical equipment; sales of metal materials; manufacture of special chemical products (excluding hazardous chemicals); sales of special chemical products (excluding hazardous chemicals) (Except for items subject to approval in accordance with the law, business activities shall be carried out independently in accordance with the law with the business licence) Items subject to approval: Inspection and testing services (projects that are subject to approval in accordance with the law may be carried out only after approval by the relevant departments; specific business projects are subject to the approval documents or permits of the relevant departments).

Related relationship: The Company holds 15% equity interest in Luoyang Bearing Group indirectly, and Mr. Wang Xinying, an ex-director of the Company, serves as the chairman of Luoyang Bearing Group, therefore Luoyang Bearing Group is a related legal person of the Company.

Luoyang Bearing Group has good financial position and strong performance ability.

III. MAIN CONTENTS AND PRICING POLICIES OF RELATED PARTY TRANSACTIONS

The Company is principally engaged in the research and development, production and sales of coal mining machinery and auto parts. ZMJ Commercial Factoring Co., Ltd., a wholly-owned subsidiary of the Company, is principally engaged in the provision of trade financing by way of transfer of accounts receivable, settlement, management and collection of accounts receivable and management of sales ledger.

According to the business characteristics and business development needs of the Company and its relevant subsidiaries, the Company and the above-mentioned related parties will continue to conduct daily related party transactions in the ordinary course of business in the purchase of raw materials, auxiliary parts, equipment, sales of products, commodities, receipt of labor services, building leasing and commercial factoring business.

The pricing policies for the transactions between the Company and its subsidiaries and the above related parties are: based on the principles of openness, fairness and justice, refer to the state-prescribed prices or implement the state requirements where available; Where there is no state-prescribed price or state requirement, the fair market price of the most comparable product and production collaboration shall apply; If no fair market price is available, the price will be negotiated and determined by both parties based on the principles of mutual benefit and fairness.

IV. PURPOSE OF THE RELATED PARTY TRANSACTION AND ITS IMPACT ON THE LISTED COMPANY

The above-mentioned related party transactions are necessary for the normal business operations of the Company. The pricing policies of each daily related party transaction shall strictly follow the general commercial principles of openness, fairness, justice and compensation of equal value, which are conducive to the business development of the Company, and are expected to play a positive supporting role in the daily business operations of the Company, without prejudice to the overall interests and long-term interests of the Company, and without prejudice to the interests of all shareholders of the Company, especially minority shareholders. The above-mentioned related party transactions did not form a significant reliance on related parties.

This proposal has been pre-considered and approved by the first meeting of the sixth session of the independent board committee of the Company in 2024, and considered and approved by the third meeting of the sixth session of the Board and the third meeting of the sixth session of the Board of Supervisors of the Company. For details, please refer to the announcement on daily related party transactions in 2023 and expected daily related party transactions in 2024 published by the Company on the website of the Shanghai Stock Exchange on 29 March 2024 (announcement number: Lin 2024-006).

In accordance with the requirements of the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the Guideline No. 5 on Self-discipline Supervision of Listed Companies of the Shanghai Stock Exchange – Transactions and Related Party Transactions, related party shareholders shall abstain from voting when considering the expected daily related party transactions in 2024 at the general meeting of the Company.

This is hereby submitted for the consideration and approval by the Shareholders and shareholder representatives.

In order to further improve the legal person governance structure of Zhengzhou Coal Mining Machinery Group Company Limited (hereinafter referred to as the “Company” or the “Listed Company”), improve the long-term incentive and restraint mechanism of the Listed Company, motivate the new core management team of the Listed Company, and effectively align the interests of shareholders, the Listed Company and the team to ensure the realization of the Company’s long-term development strategy and business goals. In accordance with the provisions of the Company Law, Securities Law and other relevant laws, regulations and normative documents, as well as the Articles of Association, the Company has specifically formulated this incentive scheme.

I. GUIDING PRINCIPLES

- (I) Adhere to the long-term incentive and restraint mechanism and align the interests of shareholders, the Company and the team;
- (II) Adhere to strategic guidance and achieve long-term value and returns for the Listed Company;
- (III) Adhere to market orientation and combine industry attributes and the Company’s development;
- (IV) Comply with the relevant provisions of laws, regulations, normative documents and the Articles of Association.

II. SCOPE OF PARTICIPANTS

Participants of the incentive scheme are Directors, supervisors, senior management and middle-level principals and middle-level deputy employees of the Company who work full-time in the Listed Company and hold senior leadership positions. The above-mentioned participants need to sign an employment contract with the Listed Company or its holding company. Directors and supervisors who work part-time in the Listed Company are not eligible for the scope of participants under this incentive scheme.

III. SETTLEMENT AND APPROPRIATION OF THE PERFORMANCE INCENTIVES

(I) Incentive cycle

The implementation cycle of this incentive scheme uses 2024, 2025, and 2026 as the three assessment years, and performance incentives are appropriated on an annual basis.

(II) Appropriation of the performance incentives

1. When the annual weighted average return on net assets (hereinafter referred to as “ROE”) achieved by the Listed Company in any assessment year exceeds the annual target value for ROE, or when the cumulative ROE during the incentive cycle exceeds the three-year

cumulative target value, a certain proportion of the Listed Company's net profit attributable to the parent company (hereinafter referred to as "Net Profit Attributable to the Parent") will be appropriated as incentives to be vested to participants as performance incentives.

2. Appropriation of the performance incentives:

- (1) When the ROE achieved in 2024, 2025 or 2026 is $\geq 12\%$, 1.2% of the Net Profit Attributable to the Parent in that assessment year will be appropriated as performance incentives; in 2024, 2025 or 2026 when the ROE achieved is $\geq 15\%$, 1.5% of the Net Profit Attributable to the Parent in that assessment year will be appropriated as performance incentives; if the ROE achieved in 2024, 2025 or 2026 is $< 12\%$, no appropriation will be made for the current year in which the assessment indicators have not been completed;
- (2) When the cumulative ROE for the three years ended 2024, 2025 and 2026 is $\geq 12\%$, 1.2% of the cumulative Net Profit Attributable to the Parent in the three years will be appropriated as performance incentives; when the cumulative ROE for the three years ended 2024, 2025 and 2026 is $\geq 15\%$, 1.5% of the three-year cumulative Net Profit Attributable to the Parent will be appropriated as performance incentives;
- (3) When the cumulative ROE for the three years ended 2024, 2025 and 2026 is $< 12\%$, all performance incentives will be cancelled.

(III) Provisions made in the current year shall be calculated in three years, and the final results shall be calculated after the publication of the 2026 annual report.

(IV) The formulae for the relevant indicators are as follows:

1. Annual weighted average return on equity (ROE) = the net profit of the Listed Company attributable to the owners of the parent company in a certain year during the incentive period \div the weighted average of the owner's equity of the Listed Company attributable to the parent company at the end of the year $\times 100\%$;
2. The three-year cumulative ROE for 2024, 2025 and 2026 = the annual average of the net profit attributable to the owners of the parent company of the Listed Company from the beginning to the end of the incentive cycle \div the annual weighted average equity of the Listed Company attributable to the owners of the parent company from the beginning to the end of the incentive cycle $\times 100\%$; where the beginning of the period refers to 1 January 2024, and the end of the period refers to 31 December 2026;

3. The “net profit attributable to the owners of the parent company” and the “equity of the Listed Company attributable to the owners of the parent company” used in the calculation of the above indicators do not deduct the performance incentives to be accrued according to this incentive scheme.

(V) During the incentive cycle, if any of the following circumstances occurs to the Listed Company, performance incentives shall not be accrued in that assessment year:

1. The certified public accountant issues an audit report with an adverse opinion or a disclaimer of opinion on the financial accounting report for a certain assessment year;
2. The certified public accountant issues an audit report with an adverse opinion or a disclaimer of opinion on the internal control of the financial report for a certain assessment year;
3. The Listed Company fails to distribute profits in accordance with laws, regulations, Articles of Association or public commitments in a certain assessment year;
4. Other circumstances determined by the China Securities Regulatory Commission and the Securities and Futures Commission of Hong Kong.

(VI) The finance, accounting treatment and taxation involved in this incentive scheme shall be implemented in accordance with the relevant financial systems, relevant accounting standards, and taxation systems, and shall be finally audited and confirmed by the accounting firm responsible for the Company’s annual review.

IV. JOB COEFFICIENT

- (I) Job coefficient and performance appraisal coefficient are determined after comprehensive consideration of the importance of the position held by the participants and the results of personal performance evaluation, respectively, thus ensuring the fair and reasonable allocation of performance incentives.
- (II) Job coefficient is developed based on factors such as the contribution value of such position to the Company, the risk and responsibilities assumed, the impact on the Company’s future performance growth plan and international management and control.

- (III) 80% of the performance incentives will be allocated to senior positions, and 20% will be allocated to mid-level positions. In particular, the job coefficients of senior positions are as follows:

No.	Position	Number of people	Coefficient
1	Chairman	1	1.25
2	Vice Chairman	1	1
3	Other Directors, supervisors, senior management and other senior leadership	9	0.2-0.6
	Total	11	

Note: Coefficients for middle-level positions will be separately formulated by the Company's management based on the actual situation of the positions.

- (IV) Subject to the compliance with the provisions of policies, laws and regulations, senior leadership such as Directors, supervisors and senior managers of listed companies are encouraged to give priority to using the performance incentives received to invest in the shares of the Listed Company, directly or indirectly, at opportune times to enhance the investment value of the Listed Company.

V. MEASURES FOR THE CALCULATION AND MANAGEMENT OF INCENTIVES FOR PARTICIPANTS

The performance incentives received by individual participant are linked to their job coefficients and performance appraisal results.

- (I) Formula: $FAT = F \times GW \times JX$

Where, FAT: the performance incentives that can be distributed to the participant;

F: the total amount of performance incentives that can be appropriated this year;

GW: the job coefficient of the participant;

JX: the performance appraisal coefficient of the participant for this year (i.e., the allocable performance incentive coefficient, which is set in three levels based on the individual performance appraisal results, namely 1, 0.8, and 0. See below for specific assessment methods).

(II) Treatment of unallocated performance incentives for the current year:

When the total pre-tax performance incentives that can be distributed to each participant calculated based on the job coefficient and performance appraisal coefficient of each participant is less than the total performance incentives appropriated this year, the balance will be carried forward to the next year for redistribution.

VI. ASSESSMENT METHODS FOR ANNUAL APPRAISAL COEFFICIENTS OF PARTICIPANTS

(I) Performance appraisal principle

1. Closely integrate with the Company's strategic goals;
2. The Company's development goals are aligned with personal development goals;
3. Combine qualitative and quantitative assessment;
4. Evaluate organizational and individual performance fairly, impartially and reasonably.

(II) Performance appraisal cycle and appraisal methods

1. The Company's performance appraisal year is a performance appraisal cycle.
2. Performance appraisal score = annual KPI appraisal + annual 360 appraisal:

- (1) The annual KPI assessment includes financial assessment indicators and key work assessment indicators:

Financial assessment indicators include: operating income, Net Profit Attributable to the Parent, net operating cash flow, per capita performance and other performance assessment indicators;

Key work assessment indicators include: key work matters that this position is responsible for based on job responsibilities.

- (2) The annual 360-degree evaluation is based on scores from direct supervisors, peers and subordinates.

3. The individual allocable performance incentives coefficient is determined based on the annual performance appraisal score of the participant. The specific application is as follows:

Assessment results (points)	80 ≤ assessment results ≤ 100	60 ≤ assessment results ≤ 80	Assessment results < 60
Distributable performance incentives coefficient	1	0.8	0

Note: The actual performance incentives available to an individual for the year = the performance incentives receivable by the individual for the current year × the allocable performance incentives coefficient

VII. DISTRIBUTION AND PAYMENT OF INCENTIVES

During the incentive cycle, the performance incentives allocated to each participant will be appropriated and calculated every year according to this scheme.

- (I) If the ROE annual target value is achieved in the current year, performance incentives will be appropriated that year;
- (II) If the ROE annual target value is not achieved in the current year, no performance incentives will be appropriated that year;
- (III) After the incentive period ends, calculations will be made based on the actual completion of the three-year cumulative ROE in accordance with the performance incentives appropriation method in Chapter 3 of this incentive scheme and in combination with the performance appraisal results, employment and changes of the participants;
- (IV) The Board of the Company authorizes the Remuneration and Assessment Committee of the Board to decide on the performance incentives allocation and distribution plan.

VIII. MANAGEMENT OF UNUSUAL CHANGE OF PARTICIPANTS**(I) Situations in which participants lose their qualifications for incentives distribution**

If a participant has any of the following circumstances during his term of office, the Company has the right to cancel all incentives received under this incentive scheme, return all the incentives received to the Company, and cancel his or her qualification for the distribution of the remaining distributable incentives:

1. Being held criminally responsible for criminal offenses;
2. Dimission or resigning without authorization before the labor contract expires and without the consent of the Company;
3. Violating labor laws and other regulations, and being dismissed or fired by the Company according to law when the labor contract is terminated;
4. Seriously violating the Company's relevant management systems and regulations and harming the Company's interests;
5. Misconduct while performing duties, resulting in significant losses to the Company's interests;
6. Other circumstances as determined by the Board.

(II) Unusual changes in participants will be divided into the following situations

1. **Coming on board:** For participants that newly enter the scope of participants after the disclosure of this incentive scheme, the incentives will be calculated based on their actual tenure after becoming a regular employee.
2. **Transfer:** If the participants are still within the scope of the participants after changes at the same level or across levels, the incentives will be calculated based on the actual service time of each position.
3. **Non-horizontal concurrent posts:** If the participants involve concurrent posts at both upward and downward levels, the incentives will be calculated based on the position with higher value; for those with concurrent posts at the same level, incentives will be calculated based on positions with higher value, and will be assessed on the same basis.

4. Withdrawal

(1) *Withdrawal without fault*

If a participant loses the qualification as a participant due to any of the following withdrawal circumstances, the incentives will be calculated based on the actual service period of the participant. The specific allocation and distribution will be uniformly calculated and implemented by the Company in accordance with the provisions of this scheme:

- ① Reach the statutory retirement age and go through retirement procedures in accordance with the law;
- ② Step down from leadership role in accordance with the management regulations of the Listed Company and the position held by that time no longer fall within the scope of the participants under this incentive scheme;
- ③ If the employment with the Company is terminated due to work-related injuries or non-personal reasons, loss of working ability, death or declaration of death, or changes in the labor contract, the employee is no longer eligible for entitlement; in particular, in the case of the death of the participant, his or her successor can inherit the incentives that has been allocated according to the relevant laws and regulations;
- ④ Due to the requirements of work, the participant moves to an enterprise that has an equity relationship with the Company (collectively referred to as “ZMJ Entities”) but is not within the scope of this incentive scheme;
- ⑤ The participant is unable to return to his or her original role due to illness at the expiration of the prescribed medical treatment period, and is still working in a ZMJ Entity, but is no longer eligible as a participant;
- ⑥ Participants are no longer eligible for incentives due to job changes or failure to achieve the benchmark of the annual appraisal, but are still employed in a ZMJ Entity.

(2) *Withdrawal due to fault*

If the participant loses the qualification as a participant due to any of the following withdrawal situations, the participant will lose all performance incentive distribution qualifications, all the incentives received shall be returned to the Company, and its remaining distributable incentives will be canceled and no incentives will be distributed:

- ① Resigning before the incentives are distributed (including but not limited to resignation, negotiation to terminate the labor contract or employment contract, termination of the labor contract or employment contract) and no longer working in a ZMJ Entity;
- ② The labor contract being terminated due to serious violation of the Company's rules and regulations;
- ③ Disregarding the labor contract, confidentiality and non-competition restrictions, employee handbook, Articles of Association and other provisions of rules and regulations of the Company, causing significant losses to the Company;
- ④ Spreading remarks that damage the Company's image and interests and causing serious negative impact on the Company;
- ⑤ Serious dereliction of duty, malpractice for personal gain, causing significant damage to the Company;
- ⑥ Taking advantage of the position to engage in corruption, bribery, and enriching one's own pockets;
- ⑦ Having improper financial dealings with personnel from competing companies in the same industry or upstream and downstream companies in the industry, causing significant losses to the Company;
- ⑧ Leakage of company secrets, sensitive information, major business initiatives and important management measures, causing significant losses to the Company;
- ⑨ Other circumstances of wrongful withdrawal as determined by the Company.

5. Others

If other unspecified circumstances occur to the participants, the Company will study and determine the specific handling method based on the actual situation.

IX. OTHERS

- (I) In accordance with the principle of non-duplication of incentives, during the duration of this incentive scheme, if the Company or its subordinate units have other performance incentive schemes, the higher one will be used as the incentives.
- (II) The general meeting of the Listed Company is the highest decision-making body of this incentive scheme, responsible for reviewing and approving this incentive scheme and modifications or changes to this incentive scheme, and authorizing the Board to review and approve the annual performance incentives accrual plan, allocation and distribution plan.
- (III) The Board of the Listed Company is the highest management body of this incentive scheme, responsible for formulating or revising this incentive scheme and submitting it to the general meeting for review. It is also responsible for the explanation of this incentive scheme, reviewing and approving the annual performance incentives accrual plan, and authorizing the Remuneration and Assessment Committee to review and approve the specific implementation of allocation and distribution; and implementation of all other necessary matters required for the implementation of these measures.
- (IV) If the contents of this scheme are in conflict with relevant national laws and regulations, the relevant laws and regulations shall prevail. The Company will promptly revise this incentive scheme in accordance with relevant national laws and regulations.

Zhengzhou Coal Mining Machinery Group Company Limited
28 March 2024