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ZMJ Group Company Limited
中創智領(鄭州)工業技術集團股份有限公司

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

(Stock code: 00564)

REVISION TO ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS

References are made to the announcements of ZMJ Group Company Limited (中創智領(鄭州)工業技術集團股份有限公司) (the "**Company**") dated 21 March 2025, 28 May 2025 and 18 July 2025 and the circular dated 29 May 2025 (the "**Circular**") in relation to, among others, the Commodities and Services Framework Agreement entered into by the Company and Anyang Iron & Steel Group Co., Ltd. ("**Ansteel Group**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

For the reasons stated in this announcement, the Board approved on 28 August 2025 the revision to the annual caps of the total amount of commodities purchased by Ansteel Group from the Group for the year ended 31 December 2025 under the Commodities and Services Framework Agreement.

COMMODITIES AND SERVICES FRAMEWORK AGREEMENT

The Company entered into the Commodities and Services Framework Agreement with Ansteel Group on 21 March 2025, pursuant to which, the Group will purchase steel products (including steel plates and coils, primarily for use in the Group's machinery and automobile manufacturing, as well as for external sales) and industrial gases (including liquid oxygen and liquid argon, etc.) from Ansteel Group, and receive steel transportation services; while Ansteel Group will purchase steel products (primarily continuous casting billets, i.e., the product obtained by casting molten steel through a continuous casting machine, which is an intermediate product in steel production and the basic material for making steel products, such as steel plates) from the Group.

PRICING POLICY

The purchase prices of the Group's purchase of steel products such as steel plates and coils and industrial gases such as liquid oxygen and liquid argon from Ansteel Group, and Ansteel Group's purchase of continuous casting billets and other steel products from the Group will be determined through open tenders, price comparison and arm's length negotiations between the parties and on normal commercial terms.

For the steel products and industrial gases to be procured by the Group from Ansteel Group, the Company will conduct quotations and price comparisons on a monthly basis with not less than three independent third-party suppliers who provide similar products. The price at which steel products such as steel plates and coils and industrial gases such as liquid oxygen and liquid argon are sold to the Group by Ansteel Group will not exceed the price at which such commodities are supplied to the Group by an independent third party. The price at which the Group sells steel products to Ansteel Group will not be lower than the price at which the Group sells such commodities to independent third parties.

EXISTING ANNUAL CAPS AND ACTUAL TRANSACTION AMOUNT

The existing annual caps under the Commodities and Services Framework Agreement are set out below:

	For the year ended 31 December 2025 *(RMB'000)*	**For the year ended 31 December 2026** *(RMB'000)*	**For the year ended 31 December 2027** *(RMB'000)*
Total amount for the purchase of commodities and receipt of services by the Group from Ansteel Group	2,400,000	3,000,000	3,000,000
Total amount for the purchase of commodities by Ansteel Group from the Group	270,000	500,000	500,000

For the period between 1 January 2025 to 30 June 2025, the total amount of commodities purchased and services received by the Group from Ansteel Group was approximately RMB862,167,000, and the total amount of commodities purchased by Ansteel Group from the Group was approximately RMB146,879,000.

REVISED ANNUAL CAPS AND BASIS FOR DETERMINING THE REVISED ANNUAL CAPS

Zhengzhou Coal Mining Machinery Group Material Trading Co., Ltd., a wholly-owned subsidiary of the Company, is principally engaged in the trading of bulk commodities (primarily steel products). In view of the recent increase in its sales to Ansteel Group, based on the transaction amount incurred from 1 January 2025 to 30 June 2025 and its assessment of business volume for the second half of 2025, the Board resolved on 28 August 2025 to revise the annual cap on the total amount of commodities purchased from the Group by Ansteel Group under the Commodities and Services Framework Agreement for the year ended 31 December 2025. The total amount of commodities purchased and services received from the Ansteel Group by the Group under the Commodities and Services Framework Agreement, as well as the annual caps on the total amount of commodities purchased from the Group by Ansteel Group for the years ended 31 December 2026 and 31 December 2027, remain unchanged. Details of the revised annual caps are set out below:

	For the year ended 31 December 2025 *(RMB'000)*	**For the year ended 31 December 2026** *(RMB'000)*	**For the year ended 31 December 2027** *(RMB'000)*
Total amount for the purchase of commodities and receipt of services by the Group from Ansteel Group	2,400,000	3,000,000	3,000,000
Total amount for the purchase of commodities by Ansteel Group from the Group	550,000	500,000	500,000

The revised annual cap were determined after arm's length negotiations between the Company and Ansteel Group, and have taken into account (i) the historical transaction amounts of the commodities and services transactions between the Group and Ansteel Group; and (ii) the expected demand for the commodities and services transactions between the Group and Ansteel Group.

Apart from the revised annual cap, the remaining terms of the Commodities and Services Framework Agreement remain unchanged. Please refer to the Circular for further details of the Commodities and Services Framework Agreement.

REASONS FOR AND BENEFITS OF REVISING THE EXISTING ANNUAL CAPS

Ansteel Group is under the direct administration of Henan Provincial Government and is an important production base for high quality building materials in Henan Province. The supply of steel materials to the Group by Ansteel Group can ensure the stable and continuous production of the Group. The sale of products by the Group to Ansteel Group can further expand the Company's sales channels for such products. Based on the judgment on the business volume with Ansteel Group in the second half of 2025, the Company believes that revising the annual cap on the total amount of commodities purchased by Ansteel Group from the Group under the Commodities and Services Framework Agreement for the year ended December 31 2025 will be conducive to the further expansion of the Group's business and is in the interests of the Company and all its Shareholders.

OPINIONS OF THE BOARD

None of the Directors has any material interest in the Commodities and Services Framework Agreement and accordingly, none of the Directors is required to abstain from voting on the Board resolutions on the revision to the annual cap of the total amount of commodities purchased by Ansteel Group from the Group for the year ended 31 December 2025 under the Commodities and Services Framework Agreement.

The Directors (including the independent non-executive Directors) consider that the Commodities and Services Framework Agreement is entered into in the ordinary and usual course of business of the Company and on normal commercial terms, and the revision to the annual caps under the Commodities and Services Framework Agreement is fair and reasonable and in the interests of the Company and all Shareholders of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As Ansteel Group is a subsidiary of Henan Capital Group, a substantial Shareholder of the Company, accordingly, pursuant to Chapter 14A of the Listing Rules, Ansteel Group is a connected person of the Company, and the transactions under the Commodities and Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the amended annual caps for the transactions of purchase of commodities by Ansteel Group from the Group under the Commodities and Services Framework Agreement is higher than 0.1% but less than 5%, accordingly, the transactions of purchase of commodities by Ansteel Group from the Group under the Commodities and Services Framework Agreement are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INFORMATION OF PARTIES TO THE AGREEMENT

The Company

The Company is a leading comprehensive coal mining and excavating equipment manufacturer in the PRC. The principal businesses of the Company's coal mining machinery segment are sets of equipment for integrated coal mining, the research and development, design, production, sales and services of intelligent control systems, with products used by the major coal industry groups throughout the country and successively exported to various countries. The coal mine hydraulic support with the highest supporting height and the highest resistance globally, the domestically first whole set and intelligent equipment for integrated mining supplied by a single factory and the domestically first exported whole set equipment for integrated mining are researched, developed and manufactured by the Company. There are two brands under the auto parts segment of the Company, being SEG and ASIMCO. SEG is a world-leading technology and service provider for motor starter motors and generators, which constantly drives auto energy conservation and emission reduction and technological innovation, leading the development of green travel technology. Also, its technology of 48V low-voltage hybrid motors and market shares are world-leading. Relying on its high-end R&D advantages, worldwide sales network and quickly responding locally, high-voltage drive motors for new energy vehicles progresses quickly. The principal products of ASIMCO include parts using materials application technology as their core such as engine cylinder blocks and heads, camshaft and powder metallurgy products, noise and vibration absorbers and brake seals, piston rings and valve seat rings. Also, ASIMCO is committed to researching and developing high-efficient and intelligent air suspension systems, and strives to march into the new energy automobile chassis sector, to provide high quality parts products for the PRC and global auto markets.

Ansteel Group

Ansteel Group is a wholly-owned subsidiary of Henan Steel Group Co., Ltd.. Henan Capital Group holds a 72% equity interests in Henan Steel Group Co., Ltd., and apart from Henan Capital Group, Henan Steel Group has no shareholders holding more than 10% of its equity interests, and Henan Capital Group is wholly-owned by the State-owned Assets Supervision and Administration Commission of the Henan Provincial People's Government. The scope of business of Ansteel Group includes: 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, cold 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 for the 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.

By Order of the Board
ZMJ Group Company Limited
JIAO Chengyao
Chairman

Zhengzhou, PRC, 28 August 2025

As at the date of this announcement, the executive Directors of the Company are Mr. JIAO Chengyao, Mr. JIA Hao, Mr. MENG Hechao and Mr. LI Kaishun, the non-executive Director is Mr. CUI Kai and the independent non-executive Directors are Mr. CHENG Jinglei, Mr. JI Feng, Mr. FANG Yuan and Ms. YAO Yanqiu.