*This summary aims to give you an overview of the information contained in this Prospectus. As this is a summary, it does not contain nor does it purport to contain all the information that may be important to you. You should read this Prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors". You should read that section carefully before you decide to invest in the Offer Shares.*

## OVERVIEW

We are a leading designer and manufacturer of underground longwall coal mining equipment in China. A complete underground longwall mining system consists of four core pieces of equipment, namely roadheaders, shearers, armoured-face conveyors and hydraulic roof supports. We are a market leader in China in designing and manufacturing roadheaders and shearers, the two pieces of equipment which we believe to be the most technologically sophisticated in the underground longwall mining system, and we are quickly growing our armoured-face conveyor business. By capitalising on our capabilities, the extended history of our operations (as reflected in a large installed base) and a track record of innovation, we believe that we are uniquely positioned to become among the first complete longwall system solution providers in China.

The following is a brief overview of our current product segments:

➢ *Roadheader products.* We are a leading roadheader supplier in China, with a 27% market share based on units sold in 2008, according to China National Coal Machinery Industry Association, or CMIA. According to the same source, we also had the largest installed base of roadheaders as of 31 December 2008, based on the aggregate number of units sold from 2005 to 2008. Jiamusi Machinery, our subsidiary that designs and manufactures our roadheader products, traces its history back to 1957 and manufactured the first roadheader in China in 1976. We currently offer 24 series of roadheaders, classified by installed cutting power under the categories of light-duty, medium-duty and heavy-duty. We believe our EBZ350 series roadheaders have the highest installed cutting power among roadheaders manufactured in China today.

➢ *Shearer products.* We are the largest longwall shearer supplier in China, with a 27% market share based on units sold in 2008, according to CMIA. According to the same source, we also had the largest installed base of shearers as of 31 December 2008, based on the aggregate number of units sold from 2005 to 2008. Jixi Machinery, our subsidiary that designs and manufactures our shearer products, traces its history back to 1936 and manufactured the first shearer in China in 1953. We offer a full line of shearers to operate under a wide range of coal bed conditions, from ultra-thin coal seams of 0.65 metres to thick seams of 6 metres. We believe that we are one of the few manufacturers in China with the capability to design and manufacture shearers with total power output over 2,000KW.

➢ *Armoured-face conveyors and related products.* We established our Huainan Longwall subsidiary in 2007 as a joint venture in which we initially held a 75% equity interest. Huainan Benniu, our joint venture partner at the time, was principally engaged in the manufacture and sale of mining machinery, conveyor machinery including armoured-face conveyors, and related spare parts. As part of the joint venture arrangement, Huainan Benniu contributed substantially all of its assets for the remaining 25% interest in Huainan Longwall. Capitalising on Huainan Benniu's customer base, we generated significant sales of armoured-face conveyors and related products in 2008, which we exceeded within the first seven months of 2009. We entered into an agreement with Huainan Benniu to purchase the remaining 25% equity interest of Huainan Longwall in December 2009. Approvals and registration procedures relating to the purchase were completed on 19 January 2010, and we expect the consideration for the purchase to be paid in March 2010.

➢ *Aftermarket parts and services*. We offer a wide range of aftermarket services, including onsite service repairs, overhauls and a supply of spare parts through an extensive network of service centres and parts depots in key mining districts which are close to our customers.

We primarily sell our products through independent distributors and sales agents who then sell them to end-customers who are coal producers. Our sales to end-customers, including direct sales and sales through agents, accounted for approximately 40% of our total revenue for the seven months ended 31 July 2009. Our end customer base includes all of the 50 largest coal producers in China (as ranked by China Coal News in August 2009), which collectively accounted for approximately 60% of the total coal produced in China in 2008. To further solidify our relationships with our targeted end customers, we have established three joint ventures with leading PRC coal producers including Shendong Tianlong Group Co., Ltd. and China National Coal Mining Equipment Co. Ltd. to provide aftermarket services in key coal mining regions. Our distribution and service network consists of 37 wholly-owned service centres and various distributors, sales agents and parts depots. Our sales and service points are located in the 13 largest coal production bases in China, each with an annual coal production of more than 100 million tonnes and collectively representing 60% of the total coal production in China in 2008.

Our products are well-recognised in China for their quality and advanced technology and have won numerous awards nationally. For example, our EBZ100 roadheader won the National Quality Gold Metal in 1986, which was the only occasion on which such award was granted in history. Our MG132/315-WD shearer was awarded the first prize in technology advancement in 2007 by the Heilongjiang provincial government. As part of our product development efforts, we work closely with our end customers in designing, manufacturing and testing new lines of products that meet their specific demands. As of 31 July 2009, we employed 2,590 manufacturing and technical personnel, which represented 75.1% of our full-time employees.

In addition to our advantageous market position and capabilities, we believe that the current industry and regulatory environment will significantly contribute to our growth. Substantially all of China's coal reserves can be economically extracted only through underground mining. Compared to room and pillar mining, longwall mining is fully mechanised and as a result, increases operating efficiency and safety. To promote safety and efficiency, the PRC Government has closed more than 12,000 small mines as of the end of 2008 and encouraged the consolidation and mechanisation of the remaining small and medium mines. PRC Government policy has mandated that state-owned large-scale mines achieve 95% mechanisation rates, and that medium-scale mines achieve 80% mechanisation rates, by 2010.

Our Company was established on 12 April 2006 and acquired the 100% equity interest in Jiamusi Machinery and Jixi Machinery on 16 May 2006. For the 2006 Consolidated Period, our revenue totaled RMB545.9 million and our profit for the period totaled RMB60.2 million. From 2007 to 2008, our revenue increased from RMB857.6 million to RMB1,279.7 million, or an increase of 49.2%, and our profit for the year decreased from RMB149.8 million to RMB146.2 million, or a decrease of 2.4%, reflecting, among other things, significantly higher tax expense due to the expiration of a tax holiday at Jiamusi Machinery and Jixi Machinery. In the seven months ended 31 July 2009 compared to the same period in 2008, our revenue increased from RMB702.6 million to RMB873.0 million, or an increase of 24.3%, and our profit for the same period increased from RMB94.9 million to RMB138.4 million, or an increase of 45.8%.

We have a limited operating history as a combined business. We were established in 2006 and currently operate through three principal operating subsidiaries. Two of our principal subsidiaries, Jiamusi Machinery and Jixi Machinery, have significant operating history and were managed by the same previous controlling shareholders. Members of senior management of these two subsidiaries are among our executive officers responsible for our management and operations. Our third principal subsidiary, Huainan Longwall, was established in 2007. Due to our limited operating history as a combined business, our historical operating results may not be indicative of any trends in the future.

Our Track Record Period is less than three financial years, and we are seeking to be listed on the Hong Kong Stock Exchange under the market capitalisation/revenue test in Rule 8.05(3) of the Listing Rules. In addition, because our management continuity period is less than three financial years, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 8.05(3)(b) of the Listing Rules on the grounds that our Directors and senior management have sufficient and satisfactory experience of at least three years in our line of business and industry and that there was management continuity for the most recent audited financial year. See "Waivers from strict compliance with the Listing Rules and the Companies Ordinance".

## THE RESOLUTE FUND, L.P.'S INVESTMENT IN OUR COMPANY AND THE REORGANISATION

The Resolute Fund, L.P., a private equity fund, indirectly controls our Company through the ownership of its five parallel funds in TJCC Holdings. Resolute Fund Partners, LLC, a Delaware limited liability company, is the general partner of The Resolute Fund, L.P. and each of the five parallel funds. The Jordan Company, L.P., a Delaware limited partnership, is the manager of The Resolute Fund, L.P. and each of five parallel funds. The investment approach of The Jordan Company, L.P. is to acquire companies in partnership with management at reasonable valuations and to support these investments with a hands-on, value-added operational strategy to generate superior investment returns. Its hands-on strategy focuses on operational improvements to enhance internal growth and strategic acquisitions. Its value-added approach supports a strong relationship with talented managers. See "Relationship with our Controlling Shareholders" for more information on our Controlling Shareholders.

The Resolute Fund, L.P., through TJCC Holdings, established our Company on 12 April 2006 and acquired Jiamusi Machinery and Jixi Machinery in May 2006. Our Company is directly owned as to 91.0% by TJCC Holdings, an investment company established by five parallel funds of The Resolute Fund, L.P. The remaining 9.0% equity interest in our Company is held as to 6.3% by Mr. Rubo Li, 1.35% by Mr. Emory Williams and 1.35% by Williams Realty. Mr. Rubo Li, our non-executive Director, and Mr. Emory Williams, our former Director who resigned as a Director in December

2009, had assisted The Resolute Fund, L.P. in identifying Jiamusi Machinery and Jixi Machinery as potential attractive acquisitions and subsequently participated in the acquisition negotiations. Mr. Rubo Li and Mr. Emory Williams were given minority interests in our Company as well as a "founder participation" in the event of repurchase or redemption of our preferred shares as an incentive provided by The Resolute Fund, L.P. to start-up entrepreneurs and management business partners. Our Company has also extended certain loans to Mr. Rubo Li and Mr. Emory Williams. See "Reorganisation — Preferred Shares" for more information on the "founder participation rights" and "Reorganisation — Historical related party transactions — Loans to Messrs. Rubo Li and Emory Williams and Their Respective Related Parties" for more information on the loans extended to Mr. Rubo Li and Mr. Emory Williams.

The Resolute Fund, L.P. raised the funds for the acquisitions of Jiamusi Machinery and Jixi Machinery and injected the proceeds to our Company through a subscription by TJCC Holdings of preferred shares in our Company. Upon our establishment, The Resolute Fund, L.P., through TJCC Holdings, provided further funds for our acquisitions and other investments in the PRC through further subscription of preferred shares in our Company and through intercompany loans. See "Reorganisation — Preferred Shares" and "Reorganisation — Historical Related Party Transactions — Intercompany Loans from TJCC Holdings".

Through the provision of management consulting services, The Resolute Fund, L.P. has provided management expertise and support to our Company. Through The Jordan Company, L.P., it has provided management consulting services to our Company through the appointment of Mr. John W. Jordan II and Mr. Thomas H. Quinn to our Board. It also provides management services to our Company through TJCC Services, a service company providing management services to our Company and, to a lesser extent, services to its other investment portfolio companies in the PRC. Our Company has paid management fees for the services provided by TJCC Services. We have also extended certain loans to TJCC Services. See "Reorganisation — Historical Related Party Transactions — Payment for Management Consulting Services".

In anticipation of the Global Offering, we are undertaking a number of steps as part of our Reorganisation to settle all historical related party transactions and to repurchase the outstanding preferred shares. These steps include:

➢ repurchase of all outstanding preferred shares held by TJCC Holdings;

➢ settlement of all related party transactions and amounts payable and receivable in respect of such related party transactions, except the consulting arrangement with Mr. Rubo Li;

➢ payment of US$10.0 million (equivalent to approximately HK$77.5 million), representing the TJCC Services Transaction and Termination Fee, to TJCC Services; and

➢ payment of the Contingent Dividend to the Pre-IPO Ordinary Shareholders, such payment to be determined and paid upon completion of the Global Offering and the audit of the 2009 annual results of the Company. See "Summary — Contingent Dividend Based on Distributable Profits as of 31 December 2009".

## COMPETITIVE STRENGTHS

We believe that the following strengths distinguish us from our competitors and contribute to our ability to compete effectively in the future:

➢ market leadership in key products;

➢ largest installed base of roadheaders and shearers in China;

➢ extensive distribution and service network covering a broad customer base;

➢ strong product development capability;

➢ commitment to reliability, safety and productivity; and

➢ experienced management team with a proven track record.

## BUSINESS STRATEGY

Our long-term objective is to become the leading underground longwall equipment designer and manufacturer in China. To that end, we intend to implement a business strategy with the following key aspects:

➢ expand capacity to capture growth opportunities and increase efficiency;

➢ capture aftermarket sales opportunities;

➢ expand our capability to provide complete longwall system solutions;

➢ expand distribution and service network and strengthen relationships with key customers; and

➢ further enhance product development capability.

## RISK FACTORS

There are certain risks involved in our operations and many of these risks are beyond our control. These risks can be categorised into: (i) risks relating to our business and industry; (ii) risks relating to the People's Republic of China; and (iii) risks relating to our Shares and the Global Offering.

### Risks Relating to Our Business and Industry

➢ Our business and operating results are subject to significant cyclical fluctuations.

➢ Disruptions in the global financial markets could continue to have a material adverse impact on our results of operations, financial condition and cash flows.

➢ Regulations on the coal mining industry may affect demand for our products.

➢ We may face challenges in integrating our businesses.

➢ Future acquisitions of businesses or establishment of joint ventures may subject us to risks and uncertainties.

- Our historical outstanding trade receivables and the turnover days of our trade receivables have been relatively high, and our discounted bills and factor programmes may not be effective.
- We derive revenue from a limited number of products and services.
- If we fail to offer technologically improved equipment to our end customers, demand for our products may be materially adversely affected.
- If we are unable to address our current manufacturing capacity constraints, or maintain our current utilisation rate, our operating results and growth prospects may be adversely affected.
- Our business requires significant and continuous capital investment.
- Fluctuation in steel and other raw material prices may adversely affect our business.
- We purchase our raw materials and key components from a limited number of suppliers, and do not have long-term contracts with our suppliers.
- We rely on a limited number of customers.
- We may be subject to product liability and other claims.
- Our continued success depends on our ability to protect our intellectual property.
- Disputes with our joint venture partners could adversely affect our business and operating results.
- Our insurance coverage may be insufficient to cover all risks of loss associated with our business operations.
- The interests of our Controlling Shareholders may conflict with the interests of our other shareholders.
- Our growth depends on our ability to continue to attract and retain qualified personnel, including our senior management members.
- Compliance with environmental, health and safe production regulations can be costly, while non-compliance with such regulations may result in fines, other penalties or actions that could adversely affect our reputation.
- We have not obtained the building ownership rights to some of our facilities.
- Labour disruptions could adversely affect our operations.
- A material disruption to our manufacturing plants could adversely affect our ability to generate revenue.
- We operate in a highly competitive industry.

- ➢ Changes to industry standards may have an adverse impact on our business.
- ➢ PRC coal mining industry consolidation may adversely affect our business operations.
- ➢ We may not be able to register our trademarks in Hong Kong or PRC.

**Risks Relating to the People's Republic of China**

- ➢ Economic, political and social conditions, as well as government policies in China could have a material adverse effect on our business, results of operations and financial condition.
- ➢ The slowdown of economic growth in China and the world could have a material adverse effect on our business, results of operations and financial condition.
- ➢ Restrictions on foreign currency exchange may limit our ability to obtain and remit foreign currency or to utilise our revenues effectively.
- ➢ The discontinuation or reduction of any of the preferential tax treatments currently available to us in the PRC could materially and adversely affect our business, financial condition and results of operations.
- ➢ There are significant uncertainties under the New EIT Law relating to our PRC enterprise income tax liabilities.
- ➢ We may be deemed a PRC tax resident enterprise under the New EIT Law and its implementation regulations and be subject to PRC taxation on our worldwide income.
- ➢ Restrictions on payment of dividends under applicable regulations may limit the operating subsidiaries' ability to remit dividends to the Group, which could affect the Group's liquidity and its ability to pay dividends.
- ➢ Failure to comply with PRC regulations in respect of the registration of our PRC citizen employee's share options may subject such employees or us to fines and legal or administrative sanctions.
- ➢ Changes in foreign exchange regulations and future movements in the exchange rate of Renminbi may adversely affect the financial condition and results of operations of our Company and our ability to pay dividends.
- ➢ The PRC legal system embodies uncertainties which could limit the legal protections available to us.
- ➢ It may be difficult to serve process within the PRC or to enforce any judgments obtained from non-PRC courts against us or our Directors.
- ➢ The enforcement of the new labour contract law and an increase in labour costs in the PRC may adversely affect our business and our profitability.
- ➢ Any recurrence of severe acute respiratory syndrome or any other epidemic in China may have a material adverse effect on our business and operations, financial condition and results or operations.

**Risks Relating to Our Shares and the Global Offering**

➢ Current volatility in the global financial markets could cause significant fluctuations in the price of our Shares.

➢ Because the initial public offering price is higher than the net tangible book value per Share, you will incur immediate dilution.

➢ Shareholders' interest may be diluted as a result of additional equity fund-raising.

➢ Substantial future sales of our Shares in the public market could cause the price of our Shares to decline.

➢ We cannot assure you that we will declare dividends in the future.

➢ We may be required to withhold PRC income tax on the dividends we pay you (if any), and any gain you realise on the transfer of our Shares may also be subject to PRC withholding tax.

➢ The laws of the Cayman Islands relating to the protection of the interest of minority shareholders are different from those in Hong Kong.

➢ Certain statistics, industry data and other information related to the economy and the coal mining equipment industry contained in this Prospectus are derived from official government sources and may not be reliable.

➢ You should not rely on any information contained in press articles or other media regarding our Company and the Global Offering.

**SUBSEQUENT EVENTS**

The following significant events, substantially all of which relate to our Reorganisation, occurred after 31 July 2009, which was the last day of our Track Record Period, but prior to the date of this Prospectus:

➢ On 3 December 2009, IMM AFC, our wholly-owned subsidiary, entered into an equity transfer agreement with Huainan Benniu, our then joint venture partner, to purchase the remaining 25% equity interest in Huainan Longwall for a cash consideration of RMB51.4 million (equivalent to approximately HK$58.4 million). Approvals and registration procedures relating to the purchase were completed on 19 January 2010, and we expect the consideration for the purchase to be paid in March 2010.

➢ Pursuant to the resolutions of the board of directors of TJCC IMM Jiamusi passed on 23 December 2009 and 31 December 2009, TJCC IMM Jiamusi declared dividends of US$15.8 million (equivalent to approximately RMB108.1 million or HK$122.6 million) and US$41.8 million (equivalent to approximately RMB285.7 million or HK$324.1 million) respectively to our Company. The Directors confirm that we had a net asset position and had sufficient distributable reserves upon the declaration of dividends from TJCC IMM Jiamusi to us. Details of the special dividends declared are set out in the section headed "Reorganisation" in this Prospectus.

- Pursuant to the resolution of the board of directors of IMM Mauritius passed on 17 December 2009, IMM Mauritius initiated a liquidation and the remaining cash of approximately US$5.0 million (equivalent to approximately RMB34.2 million or HK$38.8 million) was distributed to the Company. The Directors confirm that there are no material gains or losses arising from the liquidation of IMM Mauritius.

- Pursuant to the resolutions of our Board of Directors passed on 17 December 2009 and 23 December 2009, we repurchased US$10.0 million (equivalent to approximately HK$77.5 million) and US$33.4 million (equivalent to approximately HK$258.9 million) respectively of the preferred shares from TJCC Holdings. Upon completion of the Global Offering and the Reorganisation, we will have repurchased all outstanding preferred shares of the Company at a total consideration of US$107.36 million (equivalent to approximately HK$832.1 million), consisting of the initial purchase price paid by the holders of the preferred shares of US$102.5 million (equivalent to approximately HK$794.5 million), and founder participation rights in the amount of US$4.86 million (equivalent to approximately HK$37.7 million). The US$4.86 million (equivalent to approximately HK$37.7 million) in founder participation rights represents a loss associated with the repurchase of the preferred shares which will be reflected in the net profits for the year ending 2010. Details of the repurchase of the preferred shares are set out in the section headed "Reorganisation" in this Prospectus.

- Pursuant to the resolution of our Board of Directors of TJCC IMM Jiamusi passed on 24 January 2010, TJCC IMM Jiamusi declared a dividend of US$29.3 million (equivalent to approximately RMB200.0 million or HK$227.1 million) to our Company.

- Pursuant to the resolution of our Board of Directors and the holders of our ordinary shares and preferred shares passed on 24 January 2010, we declared and approved the Contingent Dividend of no more than US$63.2 million (equivalent to approximately HK$489.9 million) and no less than US$40.1 million (equivalent to approximately HK$310.8 million) to the Pre-IPO Ordinary Shareholders. The range of the Contingent Dividend amount has been determined based on our available distributable profits and the Offer Price range. The payment of the dividend is contingent upon the completion of the Global Offering and the actual dividend amount is subject to the final determination of the Offer Price. Details of the Contingent Dividend are set out in the section headed "Summary — Contingent Dividend Based on Distributable Profits as of 31 December 2009" in this Prospectus.

- Pursuant to the resolution of our Board of Directors passed on 24 January 2010, we approved the payment of the TJCC Services Transaction and Termination Fee (US$10.0 million or equivalent to approximately HK$77.5 million) in relation to the termination of a management consulting agreement with TJCC Services, the payment to be paid out of net proceeds of the Global Offering. The payment of the TJCC Services Transaction and Termination Fee will reduce the net profits for the year ending 31 December 2010 by approximately RMB68.3 million (equivalent to approximately US$10.0 million or HK$77.5 million). Details of the TJCC Services Transaction and Termination Fee are set out in the section headed "Reorganisation" in this Prospectus.

## SUMMARY HISTORICAL FINANCIAL INFORMATION

The following tables set forth a summary of our income statement and statement of cash flow data for the years ended 31 December 2007 and 2008, and seven months ended 31 July 2008 and 2009; and a summary of our statement of financial position data as of 31 December 2006, 2007, 2008 and 31 July 2009. We were established on 12 April 2006 and acquired Jiamusi Machinery and Jixi Machinery on 16 May 2006, and in this Prospectus, we may refer to the period from 12 April 2006 to 31 December 2006 as the "2006 Consolidated Period". The results of operations of Jiamusi Machinery and Jixi Machinery for the period from 16 May 2006 through 31 December 2006 were consolidated into our consolidated results of operations for the 2006 Consolidated Period. Our summary consolidated income statement data, statement of financial position data and statement of cash flow data are derived from the Accountants' Report of International Mining Machinery Holdings Limited in Appendix I. To help potential investors better understand our financial performance for the full year in 2006, we also present below certain data derived from the consolidated income statement of Jiamusi Machinery and Jixi Machinery prior to our acquisition for the period from 1 January 2006 to 15 May 2006, under the heading "Pre-acquisition period". See Appendices IA and IB for further information. Operating results in any historical period may not be indicative of the results that may be expected in any future period.

### Summary Income Statement Data

| | Pre-acquisition Period | | | | Consolidated Income Statement | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jiamusi Machinery | | Jixi Machinery | | The Group | | | | | | | | | |
| | For the period from 1 January 2006 to 15 May 2006 | | | | For the period from 12 April to 31 December | | For the year ended 31 December | | | | For the seven months ended 31 July | | | |
| | | | | | 2006 | | 2007 | | 2008 | | 2008 | | 2009 | |
| | | | | | (in millions of RMB, except percentages) | | | | | | | | | |
| Revenue | 174.4 | 100.0% | 134.1 | 100.0% | 545.9 | 100.0% | 857.6 | 100.0% | 1,279.7 | 100.0% | 702.6 | 100.0% | 873.0 | 100.0% |
| Cost of sales | (82.5) | (47.3)% | (86.1) | (64.2)% | (301.9) | (55.3)% | (504.4) | (58.8)% | (804.6) | (62.9)% | (424.7) | (60.4)% | (546.9) | (62.6)% |
| Gross profit | 91.9 | 52.7% | 48.0 | 35.8% | 244.0 | 44.7% | 353.2 | 41.2% | 475.1 | 37.1% | 277.9 | 39.6% | 326.2 | 37.4% |
| Other income and gains | 10.0 | 5.7% | 28.6 | 21.3% | 0.02 | — | 5.6 | 0.7% | 7.7 | 0.6% | 5.0 | 0.7% | 1.3 | 0.1% |
| Selling and distribution costs | (18.7) | (10.7)% | (8.3) | (6.2)% | (36.1) | (6.6)% | (72.7) | (8.5)% | (118.3) | (9.2)% | (54.3) | (7.7)% | (57.5) | (6.6)% |
| Administrative expenses | (16.0) | (9.2)% | (13.2) | (9.8)% | (128.2) | (23.5)% | (130.2) | (15.2)% | (167.8) | (13.1)% | (101.7) | (14.5)% | (88.6) | (10.1)% |
| Other expenses | (7.2) | (4.1)% | (6.7) | (5.0)% | (15.3) | (2.8)% | (14.6) | (1.7)% | (10.0) | (0.8)% | (6.1) | (0.9)% | (6.6) | (0.8)% |
| Finance revenue | 0.04 | — | 0.006 | — | 1.9 | 0.3% | 4.7 | 0.5% | 14.6 | 1.1% | 7.4 | 1.1% | 10.3 | 1.2% |
| Finance costs | (2.1) | (1.2)% | (3.6) | (2.7)% | (6.6) | (1.2)% | (7.3) | (0.9)% | (17.1) | (1.3)% | (10.6) | (1.5)% | (10.2) | (1.2)% |
| Share of (loss)/profits of an associate | — | — | — | — | — | — | 0.1 | — | 0.8 | 0.1% | (0.06) | — | (0.02) | — |
| PROFIT BEFORE TAX | 57.8 | 33.1% | 44.8 | 33.4% | 59.6 | 10.9% | 138.9 | 16.2% | 185.2 | 14.5% | 117.6 | 16.7% | 174.8 | 20.0% |
| Tax | (14.4) | (8.3)% | (8.9) | (6.6)% | 0.6 | 0.1% | 10.9 | 1.3% | (39.0) | (3.0)% | (22.7) | (3.2)% | (36.4) | (4.2)% |
| PROFIT FOR THE YEAR | 43.4 | 24.9% | 36.0 | 26.8% | 60.2 | 11.0% | 149.8 | 17.5% | 146.2 | 11.4% | 94.9 | 13.5% | 138.4 | 15.9% |

### Summary Statement of Financial Position Data

| | As of 31 December | | | As of 31 July |
|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 |
| | (in millions of RMB) | | | |
| **NON-CURRENT ASSETS** | | | | |
| Property, plant and equipment | 230.0 | 282.7 | 279.3 | 264.1 |
| Land use rights | 132.9 | 129.8 | 126.6 | 142.7 |
| Goodwill | 101.2 | 101.2 | 101.2 | 101.2 |
| Other intangible assets | 52.0 | 40.1 | 48.9 | 40.0 |
| Available-for-sale investments | — | 7.5 | 7.5 | 7.5 |
| Investments in associates | 0.5 | 0.6 | 21.3 | 20.9 |
| Deferred tax assets | 10.8 | 9.0 | 10.3 | 8.0 |
| Prepayments, deposits and other receivables | 1.1 | 1.9 | 38.7 | 27.3 |
| | 528.5 | 572.8 | 633.8 | 611.7 |
| **CURRENT ASSETS** | | | | |
| Inventories | 202.1 | 324.8 | 413.6 | 360.3 |
| Trade and bills receivables | 381.8 | 595.6 | 719.7 | 1,022.3 |
| Prepayments, deposits and other receivables | 26.9 | 59.2 | 70.1 | 56.8 |
| Cash and cash equivalents | 138.5 | 95.7 | 80.9 | 175.7 |
| Amounts due from shareholders | — | 19.6 | 19.2 | 19.7 |
| Amounts due from related parties | 7.8 | 122.8 | 221.8 | 272.3 |
| | 757.2 | 1,217.7 | 1,525.4 | 1,907.1 |
| **CURRENT LIABILITIES** | | | | |
| Interest-bearing loans | 96.3 | 120.5 | 113.8 | 250.2 |
| Trade and bills payables | 194.3 | 315.5 | 418.4 | 469.7 |
| Other payables and accruals | 283.2 | 307.1 | 321.1 | 279.6 |
| Tax payable | 78.4 | 67.0 | 52.9 | 30.1 |
| Amount due to a holding company | — | 74.6 | 126.8 | 160.2 |
| Amounts due to shareholders | 0.3 | 0.2 | 0.2 | 0.09 |
| Amounts due to related parties | 1.8 | 41.3 | 64.1 | 75.9 |
| Preference shares | — | — | — | 600.9 |
| | 654.5 | 926.1 | 1,097.2 | 1,866.8 |
| **NET CURRENT ASSETS** | 102.7 | 291.6 | 428.2 | 40.3 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | 631.2 | 864.4 | 1,062.0 | 652.0 |
| **NON-CURRENT LIABILITIES** | | | | |
| Deferred tax liabilities | 55.0 | 42.3 | 49.4 | 55.0 |
| Preference shares | 499.8 | 541.2 | 554.2 | — |
| | 554.7 | 583.5 | 603.6 | 55.0 |
| **NET ASSETS** | 76.5 | 280.9 | 458.4 | 597.0 |
| **EQUITY** | | | | |
| Equity attributable to equity holders of the parent: | | | | |
| Ordinary share capital | 0.07 | 0.08 | 0.08 | 0.08 |
| Reserves | 76.4 | 257.5 | 439.2 | 575.0 |
| | 76.5 | 257.5 | 439.2 | 575.0 |
| Minority interests | — | 23.4 | 19.2 | 22.0 |
| **TOTAL EQUITY** | 76.5 | 280.9 | 458.4 | 597.0 |

### Summary Statement of Cash Flows Data

| | Period from 12 April to 31 December | Year ended 31 December | | Seven months ended 31 July | |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2008 | 2009 |
| | (in millions of RMB) | | | | |
| Net cash inflow/(outflow) from operating activities[1] | 55.7 | 110.3 | 208.8 | 126.7 | (29.2) |
| Net cash outflow from investing activities | (335.4) | (202.5) | (206.2) | (126.9) | (49.1) |
| Net cash inflow/(outflow) from financing activities | 419.2 | 52.0 | (17.1) | (33.2) | 173.0 |
| Net increase/(decrease) in cash and cash equivalents | 139.4 | (40.2) | (14.5) | (33.5) | 94.8 |
| Cash and cash equivalents at incorporation date/at beginning of period/year | — | 138.5 | 95.7 | 95.7 | 80.9 |
| Effective of foreign exchange rate changes | (0.9) | (2.6) | (0.3) | (0.3) | (0.001) |
| Cash and cash equivalents at the end of period/year | 138.5 | 95.7 | 80.9 | 62.0 | 175.7 |

(1) The net cash inflow/(outflow) from operating activities for the period ended 31 December 2006, the two years ended 31 December 2008 and the seven months ended 31 July 2009 did not include cash received from bills receivable discounted to banks prior to maturity, which was reflected in cash inflow from financing activities. These discounted bills were received from our customers as payment of trade receivables and are a common form of payment in our industry.

## PROFIT ESTIMATE FOR THE YEAR ENDED 31 DECEMBER 2009

We believe that on the bases as set out in Appendix III to this Prospectus and in the absence of unforeseen circumstances as set forth in Rule 11.17 of the Listing Rules, our estimated consolidated profit attributable to equity holders of the Company for the year ended 31 December 2009 is expected to be not less than RMB226.9 million under IFRS.

## CONTINGENT DIVIDEND BASED ON DISTRIBUTABLE PROFITS AS OF 31 DECEMBER 2009

On 24 January 2010, pursuant to the resolutions of our Board of Directors and the holders of our ordinary shares and preferred shares, we declared and approved the Contingent Dividend range of US$40.1 million (equivalent to approximately HK$310.8 million) to US$63.2 million (equivalent to approximately HK$489.9 million) to the Pre-IPO Ordinary Shareholders, which has been determined based on our available distributable profits and the Offer Price range. The Contingent Dividend is designed to distribute to our Pre-IPO Ordinary Shareholders a significant portion of our existing retained profits, while assuring that we will continue to operate with sufficient liquidity resources, and to benefit from the use of a substantial amount of the net proceeds from the Global Offering. In view of these objectives, and because the net proceeds from the Global Offering cannot be determined as of the Latest Practicable Date, we have designed the Contingent Dividend to be determined based on the final Offer Price.

Our Cayman Islands counsel have confirmed and our Directors, based on the confirmation given by our Cayman Islands counsel, have confirmed that the declaration of a range of dividend is in compliance with Cayman Islands law and the Company's Articles of Association. The final amount of the Contingent Dividend is subject to determination based on the Offer Price and will be paid out of the net proceeds of the Global Offering. Please refer to "Summary — Use of Proceeds" for more information on the calculation and payment of the Contingent Dividend out of the net proceeds of the Global Offering.

The amount of the Contingent Dividend will represent the difference of (a) 37.5% of the net proceeds from the Global Offering and (b) the sum of US$73.9 million as set forth in item (i) in "Summary — Use of Proceeds", subject to a maximum amount of US$63.2 million. We currently estimate that the Offer Price will be not more than HK$6.38 and not less than HK$4.88 per Offer Share. Based on this Offer Price range, our Board of Directors declared and approved a Contingent Dividend between US$40.1 million (equivalent to approximately HK$310.8 million) and US$63.2 million (equivalent to approximately HK$489.9 million). Using an assumed Offer Price of HK$5.63 per Offer Share, being the mid-point of the indicative Offer Price range, we estimate that the amount of Contingent Dividend will be US$58.2 million (equivalent to approximately HK$451.1 million). Payment of the Contingent Dividend will not affect the other uses of proceeds set out in the "Future Plans and Use of Proceeds — Use of Proceeds" section of this Prospectus.

Although we had no distributable reserves as of 31 July 2009, profits were available for distribution from our subsidiaries to us. As of the date of declaration of the Contingent Dividend on 24 January 2010, our subsidiary, TJCC IMM Jiamusi, had declared dividends with an aggregate amount of US$86.9 million (equivalent to approximately HK$673.5 million) to us. After taking into account the estimated expenses of the Company, including expenses relating to the Global Offering, withholding tax payable and other expenses for the relevant periods, we estimate that our distributable profits as of 31 December 2009 will be no less than approximately US$63.2 million (equivalent to approximately HK$489.9 million), which is sufficient to pay for any Contingent Dividend amount within the range declared by our Board of Directors on 24 January 2010.

The Contingent Dividend will be determined based on the Offer Price and our distributable profits as reflected in the audited financial statements of the Company for the financial year ended 31 December 2009. Our Group's retained earnings as of 31 July 2009 were approximately RMB471.6 million (equivalent to approximately US$69.0 million). We estimate our profit attributable to equity holders of the parent for the five month period ended 31 December 2009 to be approximately RMB90.4 million (equivalent to approximately US$13.2 million), which represents the difference between (i) our estimate of profit attributable to equity holders of the parent for the year ended 31 December 2009, and (ii) the audited profit attributable to equity holders of the parent for the seven months ended 31 July 2009. We will only pay the Contingent Dividend after completion of the annual audit for the financial year ended 31 December 2009. Our 2009 annual results announcement will disclose whether there is sufficient distributable profits to pay the amount of Contingent Dividend so determined. The amount of Contingent Dividend so determined will be paid out of the net proceeds of the Global Offering into a designated account of the Company, which will be paid to the Pre-IPO Ordinary Shareholders within five days after publication of the 2009 annual results announcement.

Investors in the Global Offering should note that they will not be entitled to participate in the Contingent Dividend, and therefore, any distributable profits available for distribution to our shareholders after the Global Offering will exclude the amount of the Contingent Dividend to be paid to the Pre-IPO Ordinary Shareholders.

## DIVIDEND POLICY

Our Directors may declare dividends, if any, after taking into account, among other things, our results of operations, cash flows and financial condition, operating and capital requirements, the amount of distributable profits based on IFRS, our Memorandum and Articles of Association, the Companies Law, applicable laws and regulations and other factors that our Directors deem relevant. The distribution of dividend for any financial year shall be subject to shareholders' approval.

Our ability to declare future dividends will also depend on the availability of dividends, if any, received from our PRC operating subsidiaries. Pursuant to the PRC laws, dividends may only be paid out of distributable profits, defined as the retained earnings after tax payments as determined under the PRC GAAP less any recovery of accumulated losses and the required allocations to statutory reserves made by our PRC operating subsidiaries. In general, we will not declare dividends in a year where we do not have any distributable profits.

Taking into account the factors set forth above, we currently intend to distribute to our Shareholders approximately 20% of our annual distributable profit attributable to owners of our Company in respect of the financial year ending 31 December 2010 and each financial year thereafter. However, such intention does not amount to any guarantee or representation or indication that the Company must or will declare and pay dividends in such manner or declare or pay dividends at all. On 24 January 2010, we declared the Contingent Dividend to the Pre-IPO Ordinary Shareholders to be paid out of part of the net proceeds of the Global Offering. For details regarding the Contingent Dividend, please refer to "— Contingent Dividend Based on Distributable Profits as of 31 December 2009" above. The Contingent Dividend was declared on a one-time basis. The amount of the Contingent Dividend is not indicative of our future profits or the dividends that we may declare or pay in the future. See "Risk Factors — Risks Relating to Our Shares and the Global Offering — We cannot assure you that we will declare dividends in the future" in the Prospectus. Cash dividends on our Shares, if any, will be paid in HK dollars.

**THE GLOBAL OFFERING**

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering consists of (subject to adjustment and the Over-allotment Option):

➢ the Hong Kong Public Offering of initially 52,000,000 Shares (subject to re-allocation as mentioned below) in Hong Kong as described below in the section headed "Structure of the Global Offering — The Hong Kong Public Offering"; and

➢ the International Offering of initially 468,000,000 Shares (all of which are to be offered by us) subject to re-allocation and the Over-allotment Option as mentioned below, in the United States with QIBs in reliance on Rule 144A or other exemptions(s) under the U.S. Securities Act, and outside the United States in accordance with Regulation S.

The number of Hong Kong Public Offer Shares and International Offer Shares are subject to adjustment and reallocation as described in the section headed "Structure of the Global Offering" in this Prospectus. In the case of the International Offering only, the Over-allotment Option is described in the section headed "Underwriting — Underwriting Arrangements and Expenses International Offering" in this Prospectus.

## OFFERING STATISTICS[1]

| | Based on an Offer Price of HK$4.88 | Based on an Offer Price of HK$6.38 |
|---|---|---|
| Market capitalisation of our Shares[2] (in millions) | HK$6,344 | HK$8,294 |
| Prospective price/earnings multiple on a pro forma fully diluted basis[3] | 24.6 times | 32.2 times |
| Unaudited pro forma adjusted net tangible asset value per Share[4] | HK$1.86 | HK$2.30 |

(1) All statistics in this table are presented on the assumption that the Reorganisation and Global Offering are completed and the Over-Allotment Option is not exercised.

(2) The calculation of market capitalisation is based on 1,300,000,000 Shares expected to be in issue following completion of the Reorganisation and Global Offering, assuming that the Over-Allotment Option is not exercised.

(3) The calculation of the prospective price/earnings multiple on a pro forma fully diluted basis is based on the estimated earnings per Share on a pro forma diluted basis at the assumed Offer Price of HK$4.88 and HK$6.38 per Share assuming that the Over-Allotment Option is not exercised.

(4) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in "Unaudited Pro Forma Financial Information" included in Appendix II, and on the basis of a total of 1,300,000,000 Shares expected to be in issue following the completion of the Global Offering. This calculation assumes respective Offer Prices of HK$4.88 and HK$6.38 and that the Over-Allotment Option is not exercised.

## USE OF PROCEEDS

We currently estimate that our Offer Price will not be more than HK$6.38 per Offer Share and not less than HK$4.88 per Offer Share. Assuming an Offer Price of HK$5.63 per Offer Share, which represents the mid-point of the indicative Offer Price range, we estimate that the proceeds from the Global Offering after deducting underwriting commissions (including any discretionary incentive fee) and other estimated offering expenses payable by us, assuming that the Over-allotment Option is not exercised, will total approximately US$352.2 million (equivalent to approximately HK$2,729.8 million). A substantial portion of these proceeds will be further deducted to make certain payments as part of the Reorganisation, as set forth in items (i) and (ii) below. Accordingly, the proceeds amount set forth above will be allocated as follows:

(i) approximately US$73.9 million (equivalent to approximately HK$572.8 million), or 21.0%, for the payment of:

- ➢ obligations relating to the repurchase of preferred shares (approximately US$59.1 million equivalent to approximately HK$458.1 million);
- ➢ the TJCC Services Transaction and Termination Fee (US$10.0 million or equivalent to approximately HK$77.5 million); and
- ➢ "founder participation" paid to Mr. Rubo Li, Mr. Emory Williams and Williams Realty (approximately US$4.9 million or equivalent to approximately HK$38.0 million), see "Reorganisation";

(ii) approximately US$58.2 million (equivalent to approximately HK$451.1 million), or 16.5%, to pay the Contingent Dividend to Pre-IPO Ordinary Shareholders; the amount of the Contingent Dividend will represent the difference of (a) 37.5% of the net proceeds from the Global Offering and (b) the sum of US$73.9 million as set forth in item (i) above, subject to the amount of distributable profits available for declaration; see below and "Summary — Contingent Dividend Based on Distributable Profits as of 31 December 2009";

(iii) US$76.6 million (equivalent to approximately HK$593.7 million) or 21.8%, for projects to improve and expand our current production facilities and aftermarket service network, including:

- ➢ completing plant construction and equipment procurement for our new armored-face conveyor production facility in Huainan City in Anhui Province, PRC; the facility will have an aggregate gross site area of approximately 168,528.7 sq.m., and is expected to commence production in June 2010 and achieve annual production capacity of approximately 250 units by the end of 2010 and 340 units by the end of 2011;
- ➢ constructing and fitting out new surface treatment and assembly workshop for high-power roadheaders, thereby bringing these operations in house; purchase and installation of advanced digital controlled lathes, grinding and milling lines and increase roadheader annual production capacity to approximately 444 units by the end of 2010 and 528 units by the end of 2011; purchase and installation of advanced testing and precision measurement equipment to increase roadheader product quality; and IT system upgrade;
- ➢ constructing and fitting out new machining workshop for high-power shearers; purchase and installation of grinding lines to increase shearer annual production capacity to approximately 246 units by the end of 2010 and 296 units by the end of 2011, with a principal focus on high-power models and new products; purchase and installation of advanced testing and precision measurement equipment to increase shearer product quality; and IT system upgrade; and
- ➢ establishing new after-market service locations in major coal mining regions.

(iv) US$108.3 million (equivalent to approximately HK$839.4 million), or 30.8% of the net proceeds will be used as to approximately RMB51.4 million (equivalent to approximately HK$58.4 million) to pay for the consideration on the acquisition of the remaining 25% equity interest in Huainan Longwall and as to the remaining balance to pay for other potential acquisitions and investments to enhance our capability to provide complete longwall mining systems; and

(v) any remaining net proceeds of up to US$35.2 million (equivalent to approximately HK$272.8 million), or 10.0%, for working capital and general corporate purposes.

The amount in item (ii) above is subject to determination of the Offer Price. The amount of the Contingent Dividend will represent the difference of (a) 37.5% of the net proceeds from the Global Offering and (b) the sum of US$73.9 million (equivalent to approximately HK$572.8 million) in payments as set forth in item (i) above, subject to the amount of distributable profits available for declaration. We currently estimate that the Offer Price will be not less than HK$4.88 and not more than HK$6.38 per Offer Share. Based on this Offer Price range, our Board of Directors declared and approved the Contingent Dividend range of between US$40.1 million (equivalent to approximately HK$310.8 million) and US$63.2 million (equivalent to approximately HK$489.9 million). Using an assumed Offer Price of HK$5.63 per Offer Share, being the mid-point of the indicative Offer Price range, we estimate that the amount of Contingent Dividend will be US$58.2 million (equivalent to approximately HK$451.1 million). Payment of the Contingent Dividend will not affect the other uses of proceeds set out above. The final amount of the Contingent Dividend will not be determined until determination of the Offer Price, which will be disclosed in our allotment results announcement together with the use of proceeds. Investors in the Global Offering should note that they will not be entitled to participate in the Contingent Dividend. We have provided an irrevocable instruction to the Sole Global Coordinator to apply the net proceeds from the Global Offering for the purposes of items (i) and (ii) above.

In the event that the Offer Price is set at the high end of the indicative Offer Price range, we expect to pay a Contingent Dividend (or item (ii) above) of US$63.2 million (equivalent to approximately HK$489.9 million). After deducting payment for items (i) and (ii) above, which we will not receive, we expect to receive net proceeds of approximately US$263.1 million (equivalent to approximately HK$2,039.2 million), assuming the Over-allotment Option is not exercised. In such an event, we expect to allocate the additional net proceeds for the purposes described in items (iii) and (iv) above on a pro rata basis.

In the event that the Offer Price is set at the low end of the indicative Offer Price range, we expect to pay a Contingent Dividend (or item (ii) above) of US$40.1 million (equivalent to approximately HK$310.8 million). After deducting payment for items (i) and (ii) above, which we will not receive, we expect to receive net proceeds of approximately US$190.1 million (equivalent to approximately HK$1,473.4 million), assuming the Over-allotment Option is not exercised. In such an event, we expect to allocate:

- US$76.6 million (equivalent to approximately HK$593.7 million) for item (iii) above;
- up to US$30.4 million (equivalent to approximately HK$235.6 million) for item (v) above; and
- the remaining for item (iv) above.

To the extent that the net proceeds of the Global Offering derived from unused capital are not immediately applied to the above purposes, we intend to deposit the proceeds in interest-bearing bank accounts, such as short-term savings accounts or basic short-term money markets funds, with licensed commercial banks and/or authorised financial institutions.