

*The following is the text of a letter, summary of values and valuation certificate prepared for the purpose of incorporation in this Prospectus received from Savills Valuation and Professional Services Limited, an independent property valuer, in connection with their opinion of values of the property interests of the Group as at 30 November 2009.*



The Directors  
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29 January 2010

Dear Sirs,

In accordance with your instructions for us to value the properties located in the People's Republic of China (the "PRC") in which International Mining Machinery Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of such property interests as at 30 November 2009 ("date of valuation") for inclusion in a Public Offering Document.

Our valuation of each of the property interests is our opinion of its market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the properties for specific terms at nominal annual land use fees have been

granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

The properties in Group I are held by the Group for owner-occupation in the PRC. In valuing Property No. 7, we have adopted the “Direct Comparison Approach” by making reference to the comparable market transactions assuming sale with the benefit of vacant possession. For the remaining properties in Group I, due to the specific purposes for which the buildings and structures of the properties were constructed, there are no readily identifiable market comparables. Thus the buildings and structures cannot be valued on the basis of direct comparison. They have therefore been valued on the basis of their depreciated replacement cost. We would define “depreciated replacement cost” for these purposes to be our opinion of the land value in its existing use and an estimate of the new replacement costs of the buildings and structures, including professional fees and finance charges, from which deductions are then made to allow for age, physical and functional obsolescence. The depreciated replacement cost approach generally provides the most reliable indication of value for property in the absence of a known market based on comparable sales.

In valuing the property in Group II, which is held by the Group under development in the PRC, we have valued the property on the basis that it will be developed and completed in accordance with the Group’s latest development proposals provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for these proposals have been obtained. In arriving at our opinion of value, depending on the nature of the property, we have valued it by adopting the depreciated replacement cost approach.

In valuing the properties in Group III, which are rented by the Group in the PRC, we have assigned no commercial values to such properties due to prohibition against assignment or sub-letting or otherwise due to lack of substantial profit rent.

We have been shown copies of various title documents including State-owned Land Use Certificates and Building Ownership Certificates by the Group relating to the properties. However, we have not inspected the original documents to verify the ownership or to verify any amendments which may not appear on the copies provided to us. We have relied to a very considerable extent on the information given by the Group and its PRC’s legal adviser, King & Wood, on PRC laws, regarding the titles to the properties. We have also accepted advice given to us on such matters as planning approvals or statutory notices, development proposals easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided by the Group to us and are therefore only approximations. No on-site measurements have been taken. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to our valuations. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied.

We have inspected the exterior and where possible, the interior of the properties. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made, we are therefore not able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors.

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

We enclose herewith our summary of values and valuation certificate.

Yours faithfully,  
For and on behalf of  
**Savills Valuation and Professional Services Limited**  
**Charles C K Chan**  
MSc FRICS FHKIS MCI Arb RPS(GP)  
Managing Director

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Note:

Charles C K Chan, Chartered Estate Surveyor, MSc, FRICS, FHKIS, MCI Arb, RPS(GP), has about 25 years' experience in the valuation of properties in Hong Kong and 20 years' experience in the valuation of properties in the PRC.

## SUMMARY OF VALUES

No.	Property	Capital value in existing state as at 30 November 2009	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 30 November 2009
Group I — Property interests held by the Group for owner-occupation in the PRC				
1.	An industrial complex located at No. 2 Hongqi Road Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	RMB90,900,000	100%	RMB90,900,000
2.	A building located in Yaodiwei Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	RMB960,000	100%	RMB960,000
3.	An industrial complex situated at No. 87 Nanxing Street Nanshanban Jiguang District Jixi Heilongjiang Province PRC	RMB1,880,000	100%	RMB1,880,000
4.	An industrial complex located in Zhongxin Taxiao Zone Xiangyangban Jixi Heilongjiang Province PRC	RMB29,100,000	100%	RMB29,100,000
5.	A building located at No. 2 Hongqi Road Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	RMB370,000	100%	RMB370,000
6.	An industrial complex located at No. 64 Wei Yonghong District Jiamusi Heilongjiang Province PRC	RMB137,000,000	100%	RMB137,000,000
7.	No. 5 on Level 16 Yingding Apartment Lingjiang Huayuan Xiangyang District Jiamusi Heilongjiang Province PRC	RMB480,000	100%	RMB480,000
	Sub-total	RMB260,690,000		RMB260,690,000

No.	Property	Capital value in existing state as at 30 November 2009	Interest attributable to the Group	Capital value in existing state attributable to the Group as at 30 November 2009
<b>Group II — Property interest held by the Group under development in the PRC</b>				
8.	A parcel of land East of Zhengxing Road Huainan Economic and Technology Development Zone Huainan Anhui Province PRC	RMB63,300,000	100%	RMB63,300,000
	<b>Sub-total</b>	<u>RMB63,300,000</u>		<u>RMB63,300,000</u>
<b>Group III — Property interests rented by the Group in the PRC</b>				
9.	Unit Nos. 1212 to 1215 Xinhua Building No. 70 Zhongshan Road Heping District Shenyang Liaoning Province PRC	No commercial value		No commercial value
10.	Unit No. 301B Block No. 218 Lize Zhongyuan 2nd Zone Wangjing Development Zone Chaoyang District Beijing PRC	No commercial value		No commercial value
11.	An industrial complex located at No. 3 Guoqing East Road Tianjiaan District Huainan Anhui Province PRC	No commercial value		No commercial value
12.	Unit 2308 on Level 23 Block 109 Lize Xiyuan Wangjing Development Zone Chaoyang District Beijing PRC	No commercial value		No commercial value
	<b>Sub-total</b>	<u>Nil</u>		<u>Nil</u>
	<b>Grand-total</b>	<u><u>RMB323,990,000</u></u>		<u><u>RMB323,990,000</u></u>

## VALUATION CERTIFICATE

## Group I — Property interests held by the Group for owner-occupation in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
1.	An industrial complex located at No. 2 Hongqi Road Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	The property comprises 43 buildings and various structures erected on 2 parcels of land with a total site area of approximately 172,647.00 sq.m. (1,858,372 sq.ft.) completed in various stages between 1960 and 2008.  The total gross floor area of the property is approximately 79,604.75 sq.m. (856,866 sq.ft.), the breakdown of which is as follows:	The property is occupied by the Group for production, office, and storage uses.	RMB90,900,000  (100% interests attributable to the Group: RMB90,900,000)
			<b>Gross Floor Area</b>	
		<b>Usage</b>	<b>(sq.m.)</b>	
		Production: . . . . .	61,169.08	
		Office: . . . . .	14,862.47	
		Storage: . . . . .	2,012.57	
		Others: . . . . .	<u>1,560.63</u>	
		Total: . . . . .	<u><u>79,604.75</u></u>	
		The land use rights of the property have been granted for a term expiring on 14 January 2058 for industrial uses.		

## Notes:

- Pursuant to two State-owned Land Use Certificates Nos. Zhi Yi Guo Yong (2008) Di 800005 and 800007 issued by the People's Government of Jixi, the land use rights of the land of the property with a total site area of 172,647.00 sq m have been granted to Jixi Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Jixi Machinery") for a land use term expiring on 14 January 2058 for industrial uses.
- Pursuant to 28 Building Ownership Certificates all issued by Jixi Housing Administrative Bureau, the building ownership of 42 buildings of the property with a total gross floor area of 78,044.12 sq m is held by Jixi Machinery.
- We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - Jixi Machinery has legally obtained the land use rights of the property;
  - the land use rights of the property was subject to two mortgages and Jixi Machinery has to obtain the mortgagee's prior written consent before transferring, leasing or mortgaging the land use rights of the property during the mortgage term;
  - Jixi Machinery has legally obtained the building ownership of portion of the property with approximately 78,044.12 sq.m.;
  - portion of the property with a gross floor area of approximately 55,234.84 sq.m. as mentioned in Note (3)(iii) is subject to various mortgages and Jixi Machinery has to obtain the mortgagee's prior written consent before transferring, leasing or remortgaging such portion of the property during the mortgage term;

- (v) Jixi Machinery is entitled to occupy, transfer, lease or mortgage portion of the property with a total gross floor area of 22,809.28 sq.m. as mentioned in Note (3)(iii);
  - (vi) Jixi Machinery has not obtained the Building Ownership Certificates of portion of the buildings with a total gross floor area of 1,560.63 sq m.; and
  - (vii) the portion of the property as mentioned in Note (3)(vi) may be regarded as unauthorised construction and asked by the relevant authorities to demolish it as no Building Ownership Certificate has been obtained. As advised by Jixi Machinery, the demolition of such property has no material impact on their operation and they can find an alternative accommodation easily if the said property is asked to be demolished.
4. During the course of our valuation, we have not given any commercial value to the portion of the property as mentioned in Note (3)(vi). If the relevant Building Ownership Certificates have been obtained, the capital value of this portion as at 30 November 2009 was RMB1,650,000.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
2.	A building located in Yaodiwei Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	The property comprises a single-storey building erected on a parcel of land with a site area of approximately 4,555.00 sq.m. (49,030 sq.ft.) completed in 1959.  The gross floor area of the property is approximately 356.39 sq.m. (3,836 sq.ft.).  The land use rights of the property have been granted for a term expiring on 24 January 2058 for industrial uses.	The property is occupied by the Group for ancillary use.	RMB960,000  (100% interests attributable to the Group: RMB960,000)

## Notes:

1. Pursuant to the State-owned Land Use Certificate No. Ji Guang Guo Yong (2008) Di. 200004 issued by the People's Government of Jixi, the land use rights of the land of the property with a site area of 4,555.00 sq.m. have been granted to Jixi Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Jixi Machinery") for a land use term expiring on 24 January 2058 for industrial uses.
2. Pursuant to the Building Ownership Certificate No. Ji Guang Fang Zi Di S200701330 issued by Jixi Housing Administrative Bureau, the building ownership of the property with a gross floor area of 356.39 sq.m. is held by Jixi Machinery.
3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - (i) Jixi Machinery has legally obtained the land use rights and the building ownership of the property; and
  - (ii) the land use rights and the building ownership of property are mortgaged and Jixi Machinery has to obtain the mortgagee's prior written consent before transferring, leasing or remortgaging the land use rights and the building ownership rights of the property during the mortgage term.



No. Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009										
3. An industrial complex situated at No. 87 Nanxing Street Nanshanban Jiguang District Jixi Heilongjiang Province PRC	<p>The property comprises 7 buildings and various structures erected on a parcel of land with a site area of approximately 10,563.00 sq.m. (113,700 sq.ft.) completed in various stages between 1958 and 1988.</p> <p>The total gross floor area of the property is approximately 1,982.30 sq.m. (21,337 sq.ft.), the breakdown of which is as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Usage</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production: . . . . .</td> <td style="text-align: right;">1,048.59</td> </tr> <tr> <td>Office: . . . . .</td> <td style="text-align: right;">532.00</td> </tr> <tr> <td>Storage: . . . . .</td> <td style="text-align: right;">401.71</td> </tr> <tr> <td>Total: . . . . .</td> <td style="text-align: right;"><u>1,982.30</u></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 15 January 2058 for industrial uses.</p>	Usage	Gross Floor Area (sq.m.)	Production: . . . . .	1,048.59	Office: . . . . .	532.00	Storage: . . . . .	401.71	Total: . . . . .	<u>1,982.30</u>	The property is occupied by the Group for production, office, and storage uses.	RMB1,880,000 (100% interest attributable to the Group: RMB1,880,000)
Usage	Gross Floor Area (sq.m.)												
Production: . . . . .	1,048.59												
Office: . . . . .	532.00												
Storage: . . . . .	401.71												
Total: . . . . .	<u>1,982.30</u>												

## Notes:

1. Pursuant to the State-owned Land Use Certificate No. Zhi Yi Guo Yong (2008) Di. 800003 issued by the People's Government of Jixi, the land use rights of the land of the property with a site area of 10,563.00 sq.m. have been granted to Jixi Coal Mining Machinery Co., Ltd (hereinafter referred to as "Jixi Machinery") for a land use term expiring on 15 January 2058 for industrial uses.
2. Pursuant to 7 Building Ownership Certificates Nos. Ji Guang Fang Zi Di S200701310, S200701311, S200701312, S200701313, S200701343, S200701365 and S200701373 all issued by Jixi Housing Administrative Bureau, the building ownership of 7 buildings of the property with a total gross floor area of 1,982.30 sq.m. is held by Jixi Machinery.
3. Pursuant to a contract signed between Jixi Machinery and Jixi Huachen Property Development Company Limited ("Huachen") on 7 July 2008, the property was contracted to be sold to Huachen for a consideration of RMB8,300,000.  
As advised by the Group, the property is in the process of transferring the title to Huachen.
4. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - (i) Jixi Machinery has legally obtained the land use rights of the property and is entitled to transfer, lease or mortgage the land use rights of the property;
  - (ii) Jixi Machinery has legally obtained the building ownership of the property and is entitled to transfer, lease or mortgage the aforesaid buildings;
  - (iii) the property is free from any mortgages;
  - (iv) the aforesaid contract mentioned in Note 3 is legal and valid; and
  - (v) the property is under the process of transferring the title from Jixi Machinery to Huachen. Prior to the completion of the change of ownership, the land use rights and the building ownership of the property belong to Jixi Machinery.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
4.	An industrial complex located in Zhongxin Taxiao Zone Xiangyanban Jiguang District Jixi Heilongjiang Province PRC	The property comprises 45 buildings and various structures erected on a parcel of land with a site area of approximately 84,976.00 sq.m. (914,682 sq.ft.) completed in various stages between 1938 and 2006.	The property is occupied by the Group for production, office, storage, dormitory and ancillary uses.	RMB29,100,000  (100% interest attributable to the Group: RMB29,100,000)

The total gross floor area of the property is approximately 29,011.15 sq.m. (312,278 sq.ft.), the breakdown of which is as follows:

Usage	Gross Floor Area (sq.m.)
Production: . . . . .	19,339.60
Office: . . . . .	4,093.04
Storage: . . . . .	5,259.59
Ancillary: . . . . .	318.92
Total: . . . . .	<u>29,011.15</u>

The land use rights of the property have been granted for a term expiring on 24 January 2058 for industrial uses.

Notes:

- Pursuant to the State-owned Land Use Certificate No. Zhi Yi Guo Yong (2008) Di 800006 issued by the People's Government of Jixi, the land use rights of the land of the property with a site area of 84,976.00 sq.m. have been granted to Jixi Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Jixi Machinery") for a land use term expiring on 24 January 2058 for industrial uses.
- Pursuant to 42 Building Ownership Certificates all issued by Jixi Housing Administrative Bureau, the building ownership of 43 buildings of the property with a total gross floor area of 28,021.55 sq.m. is held by Jixi Machinery.
- Pursuant to a contract signed between Jixi Machinery and Harbin Fufengda Trading Company Limited ("Fufengda") on 15 December 2008, the property was contracted to be sold to Fufengda for a consideration of RMB15,465,700.

As advised by the Group, the property is in the process of transferring the title to Fufengda.

- We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - Jixi Machinery has legally obtained the land use rights of the property and is entitled to transfer, lease or mortgage the aforesaid land use rights;
  - Jixi Machinery has legally obtained the building ownership of portion of the buildings with a total gross floor area of 28,021.55 sq.m. of the property and is entitled to transfer, lease or mortgage the aforesaid buildings;

- (iii) the property is free from any mortgages;
  - (iv) the property is under the process of transferring the title from Jixi Machinery to Fufengda. Prior to the completion of the change of ownership, the land use rights and the building ownership of the property belong to Jixi Machinery;
  - (v) Jixi Machinery has not obtained the Building Ownership Certificates of portion of the buildings with a total gross floor area of 989.60 sq.m.; and
  - (vi) the portion of the property as mentioned in Note (4)(v) may be regarded as unauthorised construction and asked to demolish it as no Building Ownership Certificate has been obtained. As stated in the contract mentioned in Note (3), Fufengda has satisfied to the title to the property. Even if the said portion of the property is asked to be demolished, the risk of Jixi Machinery to bear the responsibility of breaching the contract is minimal.
5. During the course of our valuation, we have not given any commercial value to 2 buildings of the property as mentioned in Note (4)(v). If the relevant Building Ownership Certificates have been obtained, the capital value of this portion as at 30 November 2009 was RMB280,000.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
5.	A building located at No. 2 Hongqi Road Xiangyangban Jiguang District Jixi Heilongjiang Province PRC	The property comprises a single-storey building erected on a parcel of land with a site area of approximately 1,178.00 sq.m. (12,680 sq.ft.) completed in 2006.  The gross floor area of the property is approximately 84.00 sq.m. (904 sq.ft.).  The land use rights of the property have been granted for a term expiring on 14 January 2058 for industrial uses.	The property is occupied by the Group for office use.	RMB370,000  (100% interest attributable to the Group: RMB370,000)

## Notes:

1. Pursuant to the State-owned Land Use Certificate No. Zhi Yi Guo Yong (2008) Di 800004 issued by the People's Government of Jixi, the land use rights of the land of the property with a site area of 1,178.00 sq.m. have been granted to Jixi Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Jixi Machinery") for a land use term expiring on 14 January 2058 for industrial uses.
2. Pursuant to the Building Ownership Certificate No. Ji Guang Fang Zi Di 047170 issued by Jixi Housing Administrative Bureau, the building ownership of the property with a gross floor area of 84.00 sq.m. is held by Jixi Machinery for office uses.
3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - (i) Jixi Machinery has legally obtained the land use rights of the property;
  - (ii) the land use rights of the property is subject to a mortgage and Jixi Machinery has to obtain the mortgagee's prior written consent before transferring, leasing or remortgaging the land use rights of the property during the mortgage term; and
  - (iii) Jixi Machinery has legally obtained the building ownership of the property and is entitled to occupy, transfer, lease or mortgage the building.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
6.	An industrial complex located at No. 64 Wei Yonghong District Jiamusi Heilongjiang Province PRC	The property comprises 71 buildings and various structures erected on a parcel of land with a site area of approximately 264,800.36 sq.m. (2,850,311 sq.ft.) completed in various stages between 1957 and 2008.  The total gross floor area of the property is approximately 93,220.14 sq.m. (1,003,422 sq.ft.), the breakdown of which is as follows:	The property is occupied by the Group for production, office, storage and ancillary uses.	RMB137,000,000  (100% interest attributable to the Group: RMB137,000,000)
		<b>Gross Floor Usage</b>	<b>Area</b>	
			<b>(sq.m.)</b>	
		Production: . . . . .	61,434.42	
		Office: . . . . .	12,109.88	
		Storage: . . . . .	15,203.06	
		Ancillary: . . . . .	4,472.78	
		Total: . . . . .	<u>93,220.14</u>	
		The land use rights of the property have been granted for a term expiring on 14 May 2056 for industrial uses.		

## Notes:

1. Pursuant to the State-owned Land Use Certificate No. Jia Shi Guo Yong (08) Di 200800126 issued by the People's Government of Jiamusi, the land use rights of the land of the property with a site area of 264,800.36 sq.m. have been granted to Jiamusi Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Jiamusi Machinery") for a land use term expiring on 14 May 2056 for industrial uses.
2. Pursuant to 57 Building Ownership Certificates, all issued by Jiamusi Housing Administrative Bureau, the building ownership of 69 buildings of the property with a total gross floor area of 91,076.23 sq.m. is held by Jiamusi Machinery.
3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - (i) Jiamusi Machinery has legally obtained the land use rights of the property;
  - (ii) Jiamusi Machinery is entitled to occupy, transfer, lease or mortgage the land use rights of the property;
  - (iii) Jiamusi Machinery has legally obtained the building ownership of portion of the property with a total gross floor area of 91,076.23 sq.m.;
  - (iv) portion of the buildings with a total gross floor area of 80,961.45 sq.m. as mentioned in Note (3)(iii) is subject to mortgages and Jiamusi Machinery has to obtain the mortgagee's prior written consent before transferring, leasing or remortgaging such portion of the property during the mortgage term;
  - (v) Jiamusi Machinery is entitled to occupy, transfer, lease or mortgage portion of the buildings with a total gross floor area of 10,114.78 sq.m. of the property as mentioned in Note (3)(iii);

- (vi) Jiamusi Machinery has not obtained the Building Ownership Certificates of portion of the buildings with a total gross floor area of 2,143.91 sq.m; and
  - (vii) the portion of the property as mentioned in Note (3)(vi) may be regarded as unauthorised construction and asked by the relevant authorities as no Building Ownership Certificate has been obtained. As advised by Jiamusi Machinery, the demolition of such property has no material impact on their operation and they can find an alternative accommodation easily if the said property is asked to be demolished.
4. During the course of our valuation, we have not given any commercial value to 2 buildings of the property as mentioned in Note (3)(vi). If the relevant Building Ownership Certificates have been obtained, the capital value of this portion as at 30 November 2009 was RMB2,160,000.

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
7.	No. 5 on Level 16 Yingding Apartment Lingjiang Huayuan Xiangyang District Jiamusi Heilongjiang Province PRC	The property comprises a residential unit on Level 16 of a 24-storey residential building completed in 2004.  The gross floor area of the property is approximately 139.74 sq.m. (1,504 sq.ft.).	The property is occupied by the Group for domestic use.	RMB480,000  (100% interest attributable to the Group: RMB480,000)

## Notes:

1. Pursuant to Building Ownership Certificate No. Jia Fang Quan Zheng Xiang Zi Di 2006026671 issued by Jiamusi Housing Administrative Bureau, the building ownership of the property with a gross floor area of 139.74 sq.m. is held by Jiamusi Mining Machinery Co., Ltd. (“Jiamusi Machinery”).
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, inter-alia, the following information:
  - (i) Jiamusi Machinery has legally obtained the building ownership of the property and is entitled to occupy, transfer, lease or mortgage the property.

## Group II — Property interest held by the Group under development in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 30 November 2009
8.	A parcel of land East of Zhengxing Road Huainan Economic and Technology Development Zone Huainan Anhui Province PRC	The property comprises 2 parcels of land with a total site area of approximately 168,528.67 sq.m. (1,814,043 sq.ft.).  According to the latest development proposal provided by the Group, the property will be developed into an industrial complex to be completed in 2010. Upon completion, the development will provide a total gross floor area of 26,857.00 sq.m. (289,089 sq.ft.)  The land use rights of the property have been granted for two terms expiring on 30 September 2057 and 24 December 2058 for industrial uses.	The property is under construction.	RMB63,300,000  (100% interest attributable to the Group: RMB63,300,000)

## Notes:

- Pursuant to two State-owned Land Use Certificates Nos. Huai Guo Yong (2009) Di. 020037 and Huai Guo Yong (2009) Di 020048 issued by the People's Government of Huainan, the land use rights of the land of the property with a total site area of 168,528.67 sq.m. have been granted to Huainan Longwall Coal Mining Machinery Co., Ltd. (hereinafter referred to as "Huainan Longwall") for two land use terms expiring on 30 September 2057 and 24 December 2058 for industrial uses.
- Huainan Longwall has obtained the Planning Permit for Construction Land No. Di Zi Di 340402 (2009)25 issued by Huainan Town Planning Bureau in relation to the property.
- Pursuant to a Construction Works Planning Permit No. Jian Zi Di 340401 (2009) 76, the construction scale of the property with a total gross floor area of 26,857 sq.m. was permitted.
- As advised by the Group, the outstanding construction cost to be spent to complete the property as at 30 November 2009 was approximately RMB27,880,000.
- The capital value of the property as if completed as at 30 November 2009 was RMB91,200,000.
- We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:-
  - Huainan Longwall has legally obtained the land use rights of the property;
  - portion of the property with a site area of 156,886.87 sq.m. is subject to a mortgage. Huainan Longwall is entitled to occupy such portion. Huainan Longwall has to obtain the mortgagee's prior written consent before remortgaging such portion of the property and is entitled to transfer the said portion after investing 25% of the total investment amount;
  - Huainan Longwall is entitled to occupy or mortgage portion of the property with a site area of 11,641.8 sq.m. and is entitled to transfer the said portion after investing 25% of the total investment amount; and
  - Huainan Longwall has obtained all the relevant approvals for the construction works.



## Group III — Property interests rented by the Group in the PRC

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 November 2009
9.	Unit Nos. 1212 to 1215 Xinhua Building No. 70 Zhongshan Road Heping District Shenyang Liaoning Province PRC	The property comprises four office units on Level 12 of a 21-storey office building completed in 2007.  The total gross floor area of the property is approximately 225.65 sq.m. (2,429 sq.ft.).  The property is leased to the Group for a term commencing on 1 August 2008 and expiring on 31 July 2010 at an annual rental of RMB159,740.	The property is occupied by the Group for office use.	No commercial value

## Notes:

1. The property is leased from Liu Jikuan (the “Lessor”), an independent third party, to Jiamusi Coal Mining Machinery Co., Ltd., a wholly-owned subsidiary of the Company.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:-
  - (i) the Lessor has obtained the Building Ownership Certificate of the property and has the right to lease the property;
  - (ii) the tenancy has been registered; and
  - (iii) the tenancy is legal and valid.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 November 2009
10.	Unit No. 301B Block No. 218 Lize Zhongyuan 2nd Zone Wangjing Development Zone Chaoyang District Beijing PRC	The property comprises an office unit on Level 3 of a 10-storey office building completed in 1995.  The gross floor area of the property is approximately 330.00 sq.m. (3,552 sq.ft.).  The property is leased to the Group for a term commencing on 1 September 2006 and expiring on 14 May 2010 at an annual rental of RMB347,580.	The property is occupied by the Group for office use.	No commercial value

## Notes:

1. The property is leased from Beijing Aimu Underwear Company Limited (the “Lessor”), an independent third party, to Jiamusi Coal Mining Machinery Co., Ltd. (“Jiamusi Machinery”), a wholly-owned subsidiary of the Company.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:-
  - (i) the Lessor has obtained the Building Ownership Certificate of the property and has the right to lease the property; and
  - (ii) the tenancy agreement has not been registered but this will not affect the validity of the tenancy agreement.

No.	Property	Description and tenancy particulars	Particulars of occupancy	Capital value in existing state as at 30 November 2009
11.	An industrial complex located at No. 3 Guoqing East Road Tianjiaan District Huainan Anhui Province PRC	<p>The property comprises an industrial complex accommodating 20 single to 4-storey buildings with a total gross floor area of approximately 21,175.99 sq m (227,938 sq ft) completed between 1958 and 1986.</p> <p>The property is leased to the Group for a term commencing on 21 November 2007 and expiring on 30 June 2010 at an annual rental of RMB3,000,000.</p>	The property is occupied by the Group for production, office, dormitory and warehouse purposes.	No commercial value

## Notes:

1. The property is leased from Huainan Benniu Machinery Company Limited (the “Lessor”), a former joint venture party of Huainan Longwall Mine Machinery Co., Ltd. (“Huainan Longwall”) to Huainan Longwall, a wholly owned subsidiary of the Company.
2. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:-
  - (i) the Lessor has obtained the Building Ownership Certificate of the property and has the right to lease the property; and
  - (ii) the tenancy is legal and valid.

No.	Property	Description and tenancy details	Particulars of occupancy	Capital value in existing state as at 30 November 2009
12.	Unit 2308 on Level 23 Block 109 Lize Xiyuan Wangjing Development Zone Chaoyang District Beijing PRC	<p>The property comprises a residential unit on Levels 23 of a 24-storey residential building completed in 2001.</p> <p>The gross floor area of the property is approximately 97.00 sq.m. (1,044 sq.ft.).</p> <p>The property is leased to the Group for a term commencing on 15 November 2009 and expiring on 14 November 2010 at an annual rental of RMB44,400.</p>	<p>Portion of the property with a gross floor area of 35.00 sq.m. is subject to a tenancy for a term from 10 July 1997 to 10 July 2016 at an annual rental of RMB15,000 for ancillary uses. The remaining portion of the property is occupied by the Group for dormitory uses.</p>	No commercial value

## Notes:

1. The property is leased from an independent third party to Jiamusi Coal Mining Machinery Co., Ltd., a wholly-owned subsidiary of the Company.
2. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal advisers, which contains, inter alia, the following information:-
  - (i) the Lessor has obtained the Building Ownership Certificate of the property and has the right to lease the property; and
  - (ii) the tenancy agreement has not been registered but this will not affect the validity of the tenancy agreement.