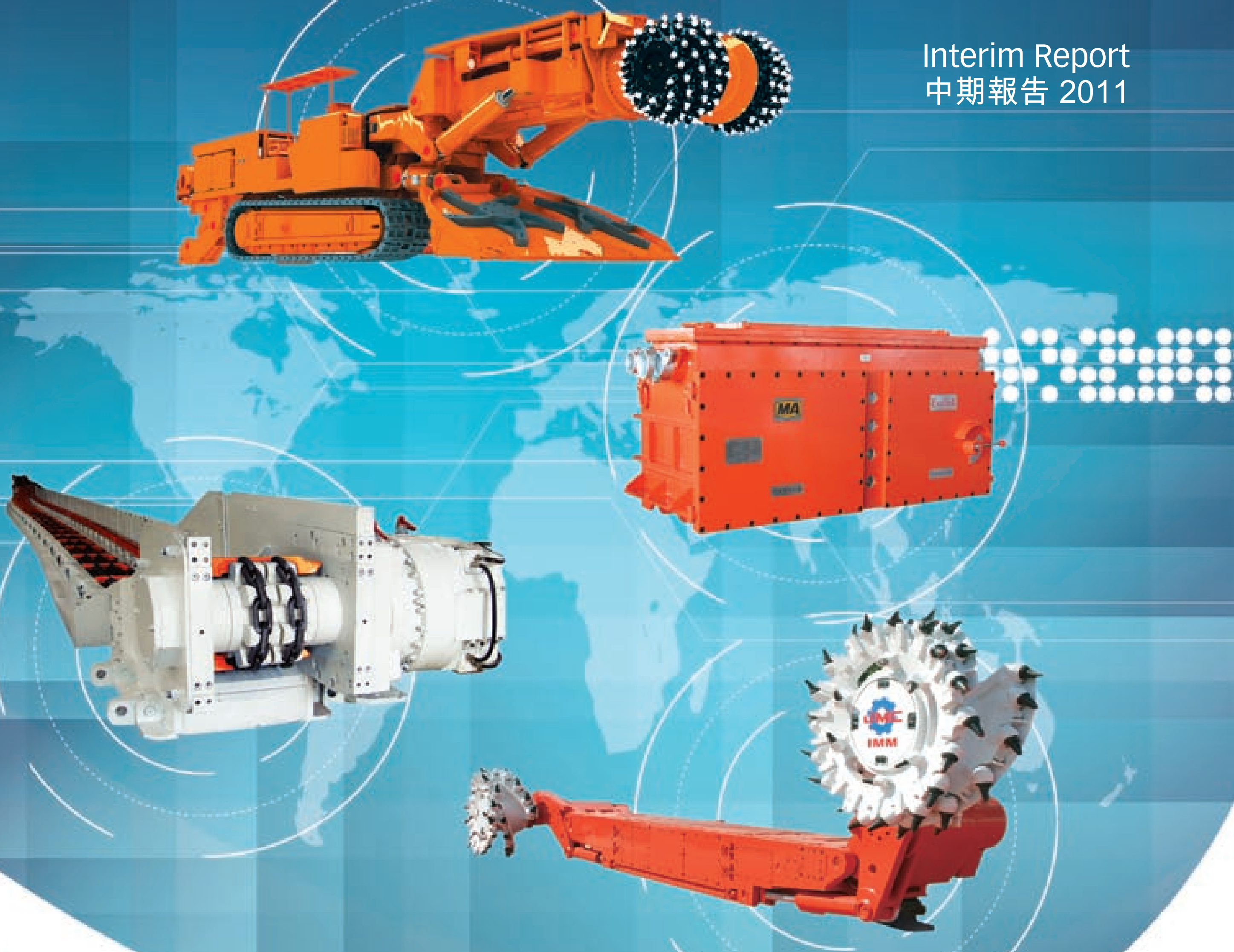


Interim Report
中期報告 2011

INTERNATIONAL MINING MACHINERY HOLDINGS LIMITED
國際煤機集團

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

IMM 国际煤机集团
INTERNATIONAL MINING MACHINERY

Stock Code 股份代號：1683

Contents

Corporate Information

Board of Directors

Executive Directors

Mr. Thomas H. QUINN
Mr. Kee-Kwan Allen CHAN
Mr. Kwong Ming Pierre TSUI
Mr. Yinghui WANG
Mr. Youming YE

Non-executive Directors

Mr. Rubo Li (resigned on 31 January 2011)
Mr. John W. JORDAN II
Ms. Lisa M. ONDRULA

Independent Non-executive Directors

Dr. Yiming HU
Dr. Xuezheng WANG
Mr. Zhenduo YUAN
Dr. Fung Man, Norman WAI

Audit Committee

Dr. Yiming HU *(Chairwoman)*
Ms. Lisa M. ONDRULA
Dr. Xuezheng WANG

Remuneration Committee

Mr. Thomas H. QUINN *(Chairman)*
Dr. Fung Man, Norman WAI
Mr. Zhenduo YUAN

Authorised Representatives

Mr. Thomas H. QUINN
Mr. Kee-Kwan Allen CHAN

Registered Office

Walkers Corporate Services Limited
Walker House
87 Mary Street
George Town
Grand Cayman KY1-9005
Cayman Islands

Principal Place of Business in China

2nd floor, Tower A, Aimer Plaza
Wangjing Development Zone
Chaoyang District
Beijing 100102
China

Principal Place of Business in Hong Kong

8th Floor
Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Joint Company Secretaries

Mr. Kwong Ming Pierre TSUI
Ms. Sau Kuen Gloria MA

Legal Advisors

As to Hong Kong and U.S. Law
Skadden, Arps, Slate, Meagher & Flom
42nd Floor, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to China Law
King & Wood
28-30F, Huai Hai Plaza
1045 Huai Hai Road (M)
Shanghai 200031
China

As to Cayman Islands Law
Walkers
15th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Corporate Information

Auditor

Ernst & Young
18th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Compliance Advisor

Guotai Junan Capital Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Cayman Islands Principal Share Registrar

Walkers Corporate Services Limited
Walker House
87 Mary Street
George Town
Grand Cayman, KY1-9005
Cayman Islands

Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation
1 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China Limited
Jiamusi, Changan Branch
No. 659 Xilin Road
Xiangyang District, Jiamusi
Heilongjiang 154003
China

Industrial and Commercial Bank of China Limited
Jixi, Heping Branch
No. 19 Hongqi Street
Jiguan District, Jixi
Heilongjiang 158100
China

China Construction Bank
Huainan, Luohe Branch
Luohe Town
Datong District, Huainan
Anhui 232008
China

China Construction Bank
Jiaonan Branch
No.203 East Zhuhai Street
Jiaonan
Shandong 266401
China

Investor Relations

Ms. Sze Lai Doris CHAN

Company's Website

www.immchina.com

Financial Highlights

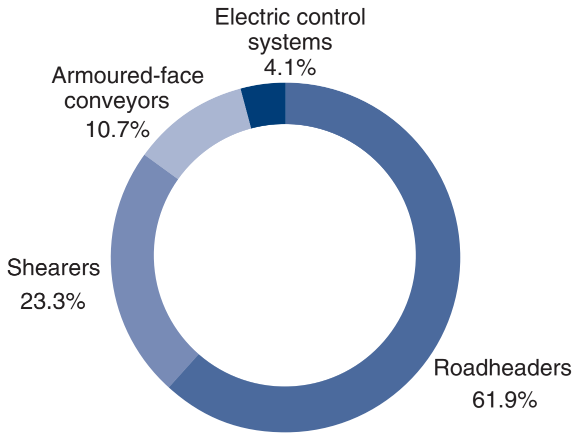
Comparison of results for the first half of 2011 and 2010

RMB million	For the six months ended 30 June		
	2011	2010	Change %
Revenue	**1,112.8**	926.2	20.1
Cost of sales	**(616.0)**	(530.4)	16.1
Gross profit	**496.8**	395.8	25.5
EBITDA	**321.6**	211.1	52.3
Profit before tax	**257.6**	180.1	43.0
Profit attributable to the equity holders of the Company	**203.5**	145.2	40.2
Basic earnings per share [1]	**15.65 cents**	12.26 cents	27.7

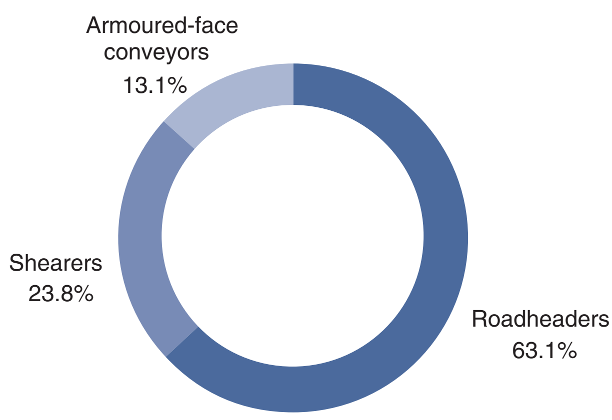
(1) The earnings per share are calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of shares outstanding during the period (30 June 2011: 1,300,038,657 and 30 June 2010: 1,184,444,444).

Revenue by segments

For the six months ended 30 June 2011



For the six months ended 30 June 2010



Financial Highlights

Financial Summary

RMB million	**For the six months ended 30 June 2011**	For the six months ended 30 June 2010	For the years ended 31 December 2010	2009	2008
Revenue	**1,112.8**	926.2	1,942.6	1,519.5	1,279.7
Gross profit	**496.8**	395.8	842.1	575.1	475.1
EBITDA	**321.6**	211.1	498.8	346.3	238.8
Profit before tax	**257.6**	180.1	416.9	294.2	185.2
Profit attributable to the equity holders of the Company	**203.5**	145.2	350.1	228.7	150.4
Basic earnings per share[1]	**15.65 cents**	12.26 cents	28.18 cents	29.32 cents	19.28 cents

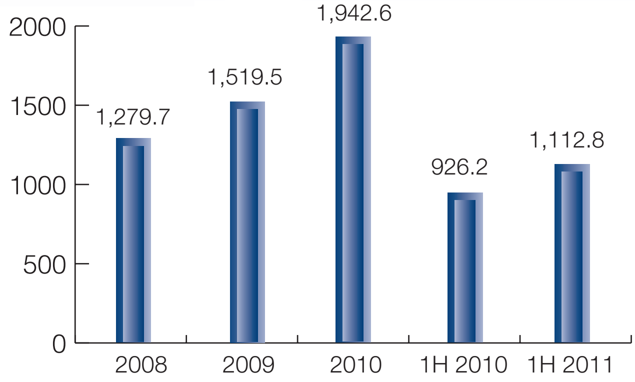
[1] The earnings per share are calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of shares outstanding during the period (30 June 2011: 1,300,038,657 30 June 2010: 1,184,444,444, 2010: 1,242,222,222 and all other periods: 780,000,000).

RMB million	**As of 30 June 2011**	As of 31 December 2010	As of 31 December 2009	As of 31 December 2008	As of 31 December 2007
Non-current assets	**1,194.0**	1,210.1	626.9	633.8	572.8
Current assets	**2,881.9**	2,564.7	1,578.5	1,525.4	1,217.7
Current liabilities	**1,009.8**	837.9	1,463.3	1,097.2	926.1
Non-current liabilities	**108.7**	112.0	50.1	603.6	583.5
Net assets	**2,957.4**	2,824.9	692.1	458.4	280.9

Financial Highlights

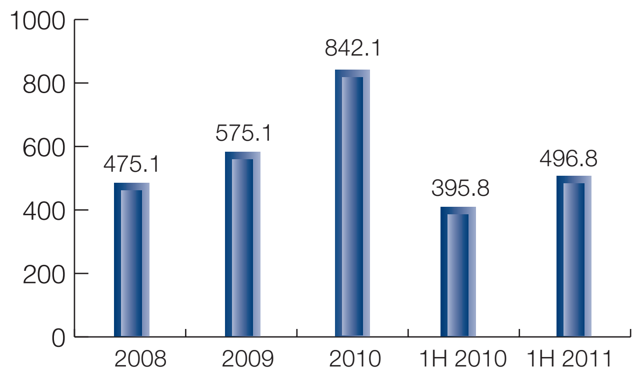
Revenue

RMB million



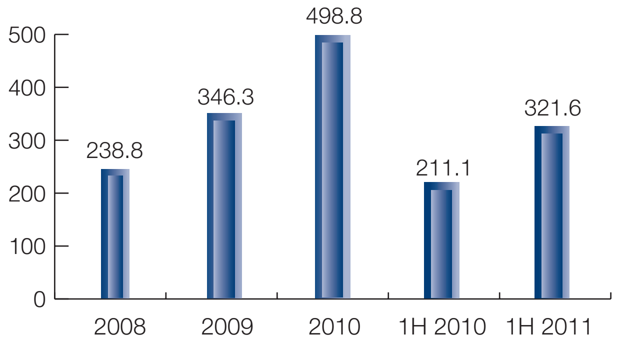
Gross profit

RMB million



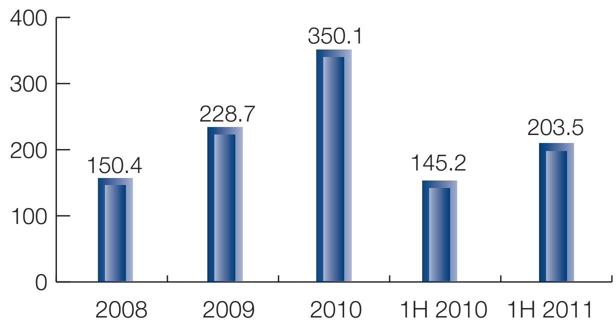
EBITDA

RMB million



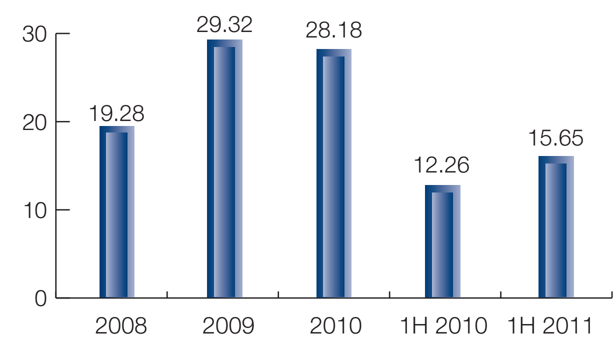
Profit attributable to the equity holders of the Company

RMB million



Earnings per share

RMB cent



Note:

The basic earnings per share amount for the six months ended 30 June 2011 is computed by dividing the profit attributable to equity holders of the Company by the weighted average of 1,300,038,657 ordinary shares (30 June 2010: 1,184,444,444, 2010: 1,242,222,222 and all other periods: 780,000,000 ordinary shares) in issue during the period.

A Letter from our Chairman and our CEO

We are pleased to report that, through the outstanding efforts of our managers and associates, we continued to deliver strong results to our shareholders for the first six months of 2011. Compared to the same period last year, our revenue grew 20.1%, including an 18.0% increase in sales of roadheaders and a 17.6% increase in sales of shearers, reflecting our continuously expanding presence in the coal mining machinery industry. Under a more challenging environment driven by increasing raw material costs during the review period, we were able to achieve further improvement in our gross margin, reaching a record level of 44.6% of sales for the current period. We will continue our efforts to pursue the opportunities for continued growth in the coal mining machinery industry in China and beyond to selected international markets.

Results

For the six months ended 30 June 2011, we achieved encouraging results. Our revenue increased by 20.1% over prior year to RMB1,112.8 million driven by the strong market demand for our roadheaders, shearers, armoured-face conveyors, and electric controls. Our gross profit grew impressively by 25.5% over the same period last year to RMB496.8 million. We continued to improve our gross margin by 1.9 percentage points over the same period last year to 44.6%. Our net profit attributable to the equity holders of the Company increased by 40.2% to RMB203.5 million against the same period last year. These reflect management's continued commitment and efforts to grow the business with quality operational control.

Developments in the International Markets

After our first international sale to Russia in November 2010, we opened the Australian market with the shipment of our roadheader in April 2011. Subsequently, we shipped the very first Chinese armoured-face conveyor (developed by our wholly owned subsidiary Huainan Longwall Coal Mining Machinery Co. Ltd. ("Huainan Longwall")) to Australia in June 2011. We also entered the Indian market with the shipment of two EBZ150 roadheaders in June 2011. The product obtained a Safety Certificate issued by the Directory General of Mining Safety ("DGMS"), which governs safe operation of underground coal mining equipment in India. Following the success in the Russian, Australian and Indian markets, we are also proactively cultivating more opportunities in regions with good potential such as Turkey, Ukraine, South Africa, and Indonesia.

New Product Introduction

During the first half of 2011, we achieved many significant firsts in the industry in China. Notable developments include (i) a cutting-edge thin-seam shearer (MG180/420-BWD) co-developed with Heilongjiang Technology Institute (黑龍江科技學院). The shearer is specially designed and constructed with a low body profile and high cutting power, for thin seams ranging from 0.95 to 1.10 meters; (ii) a cast welded armoured-face conveyor (SGZ800/250), which impressed an Australian customer who purchased the first armoured-face conveyor produced in China from us; (iii) a low body profile roadheader with flexible applications and an extendable drill; (iv) electric controls that have an automatic sensor for detecting and alerting coal gas levels, which boosts the safe operation of our machines in the mines. Our success in meeting these engineering challenges demonstrates our capabilities to continuously provide optimal solutions to our customers.

A Letter from our Chairman and our CEO

Outlook

We had an encouraging start to 2011 and delivered a solid financial performance for the six months ended 30 June 2011 which was driven by an increase in coal demand, together with the continuous drive for mechanization in coal mines that brings sustainable opportunities for us and other industry players. Coal mine consolidation initiatives have been progressing well in Shanxi province and the Chinese government has put in place strategic plans for extending consolidation to other prominent coal producing provinces such as Henan, Shaanxi, Shandong, Hebei and Inner Mongolia. These will continue to provide a strong outlook for the mining machinery industry.

The establishment of Shanxi Meijia Mining Machinery Company Limited ("Shanxi Meijia"), the joint venture company with Shanxi Coal Transportation and Sales Co., Ltd. ("Shanxi Coal Transportation") is on track. We expect Shanxi Meijia's factory to be completed within the current year. During the review period, we began receiving orders from Shanxi Coal Transportation, as we originally planned. We expect to deliver products in the first quarter of 2012.

Going forward, we will continue to focus on expanding our markets, looking to further improve our cost structure and maintain our quest for acquisitions to enhance the value of the Company for our shareholders. Our strong balance sheet and exceptional cash generating capability allows us to invest in the future and to capitalize on opportunities ahead of us.

Post-Results Development

On 14 July 2011, the Company jointly announced with Joy Global Inc. ("Joy Global") that Joy Global has entered into a Share Purchase Agreement pursuant to which TJCC Holdings Ltd. ("TJCC") has conditionally agreed to sell, and Joy Global's wholly owned subsidiary has conditionally agreed to acquire, 534,800,000 shares of the Company (the "Sale Shares") in aggregate at the purchase price of HK$8.50 per share, for a total cash consideration of HK$4,545,800,000 (the "Announcement"). The Sale Shares represent approximately 41.14% of the entire issued share capital of the Company. The completion of the share purchase will take place when the conditions precedent as set out in the Announcement have been fulfilled.

Mr. Thomas H. Quinn
Chairman

Mr. Kee-Kwan Allen Chan
Chief Executive Officer

Hong Kong
29 August 2011

Report of Directors

The board of directors (the "Board") of International Mining Machinery Holdings Limited (the "Company") is pleased to present its report and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the first six months of 2011 along with additional commentary on trends and conditions that impacted our business during the period.

Prospects

China is the world's largest producer and consumer of coal and the China National Coal Machinery Industry Association ("CMIA") expects it to remain so for the foreseeable future. Chinese coal spot prices have been rising steadily this year, and the benchmark Bohai Rim steam coal index hit RMB808 per tonne on 27 April 2011, up from RMB774 per tonne on 26 January 2011. We can see significant growth in demand and the need for increased supply. CMIA also estimates that companies will invest RMB77 billion in coal mining machinery to meet the demand of increasing coal production. We expect this to directly benefit the coal mining machinery industry and our customers turn to new and additional automation to help them extract coal in a more cost efficient and timely manner.

Guided by the Twelfth Five-Year Plan, actions have been taken by the provincial governments, and they will continue the restructuring in the next five years by focusing on consolidating and merging coal mine resources in various regions. To meet the objective of the Twelfth Five-Year Plan, large mining companies are likely to increase the capacity of existing large mines or restructure small mines and introduce mining machines to the consolidated coal mines. The market leaders such as the Company should benefit from the increasing demand for equipment from large mining companies and outperform the industry's growth.

Arrangements to Acquire Shares or Debentures

At no time during the six months ended 30 June 2011 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company (the "Directors") to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate entity.

Results and State of Financial Affairs

The Group's profit for the six months ended 30 June 2011 and the state of financial affairs of the Group at that date are set out in the interim condensed financial information on pages 27 to 54 of the report.

Interim Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2011.

Report of Directors

Directors

The Directors of the Company as at the Listing Date and up to the date of this report are as follows:

Executive Directors

Mr. Thomas H. QUINN *(Chairman)*	(appointed on 12 April 2006 and designated as an executive Director on 24 January 2010, and re-elected as an executive Director on 15 June 2010)
Mr. Kee-Kwan Allen CHAN (陳其坤) *(Chief Executive Officer)*	(appointed on 16 May 2006 and designated as an executive Director on 24 January 2010, and re-elected as an executive Director on 15 June 2010)
Mr. Kwong Ming Pierre TSUI (徐廣明) *(Chief Financial Officer)*	(appointed on 24 January 2010 and re-elected as an executive Director on 14 June 2011)
Mr. Yinghui WANG (王穎輝)	(appointed on 24 January 2010 and re-elected as an executive Director on 14 June 2011)
Mr. Youming YE (葉有明)	(appointed on 16 May 2006 and designated as an executive Director on 24 January 2010, and re-elected as an executive Director on 15 June 2010)

Non-executive Directors

Mr. John W. JORDAN II	(appointed on 16 May 2006 and designated as a non-executive Director on 24 January 2010, and re-elected as a non-executive Director on 15 June 2010)
Ms. Lisa M. ONDRULA	(appointed on 24 January 2010)
Mr. Rubo LI (李汝波) (resigned on 31 January 2011)	(appointed on 16 May 2006 and designated as a non-executive Director on 24 January 2010, and re-elected as a non-executive Director on 15 June 2010. Mr. Li resigned as a non-executive Director on 31 January 2011)

Independent Non-executive Directors

Dr. Yiming HU (胡奕明)	(appointed on 24 January 2010)
Dr. Xuezheng WANG (王學政)	(appointed on 24 January 2010 and re-elected as an independent non-executive Director on 14 June 2011)
Mr. Zhenduo YUAN (苑振鐸)	(appointed on 24 January 2010)
Dr. Fung Man, Norman WAI (衛鳳文)	(appointed on 24 January 2010 and re-elected as an independent non-executive Director on 14 June 2011)

Directors' and Chief Executives' Interests in Shares and Short Positions

As at 30 June 2011, the following Directors or chief executives of the Company had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) (i) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO), (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or (iii) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Listing Rules:

Name of Director	Number of shares/underlying shares held	Capacity	% of issued shares
Thomas H. Quinn	534,800,000 (long position)[1]	Interest of controlled corporation	41.14%
John W. Jordan II	534,800,000 (long position)[2]	Interest of controlled corporation	41.14%
Yiming Hu	30,000 (share options and long position)	Beneficial owner	0.002%
Kwong Ming Pierre Tsui	1,210,000 (share options and long position)	Beneficial owner	0.093%
Fung Man, Norman Wai	30,000 (share options and long position)	Beneficial owner	0.002%
Xuezheng Wang	24,000 (share options and long position)	Beneficial owner	0.002%
Yinghui Wang	1,316,000 (share options and long position)	Beneficial owner	0.101%
Zhenduo Yuan	30,000 (share options and long position)	Beneficial owner	0.002%

Notes:

1. Mr. Thomas H. Quinn is a Director and at the same time one of the members, among others, of Resolute Fund Partners, LLC. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of the five parallel funds of The Resolute Fund, L.P., namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P.. The Resolute Fund, L.P., through the five parallel funds, is interested in the interests of shares held by its controlled corporation, TJCC Holdings Ltd., in the Company. Mr. Thomas H. Quinn was deemed to be interested in the interests of shares held by The Resolute Fund, L.P. through the five parallel funds and TJCC Holdings Ltd., in the Company, which represented 534,800,000 shares or approximately 41.14% interest in the total issued share capital of the Company.

2. Mr. John W. Jordan II is a Director and at the same time one of the members, among others, of Resolute Fund Partners, LLC. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of the five parallel funds of The Resolute Fund, L.P., namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P.. The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P. The Resolute Fund, L.P., through the five parallel funds, is interested in the interests of shares held by its controlled corporation, TJCC Holdings Ltd., in the Company. Mr. John W. Jordan II will be deemed to be interested in the interests in shares held by The Resolute Fund, L.P. through the five parallel funds and TJCC Holdings Ltd. in the Company, which will represent 534,800,000 shares or approximately 41.14% interest in the total issued share capital of the Company.

Report of Directors

Substantial Shareholders Interests

As at 30 June 2011, the register of substantial shareholders maintained under section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests, representing 5% or more of the Company's issued share capital:

Name of shareholders	Number of shares/underlying shares held	Capacity	% of issued shares
Resolute Fund Partners, LLC	534,800,000 (long position)[1]	Interest of controlled corporation	41.14%
The Resolute Fund, L.P.	534,800,000 (long position)[2]	Interest of controlled corporation	41.14%
The Resolute Fund SIE, L.P.	534,800,000 (long position)[3]	Interest of controlled corporation	41.14%
TJCC Holdings Ltd.	534,800,000 (long position)[4]	Beneficial owner	41.14%
JP Morgan Chase & Co.	69,500 (long position)	Beneficial owner	0.01%
	60,847,500 (long position)	Investment manager	4.68%
	45,398,261 (long position & lending pool)	Custodian	3.49%
Cheah Cheng Hye	79,847,500 (long position)[5]	Founder of a discretionary trust	6.14%
Hang Seng Bank Trustee International Limited	79,847,500 (long position)[5]	Trustee (other than a bare trustee)	6.14%
Cheah Company Limited	79,847,500 (long position)[5]	Interest of controlled corporation	6.14%
Cheah Capital Management Limited	79,847,500 (long position)[5]	Interest of controlled corporation	6.14%
To Hau Yin	79,847,500 (long position)[5]	Interest of spouse	6.14%
Value Partners Group Limited	79,847,500 (long position)[5]	Interest of controlled corporation	6.14%
Value Partners Limited	79,847,500 (long position)[5]	Investment manager	6.14%

Notes:

1. Resolute Fund Partners, LLC is the general partner of The Resolute Fund, L.P., and each of its five parallel funds, namely, The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P.. Resolute Fund Partners, LLC was deemed to be interested in these shares of the Company through its controlled corporations, The Resolute Fund, L.P. (through its five parallel funds) and TJCC Holdings Ltd.. Mr. Thomas H. Quinn and Mr. John W. Jordan II are members, among others, of Resolute Fund Partners, LLC. Mr. Thomas H. Quinn and Mr. John W. Jordan II are Directors.

2. The Resolute Fund, L.P. (through the interests held by its five parallel funds, namely The Resolute Fund SIE L.P., The Resolute Fund Netherlands, PV I, L.P., The Resolute Fund Netherlands, PV II, L.P., The Resolute Fund Singapore PV, L.P. and The Resolute Fund NQP, L.P.) was deemed to be interested in these shares of the Company through its controlled corporation, TJCC Holdings Ltd., which was interested in 534,800,000 shares, representing 41.14% interest in the total issued share capital of the Company.

3. The Resolute Fund SIE, L.P. was deemed to be interested in these shares of the Company through its directly controlled corporation, TJCC Holdings Ltd., which was interested in 534,800,000 shares, representing 41.14% interest in the total issued share capital of our Company.

4. These shares of the Company were directly held by TJCC Holdings Ltd.

5. The 79,847,500 shares represent the same block of shares.

Share Option Scheme

On 24 January 2010, the shareholders of the Company approved and adopted a share option scheme (the "Share Option Scheme"). Key terms of the Share Option Scheme are summarized below:

(i) The purpose of the Share Option Scheme is to provide incentives to the individual being an employee, officer, agent, consultant or representative of the Company or any subsidiary of the Company, including any executive or non-executive Director of the Company or of any subsidiary of the Company (the "Participants") to contribute to the Group by providing the Participants the opportunity to acquire proprietary interests in the Company and to encourage the Participants to work towards enhancing the value of the Company as well as to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group.

(ii) The total number of shares in the Company in respect of which options may be granted under the Share Option Scheme is 130,000,000 shares, being 10% of the total number of shares in issue as at 10 February 2010 (the "Listing Date").

(iii) Unless approved by shareholders in a general meeting, no Participant shall be granted an option within the 12-month period up to and including the proposed date on which the grant of an option is made (the "Grant Date") if such grant would result in the total number of shares already issued and which may fall to be issued upon exercise of such option proposed to be granted and all other options already granted and to be granted to him/her under the Share Option Scheme and any other share option scheme(s) of the Group representing in aggregate over 1% of the number of shares in issue as at the proposed Grant Date.

(iv) The limit on the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of any member of the Group must not exceed 30% of the number of shares in issue from time to time.

(v) A consideration of HK$1.00 is payable on acceptance of the offer of grant of an option.

(vi) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board, which must not be more than 10 years from the Grant Date.

The Company granted a total of 3,120,000 share options on 28 April 2010 and on 29 October 2010 (the "Date of Grant"), the Company granted a total of 18,818,800 share options to subscribe for ordinary shares of nominal value of HK$0.10 each in the share capital of the Company under the Share Option Scheme. Both of these issuances were described in the Company's Annual Report for 2010. As at 30 June 2011, a total of 17,993,800 share options remain unexercised by Directors and other employees of the Company pursuant to the Share Option Scheme.

Report of Directors

Movement of the options granted under the Share Option Scheme during the six months ended 30 June 2011 is as follows:

Name of grantee	Date of grant	Date of expiry	Exercise Price (HK$)	Number of underlying shares comprised in the outstanding options as at 1 January 2011	Number of underlying shares comprised in the options lapsed or cancelled during the 6 months ended 30 June 2011	Number of underlying shares comprised in the options exercised during the 6 months ended 30 June 2011	Number of underlying shares comprised in the outstanding options as at 30 June 2011
Mr. Kwong Ming Pierre Tsui	28 April 2010	23 January 2020	4.07	175,000	–	–	175,000
Mr. Yinghui Wang	28 April 2010	23 January 2020	4.07	150,000	–	–	150,000
Dr. Yiming Hu	28 April 2010	23 January 2020	4.07	30,000	–	–	30,000
Dr. Xuezheng Wang	28 April 2010	23 January 2020	4.07	30,000	–	6,000	24,000
Mr. Zhenduo Yuan	28 April 2010	23 January 2020	4.07	30,000	–	–	30,000
Dr. Fung Man, Norman Wai	28 April 2010	23 January 2020	4.07	30,000	–	–	30,000
Other employees	28 April 2010	23 January 2020	4.07	2,675,000	419,800	134,200	2,121,000
Subtotal				**3,120,000**	**419,800**	**140,200**	**2,560,000**
Mr. Kwong Ming Pierre Tsui	29 October 2010	23 January 2020	6.75	1,035,000	–	–	1,035,000
Mr. Yinghui Wang	29 October 2010	23 January 2020	6.75	1,166,000	–	–	1,166,000
Other employees	29 October 2010	23 January 2020	6.75	16,617,800	3,385,000	–	13,232,800
Subtotal				**18,818,800**	**3,385,000**	**–**	**15,433,800**
Total				**21,938,800**	**3,804,800**	**140,200**	**17,993,800**

Notes:

(i) For Dr. Xuezheng Wang, the weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$8.24.

(ii) For other employees, the weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK$8.06.

Staff Retirement/Pension Scheme Benefits

As stipulated by the laws, orders and regulations of China, the Group participated in various defined contribution retirement plans organized by municipal governments for its staff. Currently, the Group is required to make contributions to the retirement plans at a rate of 20% (2010: 20%) of the salaries, bonuses and certain allowances of its staff. A member of the plan is entitled to a pension, to be paid by the municipal governments, equal to a fixed proportion of the salary prevailing at his retirement date. The Company has no other material obligation for the payment of pension benefits associated with these plans beyond the annual contributions described above. When any of the staff leaves the position, the Company is not entitled to recover the contributions paid in respect of their pension scheme benefits.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company's shares have been listed on the Main Board of the Hong Kong Stock Exchange since 10 February 2010. Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date and up to 30 June 2011.

Other Related-party Transactions

Details of other related-party transactions entered into by the Group during the first half year of 2011, which did not constitute connected transactions under Chapter 14A of the Listing Rules are set out in note 16 to the interim condensed financial information.

These related party transactions either did not constitute connected transactions under the Listing Rules or were discontinued prior to the listing of the Company's shares on the Hong Kong Stock Exchange.

Code on Corporate Governance Practices (the "Code")

The Directors of the Company recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries so as to achieve effective accountability. For the six months ended 30 June 2011, the Company has complied with all the applicable code provisions set out in the Code.

Model Code for Securities Transactions (the "Model Code")

The Company has adopted the Model Code as its own code of conduct for dealing in securities of the Company by the Directors. The Company has made specific enquiry to all of the Directors, and all of the Directors have confirmed that they have complied with the required standard of dealings as set out in the Model Code for the six months ended 30 June 2011.

Report of Directors

Material Legal Proceedings

As at 30 June 2011, the Company was not involved in any material litigation or arbitration and no material litigation or claims were pending or threatened or made against the Company so far as the Company is aware.

Review of Accounts by Audit Committee

The Audit Committee has reviewed the accounting principles and practices of the Company and the interim report and has also reviewed the internal control and financial reporting matters of the Group, including the review of unaudited financial reports.

The Company's external auditor, Ernst & Young has performed an independent review of the Group's interim financial information for the six months ended 30 June 2011. Based on their review, Ernst & Young confirmed that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

By the order of the Board
International Mining Machinery Holdings Limited
Mr. Thomas H. Quinn
Chairman

Hong Kong
29 August 2011

Management Discussion and Analysis

Market Overview

China's economic growth continued with 9.6% growth in the first six months of 2011. This supported growth in China's coal output and coal sales which reached 1.77 billion tonnes and 1.71 billion tonnes respectively, up 12.7% and 13.8% year on year. After the success in initiating coal mine consolidation for Shanxi province, which is progressing well, other prominent coal producing provinces such as Henan, Shaanxi, Shandong, Hebei and Inner Mongolia will embark on consolidation in the coming years. The consolidation initiative has driven higher demand for coal mining machinery, led by roadheaders.

Business Overview

For the six months ended 30 June 2011, our results were impressive. Our revenue increased by 20.1% over prior year to RMB1,112.8 million driven by the strong market demand for our roadheaders, shearers, armoured-face conveyors, and electric controls. Our gross profit grew impressively by 25.5% over prior year to RMB496.8 million. We continued to improve our gross margin by 1.9 points over the same period last year to 44.6% and our net profit attributable to the equity holders of the Company increased by 40.2% to RMB203.5 million against the same period last year. These reflect management's continued commitment and efforts to grow the business with quality operational control.

Financial Review

Revenue

For the six months ended 30 June 2011, the Group's revenue amounted to approximately RMB1,112.8 million, representing an increase of approximately RMB186.6 million, or 20.1%, as compared to approximately RMB926.2 million for the same period in 2010. The increase was primarily due to the increase in sales of roadheader products, shearer products, and electric control systems, complemented by favourable product mix. This was, however, partially offset by a slight decrease in sales of armoured-face conveyors and related products.

Total sales including intersegment sales amounted to approximately RMB1,162.1 million. The intersegment sales were related to the sales between Jiamusi Coal Mining Machinery Co., Ltd ("Jiamusi Machinery"), Jixi Coal Mining Machinery Co., Ltd ("Jixi Machinery") and Qingdao Tianxun Electric Co., ("Qingdao Tianxun"), as Qingdao Tianxun became a subsidiary of the Company after its acquisition in August 2010. These numbers are derived from the attached Condensed Consolidated Financial Statements as reviewed by the Company's auditors, Ernst & Young.

Management Discussion and Analysis

For the six months ended 30 June 2011, the Group's revenue analysis by product segment is as follows:

	For the six months ended 30 June					
Product Segments	**2011**		2010		Change	Change
	RMB million	**%**	RMB million	%	RMB million	%
Roadheader products	**689.2**	**61.9**	584.0	63.1	105.2	18.0
Shearer products	**258.9**	**23.3**	220.1	23.8	38.8	17.6
Armoured-face conveyors and related products	**118.6**	**10.7**	122.1	13.1	(3.5)	(2.9)
Electric control systems	**46.1**	**4.1**	–	–	46.1	N/A
Total	**1,112.8**	**100.0**	926.2	100.0	186.6	20.1

Roadheader products: The revenue from roadheader products increased by RMB105.2 million, or 18.0%, from RMB584.0 million for the corresponding period last year to RMB689.2 million. This increase is attributable to an increase in market demand for medium and heavy-duty machines.

Shearer products: The revenue from shearer products increased by RMB38.8 million, or 17.6%, from RMB220.1 million for the corresponding period last year to RMB258.9 million, primarily due to a favourable sales mix and a sales increase in thick seam shears and spare parts, offset by a sales decrease in medium seam and thin seam shearers. Our strong development capability to meet customer demands is the primary driver for our growing presence in this category.

Armoured-face conveyors and related products: The revenue from armoured-face conveyors and related products recorded a decrease of RMB3.5 million, or 2.9%, from RMB122.1 million for the corresponding period last year to RMB118.6 million in the current period. We saw great success with delivering our first Chinese made armoured-face conveyor to an Australian customer, however, lower pricing, intense domestic competition and raw material price increases impacted sales and margins negatively during the current period.

Electric control systems: The revenue from this newly acquired business amounted to approximately RMB46.1 million for the current period. Qingdao Tianxun was acquired on 27 August 2010 and produces electric control system for our other subsidiaries and third party customers.

Management Discussion and Analysis

Cost of Sales

The Group's cost of sales amounted to RMB616.0 million for the six months ended 30 June 2011, representing an increase of approximately RMB85.6 million, or 16.1%, as compared to the same period in 2010. The increase was mainly attributable to the corresponding increase in the Group's sales.

The Group's sales increased by 20.1% compared to the corresponding period last year, however, the cost of raw materials only increased by RMB51.5 million, or 12.1%, from RMB423.9 million for the six months ended 30 June 2010 to RMB475.4 million for the same period in 2011. The increase in the cost of materials was primarily due to cost increases in major components of our raw materials, such as steel, outsourced parts and electrical components. Direct labour costs increased by RMB7.1 million, or 21.0%, from RMB33.8 million for the six months ended 30 June 2010 to RMB40.9 million for the same period in 2011 which was primarily due to our increased sales. Manufacturing costs increased by RMB27.0 million, or 37.1%, from RMB72.7 million for the six months ended 30 June 2010 to RMB99.7 million for the same period in 2011, primarily due to the increased depreciation expenses from the asset revaluation at Qingdao Tianxun.

Gross Profit and Gross Margin

Gross profit increased by RMB101.0 million, or 25.5%, from RMB395.8 million for the first half of 2010 to RMB496.8 million in 2011. The gross margin was 44.6%, representing a 1.9 percentage point increase as compared to 42.7% for the same period in 2010. This is mainly due to the increase in the percentage of revenue derived from higher margin product sales from roadheader products, shearer products and electric control systems.

Other Income and Gains

For the six months ended 30 June 2011, the Group's other income and gains amounted to approximately RMB16.5 million which represented a decrease of approximately RMB23.3 million as compared to the same period in 2010. The decrease was primarily attributable to the waiver of tax liabilities recorded in the first half of 2010 that did not occur for the same period in 2011.

Selling and Distribution Costs

Selling and distribution costs increased by RMB30.9 million, or 46.0%, from RMB67.2 million in the first half of 2010 to RMB98.1 million in 2011. The increases were primarily attributable to higher sales resulting in increased (i) commission expenses, and (ii) warranty expenses.

Administrative Expenses

The Group's administrative expenses amounted to RMB124.8 million for the six months ended 30 June 2011, which decreased by RMB21.7 million as compared to RMB146.5 million for the same period in 2010. The decrease was primarily due to IPO related expenses recorded in the first six months of 2010.

Management Discussion and Analysis

Other Expenses

The Group's other expenses decreased by RMB10.0 million to RMB25.7 million in the first six months of 2011 as compared to RMB35.7 million during the same period in 2010. In 2010, the Group recorded a non-recurring charge of RMB33.2 million related to the Global Offering.

Income Tax

Income tax expense for the Group for the first half of 2011 was RMB54.1 million as compared to RMB35.0 million for the same period in 2010. The increase in income tax expense is directly attributable to the increase in our profits driven by higher revenue and the expiration of certain favourable tax rates enjoyed by the Company since its inception in 2006. Upon formation as a wholly owned foreign enterprise, from 1 January 2008 to 31 December 2010, the applicable enterprise income tax rate for two of our subsidiaries, Jiamusi Machinery and Jixi Machinery, was 12.5%, which is a 50% reduction from the statutory rates. This favourable tax rate is no longer available to us in 2011.

Jiamusi Machinery and Jixi Machinery obtained the Certificate of National High-Tech Enterprise in November 2008. Huainan Longwall and Qingdao Tianxun obtained the Certificate of National High-Tech Enterprise in May 2010 and November 2009, respectively, and accordingly, they were entitled to a lower PRC corporate income tax rate of 15% for the six months ended 30 June 2011.

Net Profit Attributable to the Equity Holders of the Company

The Group's net profit attributable to the equity holders of the Company for the first half of 2011 was RMB203.5 million, which was an increase of RMB58.3 million or 40.2% over the net profit attributable to the equity holders of the Company for the same period in 2010. This increase was primarily the result of increased sales and various cost containment initiatives.

Management Discussion and Analysis

EBITDA

Management has chosen to disclose EBITDA, which is not recognized as a financial measurement under IFRS accounting rules. Management uses EBITDA and other operating metrics as tools to evaluate the profitability of its operations and the effectiveness of its various initiatives. EBITDA is calculated as net profit before taxes, plus depreciation, amortization and finance costs and is reduced by finance revenue.

During the six months ended 30 June 2011, EBITDA was RMB321.6 million, an increase of RMB110.5 million, or 52.3%, over the same period in the prior year. The increase was due to a higher increase in gross profit than in selling, distribution and administrative expenses.

	For the six months ended 30 June	
	2011	2010
Profit before tax	**257.6**	180.1
Depreciation	**23.0**	15.9
Amortization	**34.5**	9.4
Finance revenue	**(0.9)**	(0.1)
Finance cost	**7.4**	5.8
EBITDA	**321.6**	211.1

Liquidity and Capital Resources

We currently use a combination of cash generated from operations, bank loans and loans from shareholders to meet our financial obligations. As of 30 June 2011, the total current assets amounted to approximately RMB2,881.9 million, and the total current liabilities of the Group amounted to approximately RMB1,009.8 million. As of 30 June 2011, we had an aggregate of RMB140.0 million in outstanding bank loans, bearing interest at an annual rate ranging from 5.31% to 6.62% and repayable within one year, as compared to an outstanding balance of RMB123.4 million as of 31 December 2010. We also obtained advance payments on equipment orders to support the purchase of inventory.

As of 30 June 2011 and 31 December 2010, the company was in a net cash position and hence, the gearing ratio was not applicable.

Management Discussion and Analysis

Cash Flow

We had a net cash inflow from operating activities of RMB48.7 million for the six months ended 30 June 2011, representing a cash increase of RMB217.1 million as compared to the net cash outflow of RMB168.4 million for the same period in 2010. The increase in our cash from operating activities was primarily attributable to the increase in profit.

Net cash inflow from investing activities for the six months ended 30 June 2011 was RMB15.4 million, representing a cash increase of RMB84.7 million as compared to the net cash outflow of RMB69.3 million for the same period in 2010. The increase in cash from investing activities is mainly due to (i) the maturing of time deposits with maturity of more than three months that were not fully reinvested, and (ii) the payment of 25% equity interest in Huainan Longwall recorded in the first half of 2010 that did not occur for the same period in 2011.

Cash used in financing activities for the six months ended 30 June 2011 was RMB55.5 million, representing a cash decrease of RMB1,422.1 million as compared to the net cash inflow of RMB1,366.6 million for the same period in 2010. The decrease is mainly due to the proceeds from the Global Offering that were recorded in the first six months of 2010.

Asset Structure

As of 30 June 2011, the Group's total assets amounted to approximately RMB4,075.9 million, representing an increase of approximately RMB301.1 million or approximately 8.0% as compared to the total assets as of 31 December 2010. The increase was mainly attributable to the increase in trade receivables over those of the prior period due to increased sales levels. As of 30 June 2011, current assets amounted to approximately RMB2,881.9 million, and mainly consisted of cash, trade receivables and inventories, accounting for approximately 70.7% of total assets; non-current assets amounted to approximately RMB1,194.0 million, representing a decrease of approximately RMB16.1 million as compared to the non-current assets as at 31 December 2010.

Liabilities

As of 30 June 2011, the Group's total liabilities amounted to approximately RMB1,118.5 million, representing an increase of approximately RMB168.6 million as compared to the total liabilities as at 31 December 2010. Current liabilities amounted to approximately RMB1,009.8 million, accounting for approximately 90.3% of total liabilities and non-current liabilities amounted to approximately RMB108.7 million, accounting for approximately 9.7% of total liabilities. The increase in liabilities was mainly attributable to the increase in trade payables due to the corresponding increase of purchases for production of inventory for increased sales volumes.

Management Discussion and Analysis

Turnover Days

During the six months ended 30 June 2011, the average inventory turnover days increased from 121 days to 132 days as compared to the corresponding period in 2010. This was due to increased finished goods which will be delivered upon receiving notice from our customers that the coal mines are ready for production.

During the six months ended 30 June 2011, the average turnover days of trade receivables increased from 173 days to 190 days as compared to the corresponding period in 2010 due to longer credit periods that were granted to our strategic customers.

During the six months ended 30 June 2011, the average turnover days of trade payables had a slight increase from 135 days to 140 days as compared to the corresponding period in 2010. This is mainly due to our continuing effort to maximize cash flow while continuing to stabilize our relationship with our suppliers.

Contingent Liabilities

As of 30 June 2011, we had no material contingent liabilities.

Events after the Reporting Period

In a joint announcement dated 14 July 2011 (the "Announcement") made by Joy Global Inc. ("Joy Global") and the Company, it was announced that Joy Global agreed to acquire a 41.14% stake (or 534,800,000 shares) of the Company from TJCC Holdings Ltd. at a price of HK$8.50 per share (the "Proposed Acquisition"), and Joy Global will also make a conditional mandatory cash offer for the remaining shares of the Company at a cash offer price of HK$8.50 per share after completion of the Proposed Acquisition. As completion of the Proposed Acquisition is subject to (amongst other things) Joy Global having obtained anti-trust clearance in the PRC, it is uncertain whether the Proposed Acquisition will be completed and (if it does complete) when completion of the Proposed Acquisition will take place.

Other than those mentioned above, there were no significant events that took place after the balance sheet date.

Capital Expenditure and Commitment

Our capital expenditures were RMB37.5 million for the six months ended 30 June 2011 as compared to RMB59.2 million for the same period in 2010. Our capital expenditures during the first half of 2011 related primarily to the purchases and overhaul of machinery, establishing new buildings, upgrading information technology systems and investing in joint ventures.

As of 30 June 2011, the Group had capital commitments of approximately RMB75.9 million, which primarily related to commitments to purchase machinery and investments in joint ventures.

Management Discussion and Analysis

Foreign Exchange Rate Risk

Substantially all of our revenue generating transactions are conducted in RMB. Substantially all of our net proceeds from our Global Offering in February 2010 are in foreign currency, namely Hong Kong dollars. Fluctuations in exchange rates may adversely affect the value, translated or converted into RMB, of our net assets and earnings. For the six months ended 30 June 2011, the net loss from foreign exchange rate changes amounted to approximately RMB9.4 million.

Employee Remuneration and Benefit

As of 30 June 2011, the Group had 3,713 employees as compared to 3,675 as at 31 December 2010. All members of our work force are employed under employment contracts which specify the employee's position, responsibilities, remuneration and grounds for termination pursuant to China Labor Law and relevant regulations. Our employees are selected through a competitive process.

The table below sets forth the number of our employees by their functions.

	As of 30 June 2011	
	Number	**% of total**
Manufacturing personnel	**2,377**	**64.0**
Technical personnel (including R&D)	**392**	**10.6**
Sales and marketing personnel	**319**	**8.6**
Administrative personnel	**280**	**7.5**
Procurement personnel	**137**	**3.7**
Financial personnel	**76**	**2.0**
Others	**132**	**3.6**
Total employees	**3,713**	**100.0**

Staff costs including Directors' remuneration were approximately RMB122.0 million for the six months ended 30 June 2011 as compared to approximately RMB114.6 million for the same period in 2010.

Management Discussion and Analysis

The remuneration package for our employees generally includes salaries and bonuses. We conduct periodic performance reviews for all of our employees and provide our employees with performance-based bonuses. Employees also receive welfare benefits, including medical care, housing subsidies, retirement, occupational injury insurance and other miscellaneous benefits as required by the laws of China. In addition, we contribute to various pension funds organized by municipal and provincial governments for our employees in compliance with applicable laws and regulations. In addition, the Company has adopted the Share Option Scheme as an incentive for Directors and eligible employees. Details of the scheme are set out in the Director's Report.

Charges on Assets

As of 30 June 2011, we pledged assets with a value of RMB54.6 million for secured bank loans, comprised primarily of buildings, plant and machinery, and bill receivables.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries

Save for those disclosed in this report, there were no significant investments held as at 30 June 2011, nor other material acquisitions and disposal of subsidiaries during the period.

Report on Review of Interim Condensed Financial Information

ERNST & YOUNG
安 永

To the Board of Directors of International Mining Machinery Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim condensed financial information of International Mining Machinery Holdings Limited set out on pages 27 to 54, which comprises the interim consolidated statement of financial position as at 30 June 2011 and the related interim consolidated income statement, interim consolidated statements of comprehensive income and changes in equity, and interim condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") issued by International Accounting Standards Board.

The Directors are responsible for the preparation and presentation of this interim condensed financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

29 August 2011

Interim Consolidated Income Statement

For the six months ended 30 June 2011

	Notes	For the six months ended 30 June 2011 Unaudited RMB'000	2010 Unaudited RMB'000
Revenue	5	1,112,784	926,203
Cost of sales		(615,991)	(530,381)
Gross profit		496,793	395,822
Other income and gains	5	16,542	39,813
Selling and distribution costs		(98,122)	(67,230)
Administrative expenses		(124,806)	(146,480)
Other expenses		(25,730)	(35,749)
Finance revenue	6	912	93
Finance costs	6	(7,415)	(5,769)
Share of losses of associates		(586)	(373)
Profit before tax	7	257,588	180,127
Income tax expense	8	(54,067)	(34,972)
Profit for the period		203,521	145,155
Attributable to:			
Owners of the parent		203,521	145,229
Non-controlling interests		–	(74)
		203,521	145,155
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	10	15.65 cents	12.26 cents
Diluted (RMB)	10	15.62 cents	12.26 cents

Details of the dividends proposed for the period are disclosed in Note 9 to the interim condensed financial information.

Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Profit for the period	**203,521**	145,155
Other comprehensive income		
Exchange differences on		
translation of foreign operations	**(9,673)**	(10,160)
Total comprehensive income for the period	**193,848**	134,995
Attributable to:		
Owners of the parent	**193,848**	135,069
Non-controlling interests	**–**	(74)
	193,848	134,995

Interim Consolidated Statement of Financial Position

30 June 2011

	Notes	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	389,892	378,675
Land use rights		120,149	121,652
Goodwill		314,969	314,969
Other intangible assets		297,231	330,245
Investments in associates		27,445	21,455
Deferred tax assets		10,919	8,840
Prepayments, deposits and other receivables		33,440	34,271
		1,194,045	1,210,107
CURRENT ASSETS			
Inventories		474,748	424,624
Trade and bills receivables	12	1,789,830	1,440,737
Prepayment, deposits and other receivables		105,369	133,173
Time deposits with original maturity of more than three months		253,857	307,142
Cash and cash equivalents		258,117	258,990
		2,881,921	2,564,666
CURRENT LIABILITIES			
Interest-bearing loans	13	140,000	123,420
Trade and bills payables	14	551,707	401,304
Other payables and accruals		258,926	263,149
Tax payable		59,132	50,058
Dividend payable		77	–
		1,009,842	837,931
NET CURRENT ASSETS		1,872,079	1,726,735

Interim Consolidated Statement of Financial Position

30 June 2011

	Notes	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		3,066,124	2,936,842
NON-CURRENT LIABILITIES			
Deferred tax liabilities		108,704	111,966
NET ASSETS		2,957,420	2,824,876
EQUITY			
Equity attributable to owners of the parent			
Issued capital	15	114,282	114,270
Reserves		2,843,138	2,710,606
TOTAL EQUITY		2,957,420	2,824,876

Mr. Kee-Kwan Allen Chan
Director

Mr. Kwong Ming Pierre Tsui
Director

Interim Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Attributable to owners of the parent										
	Issued capital RMB'000	Share premium account RMB'000	Statutory reserve fund RMB'000	Share option reserve RMB'000	Difference arising from acquisition of non-controlling interests RMB'000	Retained profits RMB'000	Proposed final dividend RMB'000	Exchange fluctuation reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2010	80	7,937	25,982	–	–	564,730	–	70,014	668,743	23,309	692,052
Profit for the period	–	–	–	–	–	145,229	–	–	145,229	(74)	145,155
Other comprehensive income for the period											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	–	(10,160)	(10,160)	–	(10,160)
Total comprehensive income for the period	–	–	–	–	–	145,229	–	(10,160)	135,069	(74)	134,995
Repurchase of old shares	(80)	80	–	–	–	–	–	–	–	–	–
Issue of shares	45,708	2,184,835	–	–	–	–	–	–	2,230,543	–	2,230,543
Share issue expenses	–	(101,161)	–	–	–	–	–	–	(101,161)	–	(101,161)
Capitalisation of share premium account	68,562	(68,562)	–	–	–	–	–	–	–	–	–
Equity-settled share option arrangements	–	–	–	376	–	–	–	–	376	–	376
Special dividend	–	–	–	–	–	(280,263)	–	–	(280,263)	–	(280,263)
Acquisition of non-controlling interests	–	–	–	–	(28,165)	–	–	–	(28,165)	(23,235)	(51,400)
As at 30 June 2010 (unaudited)	114,270	2,023,129	25,982	376	(28,165)	429,696	–	59,854	2,625,142	–	2,625,142
As at 1 January 2011	**114,270**	**2,023,129**	**45,529**	**5,184**	**(28,165)**	**544,835**	**70,200**	**49,894**	**2,824,876**	**–**	**2,824,876**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**203,521**	**–**	**–**	**203,521**	**–**	**203,521**
Other comprehensive income for the period											
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(9,673)**	**(9,673)**	**–**	**(9,673)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**203,521**	**–**	**(9,673)**	**193,848**	**–**	**193,848**
Exercise of share options	**12**	**661**	**–**	**(196)**	**–**	**–**	**–**	**–**	**477**	**–**	**477**
Final dividend declared	**–**	**–**	**–**	**–**	**–**	**(7)**	**(70,200)**	**–**	**(70,207)**	**–**	**(70,207)**
Equity-settled share option arrangements	**–**	**–**	**–**	**8,426**	**–**	**–**	**–**	**–**	**8,426**	**–**	**8,426**
As at 30 June 2011(unaudited)	**114,282**	**2,023,790**	**45,529**	**13,414**	**(28,165)**	**748,349**	**–**	**40,221**	**2,957,420**	**–**	**2,957,420**

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2011

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Net cash flows from/(used in) operating activities	**48,670**	(168,425)
Net cash flows from/(used in) investing activities	**15,360**	(69,251)
Net cash flows (used in)/from financing activities	**(55,502)**	1,366,629
NET INCREASE IN CASH AND CASH EQUIVALENTS	**8,528**	1,128,953
Cash and cash equivalents at beginning of period	**258,990**	73,520
Effect of foreign exchange rate changes, net	**(9,401)**	(5,155)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**258,117**	1,197,318

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

1. Corporate Information

The Company was incorporated in the Cayman Islands on 12 April 2006 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Group is principally engaged in the manufacture and sale of mining machinery in Mainland China. The registered office of the Company is located at Walker House, 87 Mary Street, George Town, Grand Cayman, Cayman Islands.

In the opinion of the Directors, the Company's controlling shareholder is TJCC Holdings Ltd., which was incorporated in the Cayman Islands. The controlling shareholder of TJCC Holdings Ltd. is The Resolute Fund L.P., which is a limited partnership, established under the laws of the British Virgin Islands. The Jordan Company, which was incorporated in United States, manages The Resolute Fund, L.P.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 10 February 2010.

2. Basis of Preparation

The unaudited interim condensed financial information for the six months ended 30 June 2011 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

3. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of this interim condensed financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010, except for the adoption of certain new and revised International Financial Reporting Standards ("IFRSs", which also include IASs and Interpretations) that are relevant to the Group's operations mandatory for the annual periods beginning 1 January 2011. The effect of the adoption of these standards was not material to the Group's results of operations or financial position.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

(a) Roadheader products and aftermarket parts and services
Engaged in the design, manufacture and sale of roadheader products and aftermarket services which include onsite service repairs, overhaul and supply of spare parts to customers.

(b) Shearer products and aftermarket parts and services
Engaged in the design, manufacture and sale of shearer products and aftermarket services which include onsite service repairs, overhaul and supply of spare parts to customers.

(c) Armoured-face conveyors and related products and aftermarket parts and services
Engaged in the manufacture and sale of armoured-face conveyors and related spare parts and the provision of aftermarket services which include onsite service repairs, overhaul and supply of spare parts to customers.

(d) Electric control systems and related products and aftermarket parts and services
Engaged in the manufacture and sale of electric control systems and related spare parts and the provision of aftermarket services which include onsite service repairs, overhaul and supply of spare parts to customers.

No operating segments have been aggregated to form the above reportable operating segments.

Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and Directors' remuneration and income tax. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial information.

As the chief operating decision maker of the Group considers that most of the Group's consolidated revenue and results are attributable to the market in the PRC and the Group's consolidated assets are substantially located inside the PRC, no geographical information is presented.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2011 and 2010:

Six months ended 30 June 2011 (unaudited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured face conveyors and related products and aftermarket parts and services RMB'000	Electric control systems and related products and aftermarket parts and services RMB'000	Total RMB'000
Segment revenue:					
Sales to external customers	689,242	258,945	118,549	46,048	1,112,784
Intersegment sales	–	–	–	49,344	49,344
	689,242	258,945	118,549	95,392	1,162,128
Reconciliation:					
Elimination of intersegment sales					(49,344)
Total revenue					1,112,784
Segment results	271,338	29,336	(54,920)	33,383	279,137
Reconciliation:					
Elimination of intersegment results					(4,901)
Interest income					758
Corporate and other unallocated expenses*					(14,256)
Finance costs					(3,150)
Profit before tax					257,588

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

Six months ended 30 June 2011 (unaudited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured face conveyors and related products and aftermarket parts and services RMB'000	Electric control systems and related products and aftermarket parts and services RMB'000	Total RMB'000
Other segment information:					
Share of losses of associates	(586)	–	–	–	(586)
Research and development costs	9,265	7,311	10,815	4,375	31,766
Depreciation of items of property, plant and equipment	8,114	9,235	4,841	666	22,856
Reconciliation:					
Corporate and other unallocated depreciation					125
Total depreciation					22,981
Amortisation of land use rights	775	509	185	34	1,503
Amortisation of other intangible assets	3,714	743	1,692	26,865	33,014
Impairment of trade receivables	1,537	5,104	3,424	1,746	11,811
Reversal of impairment of trade receivables	(762)	(3,396)	(368)	(423)	(4,949)
Impairment of other receivables	–	485	10,000	–	10,485
Write-down/(reversal) of inventories to net realisable value	1,436	(2,805)	3,523	–	2,154
Product warranty provision	7,153	3,228	18,456	163	29,000
(Gain)/loss on disposal of items of property, plant and equipment	(88)	(1,300)	(46)	142	(1,292)
Capital expenditure**	17,116	14,298	5,339	703	37,456

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

Six months ended 30 June 2010 (unaudited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured-face conveyors and related products and aftermarket parts and services RMB'000	Total RMB'000
Segment revenue:				
Sales to external customers	584,025	220,122	122,056	926,203
Intersegment sales	–	94	–	94
	584,025	220,216	122,056	926,297
Reconciliation:				
Elimination of intersegment sales				(94)
Total Revenue				926,203
Segment results	224,055	58,133	12,052	294,240
Reconciliation:				
Interest income				1
Corporate and other unallocated expenses*				(114,114)
Profit before tax				180,127

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

Six months ended 30 June 2010 (unaudited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured-face conveyors and related products and aftermarket parts and services RMB'000	Total RMB'000
Other segment information:				
Share of losses of associates	(250)	(123)	–	(373)
Research and development costs	7,371	4,813	984	13,168
Depreciation of items of property, plant and equipment	6,734	7,841	1,321	15,896
Reconciliation:				
Corporate and other unallocated depreciation				40
Total depreciation				15,936
Amortisation of land use rights	775	777	184	1,736
Amortisation of other intangible assets	4,952	991	1,694	7,637
Impairment of trade receivables	–	2,220	–	2,220
Reversal of write down of inventories to net realisable value	–	(1,921)	–	(1,921)
Product warranty provision	4,462	3,523	1,757	9,742
Gain on disposal of items of property, plant and equipment	–	(500)	–	(500)
Gain on disposal of land use rights	–	(5,010)	–	(5,010)
Capital expenditure**	2,049	3,532	52,908	58,489
Reconciliation:				
Corporate and other unallocated expenditure				670
Total capital expenditure				59,159

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

The following table compares the total segment assets and liabilities as at 30 June 2011 and 31 December 2010.

30 June 2011 (unaudited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured face conveyors and related products and aftermarket parts and services RMB'000	Electric control systems and related products and aftermarket parts and services RMB'000	Total RMB'000
Segment assets	1,962,392	943,447	377,409	681,750	3,964,998
Reconciliation:					
Elimination of intersegment receivables					(205,778)
Corporate and other unallocated assets					316,746
Total assets					4,075,966
Segment liabilities	442,183	524,844	206,470	93,947	1,267,444
Reconciliation:					
Elimination of intersegment payables					(205,778)
Corporate and other unallocated liabilities					56,880
Total liabilities					1,118,546

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

31 December 2010 (audited)	Roadheader products and aftermarket parts and services RMB'000	Shearer products and aftermarket parts and services RMB'000	Armoured face conveyors and related products and aftermarket parts and services RMB'000	Electric control systems and related products and aftermarket parts and services RMB'000	Total RMB'000
Segment assets	1,590,729	780,733	424,298	658,303	3,454,063
Reconciliation:					
Elimination of intersegment receivables					(145,311)
Corporate and other unallocated assets					466,021
Total assets					3,774,773
Segment liabilities	304,478	440,524	197,807	100,181	1,042,990
Reconciliation:					
Elimination of intersegment payables					(145,311)
Corporate and other unallocated liabilities					52,218
Total liabilities					949,897

* Corporate and other unallocated expenses mainly represent central administration costs, Directors' remuneration and consulting fees which are managed on a group basis and are not allocated to operating segments.

** Capital expenditure consists of additions to property, plant and equipment, land use rights and other intangible assets during the period.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

4. Operating Segment Information (Continued)

Information about major customers

During the six months ended 30 June 2011, the Group had 2 customers with revenues of RMB133,402,000 and RMB124,986,000, respectively, which individually accounted for more than 10% of the Group's total revenue during the period.

During the six months ended 30 June 2010, the Group had 3 customers with revenues of RMB167,976,000, RMB135,588,000 and RMB95,535,000 respectively, which individually accounted for more than 10% of the Group's total revenue during the period.

5. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold and the value of services rendered after allowances for returns, trade discounts and various types of government surcharges, where applicable.

An analysis of revenue, other income and gains is as follows:

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Revenue		
Sales of goods	**1,113,840**	923,161
Rendering of services	**8,423**	3,042
	1,122,263	926,203
Less: Government surcharges	**(9,479)**	–
	1,112,784	926,203

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

5. Revenue, other Income and Gains (Continued)

An analysis of revenue, other income and gains is as follows: (Continued)

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Other income and gains		
Reversal of long-aged trade debts	**13,725**	–
Gain on disposal of items of property, plant and equipment	**1,292**	500
Sale of scrap materials	**1,112**	927
Waiver of unpaid tax	**–**	32,888
Gain on disposal land use rights	**–**	5,010
Others	**413**	488
	16,542	39,813

6. Finance Revenue and Finance Costs

An analysis of finance revenue and finance costs is as follows:

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Finance revenue		
Interest income	**912**	93
Finance costs		
Loan interest	**2,429**	4,543
Interest arising from discounted bills	**1,836**	1,226
Notional interest	**3,150**	–
Total finance costs	**7,415**	5,769

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

7. Profit Before Tax

Profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Cost of inventories sold	**612,117**	529,018
Cost of services provided	**3,874**	1,363
Employee benefit expense including Directors' remuneration:		
– Wages and salaries	**100,834**	71,583
– Pension scheme contributions	**12,759**	9,464
– Equity-settled share option expense	**8,426**	376
– Founder participation rights payment	**–**	33,198
	122,019	114,621
Research and development costs	**31,766**	13,168
Auditors' remuneration	**1,970**	1,940
Depreciation of items of property, plant and equipment	**22,981**	15,936
Amortisation of land use rights	**1,503**	1,736
Amortisation of other intangible assets	**33,014**	7,637
Impairment of trade receivables	**11,811**	2,220
Reversal of impairment of trade receivables	**(4,949)**	–
Impairment of other receivables	**10,485**	–
Minimum lease payments under operating leases	**5,458**	2,432
Write-down/(reversal) of inventories to net realisable value	**2,154**	(1,921)
Product warranty provision	**29,000**	9,742
Gain on disposal of items of property, plant and equipment	**(1,292)**	(500)
Gain on disposal of land use rights	**–**	(5,010)
Fee for early termination of TJCC Services Ltd. ("TJCC Services") management consulting agreement	**–**	68,344

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

8. Income Tax Expense

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the relevant periods.

The provision for Mainland China current income tax is based on the statutory rate of 25% of the assessable profit of the Group as determined in accordance with PRC Corporation Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China which are exempted from tax at preferential rates.

Jiamusi Machinery and Jixi Machinery obtained the Certificate of National High-Tech Enterprise in November 2008. Huainan Longwall and Qingdao Tianxun obtained the Certificate of National High-Tech Enterprise in May 2010 and November 2009, respectively, and accordingly, they were entitled to a lower PRC corporate income tax rate of 15% for the six months ended 30 June 2011.

The share of tax attributable to associates for the six months ended 30 June 2011 and 2010, respectively, is included in "Share of losses of associates" on the face of the interim consolidated income statements.

Major components of income tax are as follows:

	For the six months ended 30 June	
	2011 Unaudited RMB'000	2010 Unaudited RMB'000
Current tax		
– Income tax in the PRC for the period	**59,408**	42,658
Deferred tax	**(5,341)**	(7,686)
Income tax expense	**54,067**	34,972

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

9. Dividends

(a) Dividends attributable to the interim period

The Board of Directors does not recommend the payment of an interim dividend to the ordinary equity holders of the parent for the six months ended 30 June 2011 (six months ended 30 June 2010: Nil).

(b) Dividends attributable to the previous financial year, declared and paid during the interim period

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Declared during the period		
Special dividend	**–**	280,263
Final dividend for 2010: RMB5.4 cents (for 2009: Nil)	**70,207**	–
Paid during the period	**70,130**	280,263

10. Earnings Per Share

Basic

The calculation of basic earnings per share amounts for the period is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares of 1,300,038,657 (six months ended 30 June 2010: 1,184,444,444) in issue during the period, as adjusted to reflect the rights issue during the period.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

10. Earnings Per Share (Continued)

Diluted

The calculation of diluted earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

	Number of shares for the six months ended 30 June	
	2011	2010
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,300,038,657**	1,184,444,444
Effect of dilution – weighted average number of ordinary shares: share options	**2,560,104**	–
	1,302,598,761	1,184,444,444

11. Property, Plant and Equipment

During the six months ended 30 June 2011, the Group acquired property, plant and equipment with a cost of RMB37,456,000 (six months ended 30 June 2010: RMB59,159,000).

During the six months ended 30 June 2011, depreciation for property, plant and equipment was RMB22,981,000 (six months ended 30 June 2010: RMB15,936,000).

During the six months ended 30 June 2011, property, plant and equipment with a net book value of RMB3,258,000 (six months ended 30 June 2010: RMB298,000) were disposed of by the Group resulting in a net gain on disposal of RMB1,292,000 (six months ended 30 June 2010: net gain of RMB500,000).

The Group's buildings, plant and machinery with a net book value of RMB7,627,000 at 30 June 2011 (31 December 2010: RMB51,013,000) were pledged to banks as security for the bank loans.

As at 30 June 2011, the Group has not obtained certificates of real estate ownership from the relevant PRC government authorities for certain buildings with carrying amount of RMB51,911,000 (31 December 2010: RMB1,452,000). Until the receipt of the certificates, the Group has no right to assign or pledge these buildings.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

12. Trade and Bills Receivables

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Trade receivables	1,319,086	1,073,888
Bills receivable	491,887	381,130
Less: impairment provision	(21,143)	(14,281)
	1,789,830	1,440,737

The Group grants different credit periods to customers. The Group generally requires its customers to make payment at various stages of the sale transaction. The credit period of individual customers is considered on a case-by-case basis and set out in the sales contracts, as appropriate. Certain customers are required to make partial payment before or upon delivery. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Trade receivables are unsecured and non-interest-bearing. The carrying amounts of trade receivables and bills receivable approximate their fair values.

An aged analysis of trade receivables at the end of the reporting period based on the invoice date and net of provisions, is as follows:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Outstanding balances with ages:		
Within 90 days	632,787	502,967
91 to 180 days	302,916	295,240
181 to 365 days	242,796	176,112
1 to 2 years	96,579	75,638
Over 2 years	22,865	9,650
	1,297,943	1,059,607

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

12. Trade and Bills Receivables (Continued)

The movements in the impairment of trade receivables are as follows:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
At beginning of period/year	14,281	14,895
Impairment of trade receivables (Note 7)	11,811	3,311
Reversal of impairment losses (Note 7)	(4,949)	(3,925)
At end of period/year	21,143	14,281

The individually impaired trade receivables relate to customers that were in financial difficulties and the receivables that are not expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances. The bills receivable all mature within 180 days from the end of the reporting period.

The carrying amounts of bills receivable pledged as security for interest-bearing bank loans granted to the Group are as follows:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Bills receivable	47,000	30,420

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

12. Trade and Bills Receivables (Continued)

The analysis of trade receivables that were not considered to be impaired is as follows:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Neither past due nor impaired	**721,198**	599,202
Past due but not impaired		
Less than 90 days	**325,349**	268,759
91 to 180 days	**104,602**	107,465
181 to 365 days	**122,314**	66,432
1 to 2 years	**22,040**	17,749
Over 2 years	**2,440**	–
	1,297,943	1,059,607

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

13. Interest-Bearing Loans

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Bank loans:		
Secured	140,000	73,420
Unsecured	–	50,000
	140,000	123,420
The bank loans bearing interest at rates per annum in the range of	5.31% to 6.62%	4.10% to 5.84%

The above bank loans were all repayable within one year. The carrying amounts of the Group's current bank loans approximate their fair values.

14. Trade and Bills Payables

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Trade payables	533,057	377,524
Bills payable	18,650	23,780
	551,707	401,304

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

14. Trade and Bills Payables (Continued)

An aged analysis of outstanding trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Within 90 days	318,959	225,527
91 to 180 days	126,354	83,223
181 to 365 days	62,321	34,036
1 to 2 years	9,840	4,922
2 to 3 years	1,227	1,777
Over 3 years	14,356	28,039
	533,057	377,524

The trade payables are non-interest-bearing and are normally settled within 180 days terms. The carrying amounts of the trade and bills payables approximate their fair values.

15. Ordinary Share Capital

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Authorised		
5,000,000,000 (31 December 2010: 5,000,000,000) shares of HKD0.1 each		
Issued and fully paid (HKD0.1 each)	114,282	114,270

During the period, the movements in the number of issued share capital are analysed as follows:

	Number of ordinary shares	Nominal value RMB'000 (Unaudited)
Issued and fully paid:		
As at 1 January 2011	1,300,000,000	114,270
Exercise of share options	140,200	12
As at 30 June 2011	1,300,140,200	114,282

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

16. Related Party Transactions

(a) The Group had the following material transactions with related parties:

	Note	For the six months ended 30 June 2011 Unaudited RMB'000	2010 Unaudited RMB'000
Nature of transactions			
Consulting fee			
Rubo Li a/k/a John Lee	(i)	**824**	859
Operating lease of office buildings			
Benniu		**–**	153
Nature of transactions			
Management fee			
TJCC Services		**–**	68,344
Founder participation rights payment			
Rubo Li a/k/a John Lee		**–**	23,239
Emory Williams		**–**	9,959
		–	33,198

Note:

(i) According to the consulting agreement entered between Mr. Rubo Li a/k/a John Lee and the Company, the Company agreed to pay a consulting service fee to Mr. Rubo Li a/k/a John Lee who was acting as the shareholder and Director of the Company, for rendering consulting services to the Company. Mr. Rubo Li a/k/a John Lee has resigned as a Director of the Company on 31 January 2011.

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

16. Related Party Transactions (Continued)

(b) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2011	2010
	Unaudited	Unaudited
	RMB'000	RMB'000
Basic salaries and other benefits	**11,100**	8,919
Retirement benefit scheme contributions	**57**	41
Equity-settled share option expense	**2,644**	139
Founder participation rights payment	**–**	23,239
	13,801	32,338

17. Operating Lease Arrangements

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to four years.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	30 June 2011	31 December 2010
	Unaudited	Audited
	RMB'000	RMB'000
Within a year	**971**	1,513
In the second to fifth years, inclusive	**1,139**	1,399
	2,110	2,912

Notes to Interim Condensed Financial Information

For the six months ended 30 June 2011

18. Commitments

The Group had the following capital commitments at the end of the reporting period:

	30 June 2011 Unaudited RMB'000	31 December 2010 Audited RMB'000
Contracted, but not provided for:		
– Plant and machinery	**48,882**	28,214
– Investments	**27,048**	33,810
	75,930	62,024

19. Events after the Reporting Period

In a joint announcement dated 14 July 2011 (the "Announcement") made by Joy Global Inc. ("Joy Global") and the Company, it was announced that Joy Global agreed to acquire a 41.14% interest in (or 534,800,000 shares of) the Company from TJCC Holdings Ltd. at a price of HKD8.50 per share (the "Proposed Acquisition") through one of its subsidiaries, Newco 123 Hong Kong Limited, and to make a conditional mandatory cash offer for the Company's shares at a cash offer price of HKD8.50 per share and an option offer for the cancellation of all outstanding share options after completion of the Proposed Acquisition. As completion of the Proposed Acquisition is subject to (amongst other things) the approval from relevant regulatory authorities, it is uncertain whether the Proposed Acquisition will be completed and (if it does complete) when completion of the Proposed Acquisition will take place.

The Board is of the view that if the Proposed Acquisition is fully implemented, Newco 123 Hong Kong Limited and Joy Global may become the Company's controlling shareholder and ultimate controlling shareholder, respectively.

As at the date of approval of and authorised to issue this interim condensed financial information, the Proposed Acquisition mentioned above was still in progress.

20. Approval of the Interim Condensed Financial Information

The interim condensed financial information was approved and authorised for issue by the Board of Directors on 29 August 2011.

国际煤机集团
INTERNATIONAL MINING MACHINERY