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ERA Mining Machinery Limited
年代煤礦機電設備製造有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8043)

PROFIT WARNING

This announcement is made by ERA Mining Machinery Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rules 17.10 of the Rule Governing the Listing of Securities on Growth Enterprises Market of the Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a substantial decrease in profit or even a loss for the year ended 31 December 2011 as compared with a profit for the year ended 31 December 2010 (the “**Profit Warning**”). Based on the information currently available, such expected decline can be attributed to 1) a decrease in gross profit margin related to increased costs of materials, 2) higher finance costs due to increased borrowings and interest rates during 2011, and 3) a higher allowance for trade receivables.

The audit of the annual accounts of the Group for the year ended 31 December 2011 has not yet been finalised as of the date of this announcement. The information contained in this announcement is solely based on a preliminary review of the management accounts and the information currently available to the Group. The annual results of the Company for the year ended 31 December 2011 are expected to be announced on 28 March 2012, and shareholders and potential investors are advised to read them carefully when they are published.

The Profit Warning constitutes a profit forecast under Rule 10 of the Codes on Takeovers and Mergers (the “Takeovers Code”). As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to Profit Warning, which has to be reported on by the Company’s auditors and financial adviser. However, in light of the fact that the 2011 Audited Results will be included in the composite document (the “Composite Document”) to be issued by Caterpillar Inc, Caterpillar (Luxembourg) Investment Co. S.A. and the Company in relation to the possible pre-conditional voluntary conditional offer (the “Offer”) as set out in the announcement of the Company dated 10 November 2011, the Profit Warning will not be separately reported on.

Shareholders of the Company and potential investors should note that the Profit Warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders of the Company and potential investors should therefore exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the Offer. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
ERA Mining Machinery Limited
Emory WILLIAMS
Chairman

Hong Kong, 19 March 2012

As of the date of this announcement, the Board comprises nine directors, of which Mr. Emory WILLIAMS, Mr. LEE Jong-Dae, Mr. LI Rubo and Mr. WANG Fu are the executive directors of the Company; Dr. Phil Qiu JIN and Mr. Christopher John PARKER are non-executive directors of the Company; Mr. David Marc BOULANGER, Mr. CHAN Sze Hon and Mr. DONG Xiangge are the independent non-executive directors of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and the Company’s website at www.eraholdings.com.hk.