IMM 国际煤机集团
INTERNATIONAL MINING MACHINERY

INTERNATIONAL MINING MACHINERY HOLDINGS LIMITED
國 際 煤 機 集 團

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1683)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

2009 ANNUAL RESULTS HIGHLIGHTS	**For the year ended 31 December** *(RMB million)*		
	2009	2008	**Change %**
Revenue	**1,519.5**	1,279.7	18.7%
Cost of sales	**(944.4)**	(804.6)	17.4%
Gross profit	**575.1**	475.1	21.0%
Profit before tax	**294.2**	185.2	58.9%
Profit for the year	**232.8**	146.2	59.2%
Profit attributable to owners of the parent	**228.7**	150.4	52.1%
Basic earnings per share[(1)] *(RMB)*	**0.29**	0.19	52.6%

Note:

1. The calculation of earnings per share is based on the assumption that 780,000,000 shares, representing the number of shares of the Company immediately after the capitalisation issue as described in note 11 to the financial statements, had been in issue throughout the two financial years ended 31 December 2009.

ANNUAL RESULTS

The board of directors (the "Board" or "Directors") of International Mining Machinery Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009 with comparative figures for 2008, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2009

	Notes	**2009**	2008
		RMB'000	*RMB'000*
REVENUE	*3*	**1,519,503**	1,279,693
Cost of sales		**(944,375)**	(804,564)
Gross profit		**575,128**	475,129
Other income and gains	*3*	**15,484**	7,743
Selling and distribution costs		**(105,252)**	(118,250)
Administrative expenses		**(180,867)**	(167,802)
Other expenses		**(8,839)**	(10,023)
Finance revenue	*4*	**18,743**	14,646
Finance costs	*4*	**(20,144)**	(17,058)
Share of (losses)/profits of associates		**(98)**	767
PROFIT BEFORE TAX	*5*	**294,155**	185,152
Income tax expense	*6*	**(61,311)**	(38,990)
PROFIT FOR THE YEAR		**232,844**	146,162
Attributable to:			
Owners of the parent		**228,726**	150,354
Minority interests		**4,118**	(4,192)
		232,844	146,162
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*8*	**0.29**	0.19

Details of the dividends for the year are disclosed in Note 7 to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

	2009 *RMB'000*	2008 *RMB'000*
Profit for the year	**232,844**	146,162
Other comprehensive income:		
Exchange differences on translation of foreign operations	**570**	31,335
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**233,414**	177,497
Attributable to:		
Owners of the parent	**229,296**	181,689
Minority interests	**4,118**	(4,192)
	233,414	177,497

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Notes	2009 RMB'000	2008 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**292,657**	279,340
Land use rights		**141,194**	126,649
Goodwill		**101,203**	101,203
Other intangible assets		**33,640**	48,909
Investments in associates		**21,069**	21,281
Available-for-sale investments		**7,500**	7,500
Deferred tax assets		**7,654**	10,257
Prepayments, deposits and other receivables		**21,996**	38,674
		626,913	633,813
CURRENT ASSETS			
Inventories		**310,213**	413,645
Trade and bills receivables	*9*	**1,046,156**	719,689
Prepayments, deposits and other receivables		**112,914**	70,135
Cash and cash equivalents		**73,520**	80,933
Amount due from a shareholder		**–**	19,181
Amounts due from related parties		**35,723**	221,799
		1,578,526	1,525,382
CURRENT LIABILITIES			
Interest-bearing loans		**304,994**	113,760
Trade payables	*10*	**352,977**	418,413
Other payables and accruals		**319,692**	321,120
Tax payable		**57,120**	52,881
Amounts due to shareholders		**143**	156
Amounts due to related parties		**25,000**	64,108
Amount due to the holding company		**–**	126,760
Preference shares		**403,397**	–
		1,463,323	1,097,198
NET CURRENT ASSETS		**115,203**	428,184
TOTAL ASSETS LESS CURRENT LIABILITIES		**742,116**	1,061,997
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**50,064**	49,395
Preference shares		**–**	554,180
		50,064	603,575
NET ASSETS		**692,052**	458,422
EQUITY			
Equity attributable to owners of the parent:			
Ordinary share capital		**80**	78
Reserves		**668,663**	439,153
		668,743	439,231
Minority interests		**23,309**	19,191
TOTAL EQUITY		**692,052**	458,422

NOTES TO THE FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") that are applicable to the year and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 1 and IAS 27 Amendments	Amendments to IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
IFRS 2 Amendments	Amendments to IFRS 2 *Share-based Payment – Vesting conditions and Cancellations*
IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments*
IFRS 8	*Operating Segments*
IAS 1 (Revised)	*Presentation of Financial Statements*
IAS 23 (Revised)	*Borrowing Costs*
IAS 32 and IAS 1 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation* and IAS 1 *Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
IFRIC-Int 9 and IAS 39 Amendments	Amendments to IFRIC-Int 9 *Reassessment of Embedded Derivatives* and IAS 39 *Financial Instruments: Recognition and Measurement – Embedded Derivatives*
IFRIC-Int 13	*Customer Loyalty Programmes*
IFRIC-Int 15	*Agreements for the Construction of Real Estate*
IFRIC-Int 16	*Hedges of a Net Investment in a Foreign Operation*
IFRIC-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to IFRSs (issued in May 2008)*	Amendments to a number of IFRSs

* *Except for the amendment to IFRS 5 which is effective for the annual periods on or after 1 July 2009, the Group has adopted other amendments included in the Improvements to IFRSs issued in May 2008 in the current year's financial statements.*

Other than as further explained below regarding the impact of IAS 1 (Revised) and IFRS 8, the adoption of these new and revised IFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

IAS 1 (Revised) ***Presentation of Financial Statements***

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

IFRS 8 ***Operating Segments***

IFRS 8, which replaces IAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. These revised disclosures, including the related revised comparative information, are shown in Note 2 to the financial statements.

1.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

IFRS 1 (Revised)	*First-time Adoption of International Financial Reporting Standards*[1]
IFRS 1 Amendments	Amendments to IFRS 1 *Additional Exemptions for First-time Adopters*[2]
IFRS 1 Amendment	Amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*[4]
IFRS 2 Amendments	Amendments to IFRS 2 *Group Cash-settled Share-based Payment Transactions*[2]
IFRS 3 (Revised)	*Business Combinations*[1]
IFRS 9	*Financial Instruments*[6]
IAS 24 (Revised)	*Related Party Disclosures*[5]
IAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
IAS 32 Amendments	Amendments to IAS 32 *Classification of Rights Issues*[3]
IAS 39 Amendment	Amendment to IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[1]
IFRIC-Int 14 Amendments	Amendments to IFRIC-Int 14 *Prepayments of a Minimum Funding Requirement*[5]
IFRIC-Int 17	*Distributions of Non-cash Assets to Owners*[1]
IFRIC-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to IFRS 5 included in *Improvements to IFRSs* issued in May 2008	Amendments to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*[1]

1 *Effective for annual periods beginning on or after 1 July 2009*
2 *Effective for annual periods beginning on or after 1 January 2010*
3 *Effective for annual periods beginning on or after 1 February 2010*
4 *Effective for annual periods beginning on or after 1 July 2010*
5 *Effective for annual periods beginning on or after 1 January 2011*
6 *Effective for annual periods beginning on or after 1 January 2013*

Apart from the above, IASB has also issued *Improvements to IFRSs 2009** which sets out amendments to a number of IFRSs resulting from its annual improvements project published in April 2009. Except for the amendments to IFRS 2, IAS 38, IFRIC 9 and IFRIC 16 which are effective for annual periods beginning on or after 1 July 2009, the remaining amendments are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

* *The improvements to IFRSs 2009 include amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38, IAS 39, IFRIC 9 and IFRIC 16.*

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three 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 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 consolidated financial statements.

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.

Year ended 31 December 2009

	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*	Group *RMB'000*
Segment revenue:				
Sales to external customers	**819,044**	**456,892**	**243,567**	**1,519,503**
Intersegment sales	**–**	**–**	**–**	**–**
	819,044	**456,892**	**243,567**	**1,519,503**
Segment results	**272,043**	**37,433**	**26,431**	**335,907**
Reconciliation:				
Interest income				**18,225**
Corporate and other unallocated expenses*				**(48,613)**
Finance costs				**(11,364)**
Profit before tax				**294,155**
Segment assets	**1,301,291**	**687,689**	**297,742**	**2,286,722**
Reconciliation:				
Elimination of intersegment receivables				**(103,251)**
Corporate and other unallocated assets				**21,968**
Total assets				**2,205,439**
Segment liabilities	**442,600**	**553,419**	**159,064**	**1,155,083**
Reconciliation:				
Elimination of intersegment payables				**(103,251)**
Corporate and other unallocated liabilities				**461,555**
Total liabilities				**1,513,387**
Other segment information:				
Share of profits/(losses) of associates	**238**	**(336)**	**–**	**(98)**
Research and development costs	**16,626**	**11,099**	**1,791**	**29,516**
Depreciation of items of property, plant and equipment	**12,119**	**16,463**	**3,470**	**32,052**
Amortisation of land use rights	**1,550**	**1,574**	**304**	**3,428**
Amortisation of other intangible assets	**9,904**	**1,982**	**3,383**	**15,269**
Impairment of trade receivables	**–**	**2,448**	**–**	**2,448**
Write-down of inventories to net realisable value	**2,561**	**(20,837)**	**–**	**(18,276)**
Product warranty provision	**6,662**	**7,630**	**1,152**	**15,444**
Loss/(gain) on disposal of items of property, plant and equipment	**(449)**	**1,234**	**(286)**	**499**
Investments in associates	**20,643**	**426**	**–**	**21,069**
Capital expenditure**	**24,901**	**5,291**	**36,562**	**66,754**

Year ended 31 December 2008

	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*	Group *RMB'000*
Segment revenue:				
Sales to external customers	684,105	447,557	148,031	1,279,693
Intersegment sales	–	–	–	–
	684,105	447,557	148,031	1,279,693
Segment results	201,717	34,937	(17,818)	218,836
Reconciliation:				
Interest income				13,830
Corporate and other unallocated expenses*				(39,684)
Finance costs				(7,830)
Profit before tax				185,152
Segment assets	1,089,027	694,745	205,778	1,989,550
Reconciliation:				
Elimination of intersegment receivables				(62,659)
Corporate and other unallocated assets				232,304
Total assets				2,159,195
Segment liabilities	357,953	559,187	129,029	1,046,169
Reconciliation:				
Elimination of intersegment payables				(62,659)
Corporate and other unallocated liabilities				717,263
Total liabilities				1,700,773
Other segment information:				
Share of profits of associates	405	362	–	767
Research and development costs	14,543	10,298	1,412	26,253
Depreciation of items of property, plant and equipment	13,353	16,616	2,885	32,854
Amortisation of land use rights	1,549	1,575	–	3,124
Amortisation of other intangible assets	9,904	1,982	3,383	15,269
Impairment of trade receivables	204	631	–	835
Reversal of write-down of inventories to net realisable value	–	(1,948)	–	(1,948)
Product warranty provision	5,690	7,704	3,701	17,095
(Gain)/loss on disposal of items of property, plant and equipment	(677)	214	–	(463)
Investments in associates	20,405	876	–	21,281
Capital expenditure**	8,277	16,507	29,483	54,267

* *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 year.*

Information about major customers

During the year ended 31 December 2009, the Group had two customers with revenues of RMB217,579,000 and RMB160,048,000, respectively, which individually accounted for more than 10% of the Group's total revenue during the year.

During the year ended 31 December 2008, the Group had one customer with revenue of RMB170,564,000 that individually exceeded 10% of the Group's revenue during the year.

3. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold 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:

	2009	2008
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**1,507,281**	1,274,963
Rendering of services	**12,222**	4,730
	1,519,503	1,279,693
Other income and gains		
Waiver of unpaid VAT	**13,273**	–
Sale of scrap materials	**910**	5,819
Waiver of unpaid trade debt by a creditor	**–**	303
Gain on disposal of items of property, plant and equipment	**–**	463
Others	**1,301**	1,158
	15,484	7,743

4. FINANCE REVENUE AND FINANCE COSTS

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

	2009	2008
	RMB'000	*RMB'000*
Finance revenue		
Interest income	**18,743**	14,646
Finance costs		
Loan interest	**18,113**	14,495
Interest arising from discounted bills	**2,031**	2,563
Total finance costs	**20,144**	17,058

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2009	2008
	RMB'000	*RMB'000*
Cost of inventories sold	**936,682**	802,596
Cost of services provided	**7,693**	1,968
Employee benefits expense (including Directors' remuneration)		
Wages and salaries	**133,134**	131,725
Pension scheme contributions	**18,217**	17,215
	151,351	148,940
Research and development costs	**29,516**	26,253
Auditors' remuneration	**2,430**	2,360
Depreciation of items of property, plant and equipment	**32,052**	32,854
Amortisation of land use rights	**3,428**	3,124
Amortisation of other intangible assets	**15,269**	15,269
Impairment of trade receivables	**2,448**	835
Minimum lease payments under operating leases	**4,367**	3,575
Reversal of inventories to net realisable value	**(18,276)**	(1,948)
Product warranty provision	**15,444**	17,095
Loss/(gain) on disposal of items of property, plant and equipment	**499**	(463)

6. INCOME TAX

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 and Mauritius, the Group is not subject to any income tax in the Cayman Islands and Mauritius.

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 year.

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.

In accordance with the relevant income tax laws and regulations of the PRC for manufacturing enterprises, Jiamusi Machinery and Jixi Machinery were exempted from corporate income tax ("CIT") for two years commencing from their first profit-making year which was 2006 and were entitled to a 50% reduction in the PRC corporate income tax for the subsequent three years from 1 January 2008 to 31 December 2010. According to the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law"), Foreign Investment Enterprise (the "FIE") that was set up prior to 16 March 2007 may continue to enjoy preferential tax treatments for up to five years starting from 1 January 2008. Therefore, the applicable income tax rate of Jiamusi Machinery and Jixi Machinery is 12.5% starting from 1 January 2008 to 31 December 2010.

The share of tax attributable to associates for the year ended 31 December 2008 and 2009, respectively, are included in "Share of profits/(losses) of associates" on the face of the consolidated income statements.

The major components of income tax charge for the year are as follows:

	2009 RMB'000	2008 RMB'000
Current tax		
– Income tax in the PRC for the year	**58,039**	33,193
– Deferred tax	**3,272**	5,797
Total tax charge for the year	**61,311**	38,990

A reconciliation of the income tax expense applicable to profit before tax at the statutory rate for the country in which the Company and the majority of its subsidiaries are domiciled (i.e., the PRC) to the tax expense at the effective tax rate for the year is as follows:

	2009 RMB'000	2008 RMB'000
Profit before tax	**294,155**	185,152
Tax at an applicable tax rate	**73,539**	46,288
Income tax deduction for use of manufacturing equipment made in the PRC	**–**	(2,503)
Lower tax rate for certain loss making entities in different jurisdictions	**11,522**	6,307
Tax concession for certain subsidiaries*	**(46,425)**	(32,412)
Losses/(profits) attributable to associates	**25**	(192)
Expenses not deductible for tax	**9,934**	11,907
Withholding tax on undistributed earnings	**12,716**	9,595
Tax charge at the Group's effective rate	**61,311**	38,990

* *Jiamusi Machinery and Jixi Machinery were converted to FIEs on 11 April 2006 and 10 April 2006, respectively. Their income generated starting from May 2006 to December 2007 was fully exempted from tax, and that for the years ended 31 December 2008 and 2009 was subjected to a 50% deduction to the standard rate of tax.*

7. DIVIDENDS

Except for the contingent dividend described in note 11, the Directors do not recommend the payment of a dividend for the year ended 31 December 2009.

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent for the year and on the assumption that 780,000,000 shares, representing the number of shares of the Company immediately after the capitalisation issue as described in note 11 to the financial statements, had been in issue throughout each of the years ended 31 December 2008 and 2009, respectively.

The Company did not have any potential diluted shares during the year. Accordingly, diluted earnings per share amounts are the same as basic earnings per share amounts.

9. TRADE AND BILLS RECEIVABLES

Group

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**798,880**	612,341
Bills receivable	**262,171**	119,795
Less: Impairment provision	**(14,895)**	(12,447)
	1,046,156	719,689

The Group grants different credit periods to customers. The Group generally requires its customers to make payments at various stages of a 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 to their fair values.

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

Group

	2009	2008
	RMB'000	*RMB'000*
Outstanding balances with ages:		
Within 90 days	**368,158**	284,268
91 to 180 days	**215,511**	200,618
181 to 365 days	**129,885**	87,686
1 to 2 years	**60,420**	27,322
Over 2 years	**10,011**	–
	783,985	599,894

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

Group

	2009	2008
	RMB'000	*RMB'000*
At beginning of the year	**12,447**	11,612
Impairment of trade receivables	**2,448**	835
At end of year	**14,895**	12,447

The impaired trade receivables relate to individual 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 trade and bills receivables pledged as security for interest-bearing bank loans granted to the Group are as follows:

	2009	2008
	RMB'000	*RMB'000*
Trade receivables	**45,663**	20,156
Bills receivable	**118,006**	22,135
Total	**163,669**	42,291

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

Group

	2009	2008
	RMB'000	*RMB'000*
Neither past due nor impaired	**455,993**	260,449
Past due but not impaired		
Less than 90 days	**188,052**	210,869
91 to 180 days	**81,874**	93,285
181 to 365 days	**39,215**	22,685
1 to 2 years	**18,851**	12,606
	783,985	599,894

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.

10. TRADE PAYABLES

Group

	2009	2008
	RMB'000	*RMB'000*
Trade payables	**352,977**	418,413

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

	2009	2008
	RMB'000	*RMB'000*
Within 90 days	**191,931**	247,433
91 to 180 days	**74,858**	82,237
181 to 365 days	**33,898**	33,451
1 to 2 years	**14,459**	19,711
2 to 3 years	**5,942**	6,744
Over 3 years	**31,889**	28,837
	352,977	418,413

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

11. EVENTS AFTER THE REPORTING PERIOD

The following significant events took place after the reporting period and up to the date of the financial statements:

1) Pursuant to the written resolution of the shareholders of the Company on 24 January 2010, it was resolved that, conditional upon the Company having received the proceeds of the Listing, the remaining preference shares of the Company as at 31 December 2009 will be repurchased at a consideration of USD63,938,000 (equivalent to approximately RMB436,582,000), consisting of the initial purchase price of USD59,078,000 (equivalent to approximately RMB403,397,000) and founder participation rights amount of USD4,860,000 (equivalent to approximately RMB33,185,000). The preferences were fully repurchased on 10 February 2010.

2) Pursuant to the written resolution of the shareholders of the Company on 24 January 2010 and conditional on the share premium account of the Company being credited pursuant to the Listing, the Company capitalised HKD77,999,000 standing to the credit of the share premium account of the Company to pay up in full 779,990,000 new ordinary shares of HKD0.1 each for allotment and issue to the existing shareholders of the Company, whose names appeared in the register of the Company as at 24 January 2010.

3) Pursuant to the written resolution of the shareholders of the Company passed on 24 January 2010, the Company declared a contingent dividend of no more than USD63,200,000 (equivalent to approximately RMB431,542,000) and no less than USD40,100,000 (equivalent to approximately RMB273,811,000) to the holders of the Company's ordinary shares. The dividend is contingent upon the completion of the Listing subject to determination according to the initial public offering price. The contingent dividend amounted to approximately RMB281.0 million based on the Company's initial public offering price of HKD4.88 per share.

4) On 24 January 2010, a written resolution of the Directors of the Company was passed to approve the payment of USD10,000,000 (equivalent to approximately RMB68,282,000) as a transaction and termination fee in relation to the termination of TJCC Services Management Consulting Agreement which will be paid out from the proceeds of the Listing.

5) On 10 February 2010, the Company completed its global offering of 520,000,000 shares (the "Global Offering"), which were listed on the Stock Exchange on the same date. The net proceeds from the Company's global offering amounted to approximately RMB2,098 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Overview

In 2009, the growth of China's overall economy was negatively impacted by the ongoing financial crisis. In addition, declining capital market activity contributed to general reductions in available funding for business expansion, and the equity and currency markets exhibited high levels of volatility. All of these factors had an impact on capital spending and payment cycles of our customers – particularly in the first half of the year. The situation improved in the second half when China's RMB4 trillion stimulus package kicked in, leading to high demand for our products, especially roadheaders. Throughout the year, we exercised great caution in balancing our customer needs and the macro environment to minimize the increase in our trade receivables.

Business Overview

Results

In 2009, we had very strong results. Our revenue grew by 18.7% to RMB1,519.5 million, a new record, which reflects the strength of our markets and our customer's preference for our roadheaders, shearers and armoured-face conveyors. The gross profit and net profit grew by 21.0% and 59.2% respectively. Our continuing efforts on cost control and cost reduction, and continued process improvement, allowed us to achieve record profits despite incurring one-time Global Offering related expenses. These efforts helped to reduce inventory levels while achieving higher sales. We have developed a stable long term relationship with our suppliers. We also worked hard to assist our customers in dealing with the impacts of the financial crisis, particularly with select favorable terms. We believe all of these actions will position the Company to benefit from favorable market conditions in the medium and long term. We are quick to point out that the Company's results came from the efforts and hard work of our management teams and associates of the Company. We wish to thank all of them for their outstanding contributions.

New Product Introductions

The ability to co-develop products with key customers has been the strength of our Company, and this legacy continued in 2009. Our subsidiary, Jiamusi Coal Mining Machinery Co., Ltd., developed the EBZ160A roadheader with intelligent and remote controlled capabilities, the EBZ260 roadheader for hard rock applications, and the EBH350 roadheader with the highest cutting power in the domestic market today. Jiamusi Machinery now offers 24 road headers that we believe service all of the needs of our customers and which represent the broadest product offering in the industry. Our other subsidiary, Jixi Coal Mining Machinery Co., Ltd., developed the MG100/230-BWD shearer for ultra thin seam applications, and the MG420-1020-WD shearer with the best combination of lowest profile and highest installed power of its kind. We believe that this capability will be of increasing importance to our customers. Huainan Longwall developed the technologically advanced SGZ800/1050 for medium thick seam applications. We also developed other smaller ancillary equipment such as coal loaders, bolting attachments and drilling attachments to enhance the total value of our product portfolio.

Investment

At each of our subsidiaries we made a number of new investments during the year in sophisticated manufacturing equipment and processes in order to continue to improve our quality and reduce our costs. We also entered into an agreement to purchase the remaining 25% interest in Huainan Longwall Coal Mining Machinery Co., Ltd. ("Huainan Longwall") at the end of 2009, from which we generated significant sales of armoured-face conveyors during the year. The construction of the new facilities for armoured-face conveyors in Huainan is expected to be completed in May 2010 and production is expected to commence in midsummer 2010. In addition to adding new capacity, we invested in upgrading existing capabilities through the purchase of machinery and an overhaul of the plant. Our newest facility will be state of the art and is designed to supply our customers with the highest quality products available anywhere.

Global Offering

The infusion of capital from the Company's Global Offering allows us to accelerate our growth via (i) expansion of the breadth of our product offering through internal development as well as through acquisitions, (ii) increased production capacity to meet growing market demands in equipment and aftermarket parts, (iii) sophisticated manufacturing equipment to further enhance quality and reduce manufacturing bottlenecks, (iv) reduced outsourcing costs and increased flexibility in purchasing, (v) establishment of additional aftermarket service locations in major coal mining regions, and (vi) pursuit of international opportunities. We believe that all of these efforts will contribute to sustainable value to our shareholders.

Post Balance Sheet Events

Details of significant events occurring after the balance sheet date are set out in note 11 to the financial statements.

Financial Review

Revenue

For the year ended 31 December 2009, the Group's revenue amounted to approximately RMB1,519.5 million, representing an increase of approximately RMB239.8 million or 18.7% as compared to approximately RMB1,279.7 million in 2008. The increase was primarily due to the increase in sales of roadheader products and armoured-face conveyors, partially offset by a decrease in sales of aftermarket parts and services. While sales volumes in units were flat as compared to 2008, a favorable sales mix led to a significant increase in the Group's revenue.

For the two years ended 31 December 2009, the Group's revenue analysis by product segment is as follows:

Product Segments	**2009**		2008		Change	Change
	RMB million	**%**	*RMB million*	%	*RMB million*	%
Roadheader products	**708.8**	**46.6%**	571.9	44.7%	136.9	23.9%
Shearer products	**376.4**	**24.8%**	348.5	27.2%	27.9	8.0%
Armoured-face conveyors and related products	**221.8**	**14.6%**	140.1	11.0%	81.7	58.3%
Aftermarket parts and services	**212.5**	**14.0%**	219.2	17.1%	(6.7)	(3.1)%
Total	**1,519.5**	**100.0%**	1,279.7	100.0%	239.8	18.7%

Roadheader products: The revenue from roadheader products increased by RMB136.9 million, or 23.9%, from RMB571.9 million in 2008 to RMB708.8 million in 2009, which was attributable to the increase in the sales volume of heavy-duty roadheaders driven by an increase in market demand as well as our focus on product development in this category to meet the demands of our customers. Heavy-duty roadheaders offer a more attractive profit margin than most of our light-duty and medium-duty roadheaders.

Shearer products: The revenue from shearer products increased by RMB27.9 million, or 8.0%, from RMB348.5 million in 2008 to RMB376.4 million in 2009, primarily reflecting higher demand and a sales increase of medium seam and thick seam shearers.

Armoured-face conveyors and related products: The revenue from armoured-face conveyors and related products increased by RMB81.7 million, or 58.3%, from RMB140.1 million in 2008 to RMB221.8 million in 2009. This increase was attributable to our focus on growing and expanding our armoured-face conveyor business.

Aftermarket parts and services: The revenue from aftermarket parts and services decreased by RMB6.7 million, or 3.1%, from RMB219.2 million in 2008 to RMB212.5 million in 2009. The decrease was the result of (i) capacity constraints caused by our need to focus manufacturing capacity on the production of complete units to meet demand and (ii) an inventory realignment program undertaken by our distributors to ensure that each location was stocked with the right mix of parts. This inventory realignment initiative produced a temporary dip in spare parts volume as we moved parts between distributors instead of manufacturing new parts to meet their stocking deficiencies. This realignment was completed by the end of the third quarter of 2009.

Cost of Sales

During the year, the Group's cost of sales amounted to RMB944.4 million, representing an increase of approximately RMB139.8 million or 17.4% as compared to 2008. The increase was mainly attributable to the corresponding increase of the Group's sales.

The cost of raw materials increased by RMB115.8 million, or 18.8%, from RMB615.6 million in 2008 to RMB731.4 million in 2009, primarily due to cost increases in major components of our raw materials, such as steel, imported components and electrical components. Manufacturing costs increased by RMB11.2 million, or 8.5%, from RMB132.0 million in 2008 to RMB143.2 million in 2009 which was primarily due to the increase in fuel cost and depreciation charges on our plant and equipment. Direct labor costs increased by RMB12.8 million, or 22.5%, from RMB57.0 million in 2008 to RMB69.8 million in 2009, primarily due to our increased sales.

Gross Profit and Gross Margin

The following table sets forth, for the period indicated, gross profit (by amount and percentage of total gross profit) and gross margin information by product segment for the Group.

Segment Gross Profit	**2009**		2008		Change	Change
	RMB million	*%*	*RMB million*	*%*	*RMB million*	*%*
Roadheaders	**326.5**	**56.8%**	263.2	55.4%	63.3	24.1%
Shearers	**103.1**	**17.9%**	106.6	22.4%	-3.5	-3.3%
Armoured-face conveyors and related products	**54.1**	**9.4%**	17.5	3.7%	36.6	209.1%
Aftermarket parts and services	**91.4**	**15.9%**	87.8	18.5%	3.6	4.1%
Total	**575.1**	**100.0%**	475.1	100.0%	100.0	21.0%

Segment Gross Margin rate	**2009**	2008	Change
Roadheaders	**46.1%**	46.0%	0.1%
Shearers	**27.4%**	30.6%	-3.2%
Armoured-face conveyors and related products	**24.4%**	12.5%	11.9%
Aftermarket parts and services	**43.0%**	40.1%	2.9%
Total	**37.8%**	37.1%	0.7%

Gross profit increased by RMB100.0 million, or 21.0%, from RMB475.1 million in 2008 to RMB575.1 million in 2009. During 2009, the gross margin was approximately 37.8%, representing a slight increase as compared to 37.1% in 2008, which primarily reflected the increase in the percentage of revenue derived from roadheader products and armoured-face conveyors and related products, offset by a slight decrease in gross margin of our shearer products.

Gross margin of our roadheader products remained stable in 2009 as compared to 2008, primarily reflecting the keen competition in the roadheader product market.

Gross margin of our shearer products decreased from 30.6% in 2008 to 27.4% in 2009, primarily reflecting decreases in the gross margins of our medium seam and thick seam shearer products, which was primarily attributable to the configuration of higher quality machines using more expensive raw materials to further increase the reliability and safety of our products and to further distinguish us from our competitors.

Gross margin of our armoured-face conveyors and related products increased from 12.5% in 2008 to 24.4% in 2009, primarily reflecting the increase in economies of scale of our production as we ramped up our operations at Huainan Longwall in 2009.

Gross margin of our aftermarket parts and services increased from 40.1% in 2008 to 43.0% in 2009, primarily reflecting an increase in the sales of higher margin spare parts for roadheaders, shearers and armoured-face conveyors.

Other Income and Gain

During the year, the Group's other income and gains amounted to approximately RMB15.5 million which represented an increase of approximately 100.0% as compared to 2008. The increase was primarily attributable to the waiver of pre-acquisition VAT liabilities of RMB13.3 million which were assumed from the previous owner at the time of the acquisitions of Jiamusi Machinery and Jixi Machinery.

Selling and Distribution Costs

Selling and distribution costs decreased by RMB13.0 million, or 11.0%, from RMB118.3 million in 2008 to RMB105.3 million in 2009, primarily reflecting decreases in (i) commission expense due to a change in the commission structure and (ii) warranty expenses as a result of our continuous improvements to the quality of our products. These decreases were partially offset by an increase in the cost of freight due to the increase in our sales volume.

Administrative Expenses

The Group's administrative expenses increased by RMB13.1 million from approximately RMB167.8 million for the year ended 31 December 2008 to approximately RMB180.9 million for the current year, representing an increase of approximately 7.8%, which was primarily due to Global Offering related expenses incurred during 2009.

Income Tax

Income tax expense for the group for 2009 was RMB61.3 million as compared to RMB39.0 million for 2008. The increase in income tax expense is directly attributable to the increase in our profits driven by higher revenue.

In accordance with the relevant income tax laws and regulations of China, from 1 January 2008 to 31 December 2010, the applicable enterprise income tax rate for two of our subsidiaries, Jiamusi Machinery and Jixi Machinery, is 12.5%, which is a 50% reduction from the statutory rates.

Net Profit

The Group's net profit for the year was RMB232.8 million as compared to RMB146.2 million in 2008, representing an increase of 59.2%, which was primarily the result of increased sales and various cost containment initiatives.

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 31 December 2009, the total current assets amounted to approximately RMB1,578.5 million, and the total current liabilities of the Group amounted to approximately RMB1,463.3 million. The current liabilities as of 31 December 2009 included preference shares of RMB403.4 million which were fully redeemed using a portion of the proceeds from the public offering. According to the planned arrangement of the present current asset condition and future cash flow, the Group anticipates that it will have sufficient repayment ability to support the Group's operations.

Our gearing ratio, calculated as net debt divided by the sum of net debt and capital as of 31 December 2009 was 48% as compared to 61% as of 31 December 2008. Net debts are defined to include interest-bearing loans, amounts due to holding company and preferred shares, less cash and cash equivalents. Capital represents total equity. The decrease in our gearing ratio reflected the significant increase in our capital which resulted from the increase of net profit, while our net debt decreased as compared to prior year.

Cash Flow

We had a net cash inflow from operating activities of RMB19.2 million for 2009 as compared to the net cash inflow of RMB208.8 million for 2008. The decrease in our cash provided by operating activities was primarily attributable to the increase in trade and bills receivables, which reflected the credit period extensions granted to some of our customers who were affected by the ongoing financial crisis.

Cash used by investment activities for 2009 was RMB112.5 million as compared to RMB206.2 million for 2008. The decrease is due to lower investments in associates and purchases of intangible assets in 2009 as compared to 2008.

Net cash inflow from financing activities for 2009 was RMB85.8 million as compared to RMB17.1 million of cash used in financing activities for 2008. The cash from financing activities in 2009 primarily consisted of proceeds from the pay up of preference shares and new bank loans, offset by the repurchase of preference shares and bank loans repayments.

Capital Structure

As of 31 December 2009, the Group's total assets amounted to approximately RMB2,205.4 million, representing an increase of approximately RMB46.2 million or approximately 2.1% as compared to the balance as of 31 December 2008. The increase was mainly attributable to the increase in trade receivables, proceeds from bank loans and reserves over those of last year. Current assets amounted to approximately RMB1,578.5 million, and mainly consisted of trade receivables and inventories, accounting for approximately 71.6% of total assets; non-current assets amounted to approximately RMB626.9 million, representing an decrease of approximately RMB6.9 million as compared to the balance as at 31 December 2008.

Liabilities

As of 31 December 2009, the Group's total liabilities amounted to approximately RMB1,513.4 million, representing a decrease of approximately RMB187.4 million as compared to the balance as at 31 December 2008. Current liabilities amounted to approximately RMB1,463.3 million, accounting for approximately 96.7% of total liabilities and non-current liabilities amounted to approximately RMB50.1 million, accounting for approximately 3.3% of total liabilities. The decrease in liabilities was mainly attributable to loan repayments to our holding company (TJCC Holdings Ltd.) and a related party, and a partial redemption of our preference shares. As a result of the redemption of the remaining preference shares in connection with our Global Offering in February of 2010, the preference shares were reclassified from a long term liability at 31 December 2008 to a current liability at 31 December 2009.

Turnover Days

During the year, the average inventory turnover days decreased from 168 days to 140 days. This was mainly attributable to our persistent efforts focusing on efficient inventory management.

During the year, the Group proactively managed its cash flow. As a result, it maintained stable financial ratios. The Group prudently monitored recoverability of its trade receivables, kept a close eye on the financial condition of its customers and intensified cash collections. The average turnover days of trade receivables had a slight increase from 159 days to 166 days, which was mainly as a result of an increase in revenue and the credit period extensions granted to some of our customers that were affected by the ongoing financial crisis.

The average turnover days of trade payables were 149 days, representing a decrease as compared to 166 days in 2008. This was mainly attributable to the sufficiency of working capital and our effort to enhance the Group's long term relationship with its suppliers.

Contingent Liabilities

As of 31 December 2009, we had no material contingent liabilities.

Off-balance Sheet Transactions

As of 31 December 2009, we had no material off-balance sheet transactions.

Banking Facilities

As of 31 December 2009, we pledged assets with a value of RMB305.0 million for secured bank loans, comprised primarily of buildings and land use rights, plant and machinery, and trade and bill receivables. We utilize bank loans for working capital purposes, and all of our bank loans were payable within one year. As of 31 December 2009, our outstanding bank loans bore interest at an annual rate ranging from 1.53% to 5.84%.

Capital Expenditure and Commitment

Our capital expenditures were RMB66.8 million for 2009 as compared to RMB54.3 million for 2008. Our capital expenditures in 2009 related primarily to the construction of a plant and facilities, and purchases of machinery, office equipment and motor vehicles.

As of 31 December 2009, the Group had capital commitments of approximately RMB74.8 million, which primarily related to commitments to purchase machinery.

Foreign Exchange Exposure

Although our financial assets are not subject to foreign currency risk, some of our borrowings are in foreign currency. As of 31 December 2009, the Group's foreign currency deposits were equivalent to approximately RMB2.5 million.

Employee Remuneration and Benefit

As of 31 December 2009, the Group had 3,397 employees as compared to 3,640 as at 31 December 2008. 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 31 December 2009	
	Number	**% of total**
Manufacturing personnel	**2,220**	**65.4**
Technical personnel (including R&D)	**366**	**10.8**
Sales and marketing personnel	**304**	**8.9**
Administrative personnel	**255**	**7.5**
Procurement personnel	**64**	**1.9**
Financial personnel	**68**	**2.0**
Others	**120**	**3.5**
Total employees	**3,397**	**100.0**

Staff costs including Directors' remuneration were approximately RMB151.4 million for 2009 as compared to approximately RMB148.9 million for 2008. The remuneration package for our employees generally includes salaries and bonuses. We conduct periodic performance reviews for all of our employees and their salaries 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 China law. In addition, we contribute to various pension funds organized by municipal and provincial governments for our employees in compliance with applicable laws and regulations.

Use of Net Proceeds from the Company's Global Offering

The Company was listed on the Hong Kong Stock Exchange on 10 February 2010. The net proceeds from the Company's issue of new shares (after deducting underwriting commission and related expenses) amounted to approximately RMB2,098 million, which are intended to be applied in accordance with the allocation set out in the relevant sections of our prospectus dated 29 January 2010 (the "Prospectus"). As of the date of this announcement, the Company intends to use approximately 37.5% of the net proceeds to redeem its preferred shares and settle pre-IPO obligations, approximately 27.5% for potential acquisitions, approximately 25% for capital expenditures and approximately 10% for working capital and general corporate purposes.

Prospects

We expect to see growth in commodity demand in 2010 as the global economic environment begins to improve. However, we cannot accurately predict the future demand, price and when economic and liquidity conditions will improve.

China's rapid economic growth and industrialization have driven the demand for coal. Three provinces, Inner Mongolia, Shaanxi and Xinjiang, which comprised 22%, 18% and 37% of national coal resources in 2008, respectively, remain under-explored. To promote safety, efficiency and better utilization of resources, the Chinese government has closed more than 12,000 small mines and encouraged the consolidation and mechanization of the remaining small and medium mines. China's National Coal Association has approved the construction of 13 mega coal bases nationally, 10 large "open-style" coal mines (minimum 10 million tons annual capacity) and 10 large "safe and efficient" coal mines. In the Eleventh 5-Year Plan, China's National Development and Reform Commission targeted to raise mechanization in coal mines from 57% in 2008 to 78% in 2010. We believe that the current industry and regulatory environment requiring that our customers increase the percentage of mechanization in their mines will drive the need for our products and services and significantly contribute to our growth.

OTHER INFORMATION

Dividends

As described in the Company's Prospectus, the use of proceeds from the Company's Global Offering includes the payment of a contingent dividend to the pre-listing shareholders. The contingent dividend was calculated based on a percentage of the net proceeds from the Global Offering and certain components of the calculation are subject to confirmation by reference to the final audited financial statements of the Group for 2009. The final amount of the contingent dividend was RMB281.0 million. The contingent dividend is solely for the benefit of the pre-listing shareholders as it represents a partial distribution of the profits earned by the Company prior to the Global Offering.

Except for the contingent dividend mentioned above, the Directors do not recommend the payment of a dividend for the year ended 31 December 2009.

Closure of Register of Shareholders

The register of Shareholders will be closed from Friday, 11 June 2010 to Tuesday, 15 June 2010, both days inclusive, during which period no share transfers can be registered. In order to be eligible for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 10 June 2010.

Code on Corporate Governance Practices (the "Code")

The Company has adopted the code provisions set out in the Code. As the Company's shares were listed on the Main Board of the Hong Kong Stock Exchange on 10 February 2010, the Company was not required to comply with the requirements under the Code or the continuing obligations requirements of a listed company pursuant to the Listing Rules for the year ended 31 December 2009. Since the date of listing of the Company's shares on the Main Board of the Hong Kong Stock Exchange and up to the date of this report, the Company has complied with all the applicable code provisions set out in the Code.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (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 throughout the period from the date of listing of the Company's shares and up to the date of this announcement.

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

The Company's shares were 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 shares during the period from the date of listing to the date of this report. Pursuant to the written resolution passed by the shareholders on 24 January 2010, an accrual mandate was granted to the Board to exercise the powers of the Company to purchase shares up to 10% of the issued share capital of the Company.

Audit Committee

The Company established the Audit Committee pursuant to a resolution of the Directors passed on 24 January 2010 in compliance with Appendix 14 of the Listing Rules. The Audit Committee has written terms of reference as suggested under the code provisions under the Code. The Audit Committee is comprised of the following three members, all non-executive Directors:

Dr. Yiming HU *(Chairwoman of committee)*	Independent non-executive Director
Ms. Lisa M. ONDRULA	Non-executive Director
Dr. Xuezheng WANG	Independent non-executive Director

The Audit Committee has adopted the terms of reference as outlined under the Code.

Auditors

Ernst & Young was approved as the Company's auditors in the past two years. The consolidated financial statements included in this report were audited by Ernst & Young who will retire as auditors of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming annual general meeting of the Company.

The Audit Committee has reviewed the accounting principals and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The Audit Committee has also reviewed the financial statement for the year ended 31 December 2009.

Annual General Meeting ("AGM") and Despatch of 2009 Annual Report

The AGM of the Company will be held on 15 June 2010. A notice convening the AGM will be published on the Company's websites at www.immchina.com and the Stock Exchange's website at www.hkexnews.hk and will be dispatched to all shareholders together with the Annual Report in due course.

The annual results announcement is published on the websites mentioned above. The annual report of the Group for the year ended 31 December 2009 containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 26 April 2010

As at the date of this announcement, the executive Directors of the Company are Mr. Thomas H. Quinn, Mr. Kee-Kwan Allen Chan, Mr. Youming Ye, Mr. Kwong Ming Pierre Tsui and Mr. Yinghui Wang. The non-executive Directors of the Company are Mr. Rubo Li, Mr. John W. Jordan II and Ms. Lisa M. Ondrula. The independent non-executive Directors of the Company are Dr. Yiming Hu, Dr. Xuezheng Wang, Mr. Zhenduo Yuan and Dr. Fung Man, Norman Wai.