

**INTERNATIONAL MINING MACHINERY HOLDINGS LTD:
THE CALL HAS GONE OUT – ‘WE WANT YOUR MONEY’ !**

About 37.50 percent of the net proceeds of the Initial Public Offering (IPO) of International Mining Machinery Holdings Ltd () (Code: 1683, Main Board, The Stock Exchange of Hongkong Ltd) will be used to repay liabilities, due and owing to existing shareholders.

That amount of money is about \$HK1.02 billion – at least.

This is, perhaps, the most-intriguing aspect of the Global Offering Prospectus of this Company, which launched its IPO in the hope of obtaining at least \$HK2.73 billion from prospective investors.

The Global Offering comprises 520 million, 10-cent Shares at the Offer Price of between \$HK4.88 per Share and \$HK6.38 per Share.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) are being Offered the opportunity to subscribe to 52 million Shares, with the remaining 468 million Shares, being reserved for International Investors.

The amount of money, expected to be raised from the IPO, based on an Offer Price of about \$HK5.63 per Share, is \$HK2,729.80 million.

Copying from Pages 204 and 205 of the Global Offering Prospectus, that money will be allocated to:

- (i) *‘approximately US\$73.9 million (equivalent to approximately HK\$572.8 million), or 21.0%, for the payment of:*
 - *obligations relating to the repurchase of preferred shares (approximately US\$59.1 million equivalent to approximately HK\$458.1 million);*
 - *the TJCC Services Transaction and Termination Fee (US\$10.0 million or equivalent to approximately HK\$77.5 million); and*
 - *“founder participation” paid to Messrs. Rubo Li, Emory Williams and Williams Realty (approximately US\$4.9 million or equivalent to approximately HK\$38.0 million), see “Reorganisation”;*
- (ii) *‘approximately US\$58.2 million (equivalent to approximately HK\$451.1 million), or 16.5%, to pay the Contingent Dividend to Pre-IPO Ordinary Shareholders; the amount of the Contingent Dividend will represent the difference of (a) 37.5% of the net proceeds from the Global Offering and (b) the sum of US\$73.9 million as set forth in item (i) above, subject to the amount of distributable profits available for declaration; see below and “Summary — Contingent Dividend Based on Distributable Profits as of 31 December 2009”;*
- (iii) About \$HK593.70 million, or about 21.80 percent of the net proceeds of the IPO, in order to fund *‘projects to improve and expand our current production facilities and aftermarket*

service network ...';

- (iv) About \$HK839.40 million, or about 30.80 percent of the net proceeds of the IPO, to be used to purchase a 25-percent stake in Huainan Longwall Coal Mining Machinery Company Ltd (), which will absorb about \$HK58.40 million, and the remaining \$HK781 million will be put into the Company's Treasury just in case a potential acquisition comes to mind (or somebody needs to buy an ice cream?); and,
- (v) About \$HK272.80 million, or about 10 percent of the net proceeds of the IPO, to be tipped into the General Working Capital Account.

As is patently obvious, aside ... [CLICK TO ORDER FULL ARTICLE](#)

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