

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

### DIRECTORS

Our Board currently consists of eight directors, comprising two executive directors, three non-executive director and three independent non-executive directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at general meetings, determining our business and investment plans, preparing our annual financial budgets and final reports; formulating proposals for profit distributions, recovery of losses and for the increase or reduction of our registered capital, as well as exercising other powers, functions and duties conferred by our Memorandum and Articles of Association. We have entered into service contracts with each of our executive directors. Certain information with respect to the members of our Board is set out below:

#### Executive Directors

**Mr. Mao Zhongwu (毛中吾)**, aged 47, was appointed as our Chairman and Chief Executive Officer of our Company on 23 July 2009. Mr. Mao is and has been the chairman and the general manager of Sany Heavy Equipment since July 2006, and is also and has been an executive director of Sany Zongcai and Sany Transportation since their establishment in May 2008 and September 2009, respectively. He is responsible mainly for our Group's overall strategy planning and investment decisions. Mr. Mao has more than 25 years of experience in the machinery industry.

Mr. Mao is currently a non-executive director with the SG Group and does not have any executive functions in the SG Group. He founded Sany Group in 1989 and was responsible mainly for business development. He subsequently took on different positions in Sany Group's various subsidiaries and was made a director of Sany Group in 2000 and was appointed as vice chairman of Sany Group between June 2005 and June 2006. During his tenure in Sany Group, Mr. Mao was granted the honorary title of "Pioneering Star (創業之星)" by the Research Development Centre of the State Council (國務發展研究中心). Mr. Mao was also elected as vice president of the Loudi Industrial and Commercial Union, Hunan Province (湖南省婁底工商聯) in 2000.

Mr. Mao received professional training in Economics and Management from the National University of Singapore in 1999.

Save as disclosed herein, there are no other matters in relation to Mr. Mao which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Liang Jianyi (梁堅毅)**, aged 52, was appointed as executive Director of our Company on 23 July 2009. Mr. Liang has been the deputy general manager, principal engineer and head of the research headquarters of Sany Heavy Equipment since June 2009. He is also and has been an executive director of Sany Heavy Equipment and Sany Zongcai since July 2008 and May 2008, respectively. Mr. Liang currently does not have any interests in, nor does he hold any positions or have any roles in the SG Group. Mr. Liang has more than 25 years of experience in the machinery industry.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

Mr. Liang joined Sany Heavy Equipment in May 2004 as the assistant general manager and head of the research and development institution. Between February 1996 and May 2004, Mr. Liang served as an assistant general manager at Sany Group, responsible mainly for manufacture and production. Currently, Mr. Liang does not hold any director or senior management roles in the SG Group. Prior to joining Sany Group, Mr. Liang worked in the technology section of Changsha Transformer Factory (長沙變壓器廠工藝處) from December 1989 to February 1996 and has assumed the positions of Large Tool Design Engineer (大型工裝設計工程師), deputy section chief and section chief. Between 1982 and 1989, Mr. Liang worked at the Hunan Province Coal Mine Machinery Factory (湖南省煤礦機械廠機修車間) and served in several positions while he was there, such as technician, leader of technology team, tool design engineer in the technology division, deputy chief and chief of the scientific research division.

Mr. Liang received a Master’s Degree in Management Science and Engineering, specialising in Business Management, in 2003 at Central South University (中南大學).

During his tenure at Sany Heavy Equipment, Mr. Liang was granted numerous prizes. He was granted the title of “outstanding corporate management worker” (優秀企業管理工作者) by the Shenyang Federation of Industrial Economics (瀋陽市工業經濟聯合會), Shenyang Enterprise Confederation (瀋陽市企業聯合會) and Shenyang Enterprise Directors Association (瀋陽市企業家協會) in 2008 for advancing a system of innovative corporate management in Shenyang City. In 2009, Mr. Liang was also designated as a “Labour Model” (勞動模範稱號) by the Shenyang Tiexi Area Committee of the Shenyang Tiexi Area People Government (瀋陽市鐵西區人民政府中共瀋陽市鐵西區委員會).

Save as disclosed herein, there are no other matters in relation to Mr. Liang which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### Non-executive Director

**Mr. Xiang Wenbo (向文波)**, aged 47, was appointed a non-executive Director of our Company on 23 July 2009. He is also and has been a non-executive director of Sany Heavy Equipment since January 2004. Mr. Xiang has more than 20 years of experience in the machinery industry. Mr. Xiang is currently the president and vice-chairman of Sany Heavy Industry and is responsible for its overall business operations and strategy planning.

Mr. Xiang joined the Sany Group in 1991 and was responsible mainly for the production business and marketing. Mr. Xiang has served various positions in the Sany Group, such as the vice president, executive president, standing Director of and the general manager in the marketing department under the Sany Group, and the standing vice general manager and general manager of Sany Heavy Industry. Mr. Xiang has also assumed several social positions, such as being a representative of the 11th National People’s Congress (第十一屆全國人大代表), a standing director of China Construction Machinery Association (中國工程機械工業協會), the vice president of Industrial and Commercial Union in Hunan Province (湖南省工商聯合會), the vice president of the

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

Direct Private Enterprise Association in Hunan Province (湖南省直私營企業協會), and a director of Association of Private-owned Sci-Tech Enterprise in China (中國民營科技企業協會). Mr. Xiang graduated from Dalian University of Technology (大連理工大學) with a master's degree in Moulding from the Materials department in October 1988.

Save as disclosed herein, there are no other matters in relation to Mr. Xiang which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Huang Jianlong (黃建龍)**, aged 46, was appointed a non-executive Director of our Company on 23 July 2009. He is also and has been non-executive director of Sany Heavy Equipment since January 2004. Mr. Huang has more than 20 years of experience in the machinery industry. Mr. Huang is currently a director and vice-president of Sany Heavy Industry and is responsible for the sale of products to overseas distributors through Sany Development.

Mr. Huang joined Sany Group in 1992 and was responsible mainly for the financial, production and overseas business. Mr. Huang has served in various positions at Sany Group, such as manager of the machine plant, manager of the super-hard materials plant, finance manager, assistant general manager, deputy general manager and general manager of Sany Heavy Industry. Mr. Huang was the general manager of Sany Development, Middle East branch, in 2007, and the general manager of Sany International Development (三一國際發展有限公司) in 2008. Before joining Sany Group, Mr. Huang worked in Hunan Ferroalloy Factory (湖南鐵合金廠) between 1983 and 1991 as an engineer assistant and was subsequently an engineer. Mr. Huang also graduated with a master degree in business administration from Wuhan University (武漢大學) in June 2008.

Save as disclosed herein, there are no other matters in relation to Mr. Huang which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Wu Jialiang (吳佳梁)**, aged 47, was appointed a non-executive Director of our Company on 23 July 2009. He is also and has been director of Sany Heavy Equipment since January 2004. Mr. Wu joined our Group in 2003 and was a general manager of Sany Heavy Equipment from January 2004 to August 2007. Mr. Wu is currently also a vice president of Sany Group and a general manager of Sany Electric Co., Ltd (三一電氣有限責任公司), a member of the SG Group. Mr. Wu has more than ten years experience in the machinery industry.

Mr. Wu started his career in the Changzheng Machinery Factory, Aerospace Department (航天部四川長征機械廠) as a technician from 1982 till 1985. From the years 1988 to 1997, Mr. Wu served as the general manager of various companies, including HRB Zhongguang Electronics Co. Ltd (哈爾濱中光電氣公司), Zhuhai Tiancheng Mechanical Equipment Co., Ltd (珠海天成機電設備有限公司) and Zhuhai Weier Jinka Co., Ltd (珠海威尔金卡有限公司). Between 1998 and 2002, Mr. Wu worked as an assistant to the chairman U.S. representative in Harbin Industrial University Xinghe Industrial Co., Ltd (哈爾濱工業大學星河有限公司).

Mr. Wu graduated with a bachelor's degree in Precise Machinery Manufacturing from National University of Defence (中國人民解放軍國防科學技術大學) in 1982 and a master's degree in Mechanical Engineering from Harbin Industrial University (哈爾濱工業大學) in 1987.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

Save as disclosed herein, there are no other matters in relation to Mr. Wu which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

### Independent non-executive Directors

**Mr. Xu Yaxiong (許亞雄)**, age 63, was appointed a non-executive Director of our Company on 5 November 2009. Mr. Xu is currently the President of the China National Coal Machinery Industry Association (中國煤炭機械工業協會).

Mr. Xu worked as head of the mechanical and electrical section of the Capital Construction Engineer Corps 41st Team (基建工程兵第四十一支隊) between 1965 and 1983 and was the team leader and deputy party committee secretary (assistant department level) in No. 2 Construction Company of the Ministry of Coal (煤炭部第二建設公司) between 1983 and 1985. From 1985 to 1994, Mr. Xu served several positions such as deputy director and director of the general office in Northeast Inner Mongolian Coal United Company (東北內蒙古煤炭聯合公司). Between 1994 and 2007, Mr. Xu worked in the general office of Ministry of Coal Industry (煤炭工業部辦公廳) and subsequently in the State Administration of Work Safety (國家安全生產監督管理總局) and assumed the positions including deputy director and director. In June 2007, Mr. Xu joined the China National Coal Machinery Industry Association (中國煤炭機械工業協會) and was then elected as president in June 2007.

Save as disclosed herein, there are no other matters in relation to Mr. Xu which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Ngai Wai Fung (魏偉峰)**, aged 47, was appointed an independent non-executive Director of our Company on 5 November 2009. Mr. Ngai is currently a vice president of the Hong Kong Institute of Chartered Secretaries and a chairman of its membership committee, a director and head of listing services of KCS Hong Kong Limited formerly the corporate and commercial divisions of KPMG and Grant Thornton, respectively, (an independent integrated corporate services provider).

Mr. Ngai is currently an independent non-executive director and a member of the Audit Committee of Bosideng International Holdings Limited (波司登國際控股有限公司), China Railway Construction Corporation Limited (中國鐵建股份有限公司), Bawang International (Group) Holdings Limited (霸王國際(集團)控股有限公司) and Powerlong Real Estate Holdings Limited. (寶龍地產控股有限公司), all of which are companies listed on the Stock Exchange.

Mr. Ngai was the company secretary of Industrial and Commercial Bank of China (Asia) Limited (中國工商銀行(亞洲)有限公司), a company listed on the Stock Exchange, in 2005, a chairman of Top Orient Capital (Asia) Ltd. from 2003 to 2005, the company secretary of China Unicom Limited (中國聯通股份有限公司), a company listed on the Stock Exchange, from 2001 to 2003, the executive director, the company secretary and the chief financial officer of the then Oriental Union Holdings Limited (東聯控股有限公司) (now known as CY Foundation Group Limited) (青基業集團有限公司), a company listed on the Stock Exchange from 1999 to 2001.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

Mr. Ngai has led or participated in a number of significant corporate finance projects including listing, mergers and acquisitions as well as issuance of debt securities, and the provision of professional services and support to many state-owned enterprises and red-chip companies in the areas of regulatory compliance, corporate governance and secretarial services.

Mr. Ngai received a master degree in business administration from Andrews University of Michigan in 1992 and a master degree in Corporate Finance from Hong Kong Polytechnic University in 2002. He is a doctoral candidate in finance at Shanghai University of Finance and Economics. Mr. Ngai is a member of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators and a fellow of the Hong Kong Institute of Company Secretaries.

Save as disclosed herein, there are no other matters in relation to Mr. Ngai which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. Ng Yuk Keung (吳育強)**, aged 44, was appointed an independent non-executive Director of our Company on 5 November 2009. Mr. Ng is a vice-president, the chief financial officer, the company secretary and the qualified accountant of China Huiyuan Juice Group Limited (中國匯源果汁集團有限公司).

Mr. Ng worked with PricewaterhouseCoopers for over 12 years from 1988 to 2001. From November 2004 to August 2006, he was the deputy chief financial officer, a joint company secretary and the qualified accountant of Irico Electronics Group Company Limited (彩虹集團電子股份有限公司), a company listed on the Stock Exchange. Mr. Ng is also an independent non-executive director of Xinjiang Xinxin Mining Industry Co., Ltd. (新疆新鑫礦業股份有限公司) and Beijing Capital Land Ltd. (首創置業股份有限公司) which are both listed on the Stock Exchange.

Mr. Ng graduated from The University of Hong Kong with a Bachelor degree in Management Studies and Economics and a Master degree in Global Business Management and E-commerce. He is a professional accountant and a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and a member of the Institute of Chartered Accountants in England and Wales.

Save as disclosed herein, there are no other matters in relation to Mr. Ng which are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

## SENIOR MANAGEMENT

**Mr. Wang Zhiqiang (王志強)**, aged 35, is the general manager of the business and commercial department of our Company. Mr. Wang has more than 10 years of experience in the machinery industry. Since 2009, Mr. Wang assumed the position of executive deputy general manager in Sany Heavy Equipment. From January 2002 to June 2009, Mr. Wang assumed numerous positions while working in the various departments in Sany Group, such as the bulldozer research centre, bulldozer customer service department, integrated management division of customer service department, secretarial and supervisory department of the president's office (董事長辦公室文秘督辦部),



---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

executive department and Loudi Zhongyuan Machinery Co., Ltd. (婁底市中源機械有限公司). In April 2008, Mr. Wang was appointed deputy general manager of Sany Group. Before joining Sany Group, Mr. Wang worked in the Special Electric Appliance Research Institute of Xiangtan Electronic & Machinery Co., Ltd. (湘潭電機股份有限公司特種電氣研究所) for three and a half years.

Mr. Wang studied in Xi'an Jiaotong University from September 1994 to July 1998, majoring in Chemical Machinery and Equipment. He is currently pursuing an EMBA programme in China Europe International Business School, which commenced in April 2009.

**Mr. Liu Weili (劉偉立)**, aged 46, is the general manager of the sales department of our Company. He is also and has been a director of Sany Transportation since September 2009. Mr. Liu has more than 10 years of experience in the machinery industry. Mr. Liu has been general manager of the sales department and the vice-president in Sany Heavy Equipment since 2006. From 1996 to 2006, Mr. Liu worked in Sany Group and assumed the positions of operator, department head and president's assistant. Prior to joining Sany Group, Mr. Liu worked in Changsha Clothing Industry Company (長沙市服裝工業公司) as a manager between 1991 and 1995 and in Changsha No. 2 Textile Printing and Dyeing Factory (長沙第二紡織印染廠) between 1978 and 1991.

Mr. Liu received in-service training at the Textile Administrator's College in China (中國紡織政治函授學院) between 1985 and 1987 and also received an EMBA from Sun Yat-sen University in Guangdong Province, China in 2003.

**Mr. Du Xing (杜興)**, aged 40, is the Chief Financial Officer of Sany Heavy Equipment and has assumed this position since 2006. Mr. Du has more than 10 years of experience in the machinery industry. From 2001 to 2006, Mr. Du assumed the position of financial manager of Sany Group. Before joining Sany Group, Mr. Du was the financial manager of the Guangzhou branch of Shenzhen Konka Telecommunication Technology Co., Ltd. (深圳康佳通信科技有限公司) from 1999 to 2001 and was the chief financial and auditing officer of Yueyang Engineering Company (岳陽工程公司) from 1993 to 1999.

Mr. Du graduated from the Shanghai University of Finance and Economics (上海財經大學) in June 1993 with a bachelor degree in Economics and has also received MBA training for financial executives from the Shanghai National Accounting Institute.

## JOINT COMPANY SECRETARIES

**Mr. Du Xing (杜興)**, is a member of the senior management of our Company and one of the joint company secretaries of our Company. Please refer to his biography under the paragraph headed “—Senior Management” above.

**Ms. Kam Mei Ha Wendy (甘美霞)**, aged 42, is one of the joint company secretaries of our Company. Ms. Kam is a senior manager of the Corporate Services Division of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services. Ms. Kam is a Chartered Secretary, and an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

Ms. Kam is currently the company secretary of China CITIC Bank Corporation Limited (中信銀行股份有限公司) and China Communications Construction Company Limited (中國交通建設股份有限公司) both of which are companies listed on the Stock Exchange. She has over 17 years of experience in the corporate secretarial practice.

### MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. The business and operations of our Group, are primarily located, managed and conducted in China. Substantially all customers of our Group are also located in China. None of our executive Directors are ordinarily based in Hong Kong. We do not and, in the foreseeable future, will not have any management presence in Hong Kong.

Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and ourselves:

- (a) We have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and ensure that our Group comply with the Listing Rules at all times. The two authorised representatives are Mr. Mao Zhongwu, our executive Director, and Mr. Ngai Wai Fung, an independent non-executive Director. Mr. Ngai Wai Fung is ordinarily resident in Hong Kong. Ms. Chen Si Ying, Cynthia has been appointed the alternate representative of Mr. Mao Zhongwu. Ms. Chen Si Ying, Cynthia is ordinarily resident in Hong Kong. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the two authorised representatives and the alternate is authorised to communicate on our behalf with the Stock Exchange. We will be registered as a non-Hong Kong company under the Companies Ordinance, Ms. Chen Si Ying, Cynthia will also be authorised to accept service of legal process and notices in Hong Kong on our behalf.
- (b) Each of the authorised representatives and the alternate has means to contact all members of the board of Directors (including the independent non-executive Directors) and of the senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Stock Exchange, the authorised representatives, the alternate and our Directors, we will implement a policy that (a) each executive Director and independent non-executive Director will have to provide their respective office phone numbers, mobile phone numbers, residential phone numbers, fax numbers and email addresses (if applicable) to the authorised representatives and the alternate; (b) in the event that an executive Director or independent non-executive Director expects to travel or is out of office, he/she will have to provide the phone number of the place of his/her

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

accommodation to the authorised representatives and the alternate; and (c) all the executive Directors, independent non-executive Directors and authorised representatives and the alternate will provide their office phone numbers, mobile phone numbers, fax numbers and email addresses (if applicable) to the Stock Exchange.

- (c) In addition, all executive Directors, who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents to visit Hong Kong for business purposes and would be able to come to Hong Kong and meet the Stock Exchange within a reasonable period.

### JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, the secretary of our Company must be a person who is ordinarily resident in Hong Kong and who has the requisite knowledge and experience to discharge the functions of the company secretary and is either (i) a member of the Hong Kong Institute of Company Secretaries, a solicitor or barrister or a professional accountant, or (ii) an individual who, by virtue of his academic or professional qualifications or relevant experience, is in the opinion of the Stock Exchange capable of discharging those functions.

We have appointed Mr. Du Xing and Ms. Kam Mei Ha Wendy as our joint secretaries. Ms. Kam Mei Ha Wendy is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and meets the requirements under Rule 8.17 of the Listing Rules. Mr. Du Xing is the chief financial officer of Sany Heavy Equipment Co., Ltd., a principal subsidiary of our Company. Although Mr. Du Xing does not possess a qualification stipulated in Rule 8.17(2) of the Listing Rules and does not, and is not expected to, reside in Hong Kong in the foreseeable future, we believe that Mr. Du Xing possesses the ability and experience to serve as a secretary to our Company. Accordingly, we have applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 8.17 of the Listing Rules in relation to the appointment of Mr. Du Xing as a joint company secretary. In order to provide support to Mr. Du Xing, we appoint Ms. Kam Mei Ha Wendy to act as a joint company secretary and to provide assistance to Mr. Du Xing for a three-year period so as to enable him to acquire the relevant experience (as required under Rule 8.17(3) of the Listing Rules) to duly discharge his duties. Upon the expiry of such three-year period, we will assess the then experience of Mr. Du Xing in order to determine whether the requirements as stipulated in Rule 8.17 of the Listing Rules can be satisfied at that time and if such requirements cannot be satisfied, we will employ a suitable candidate who will be able to comply with the requirements under Rule 8.17 of the Listing Rules as secretary of our Company.

### COMPLIANCE ADVISER

In compliance with Rule 3A.19 of the Listing Rules, we have appointed The Hongkong and Shanghai Banking Corporation Limited (the "**Compliance Adviser**") as our compliance adviser on [●] and ending on the date on which we comply with Rule 13.46 in respect of our financial results for the first full financial year commencing after [●]. The contact person of our Compliance Adviser will be fully available to answer enquiries from the Stock Exchange.



---

## **DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

---

We have entered into a compliance adviser's agreement with the Compliance Adviser, the material terms of which are summarised as follows:

- (a) we have appointed the Compliance Adviser as our compliance adviser for the purpose of Rule 3A.19 of the Listing Rules for a period commencing on [●] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after [●], or until the agreement is terminated, whichever is earlier;
- (b) the Compliance Adviser shall provide us with services, including guidance and advice as to compliance with the requirements under the Listing Rules and applicable laws, rules, codes and guidelines, and to act as one of our channels of communication with the Stock Exchange;
- (c) we have agreed to indemnify the Compliance Adviser for certain actions against it and losses incurred by it arising out of or in connection with the performance by the Compliance Adviser of its duties under the compliance adviser's agreement; and
- (d) we may terminate the appointment of the Compliance Adviser as our compliance adviser, by service of a one-month notice, only if its work is of an unacceptable standard or if there is a material dispute (which cannot be resolved within 30 days) over fees payable to it as permitted by Rule 3A.26 of the Listing Rules. The Compliance Adviser will have the right to resign or terminate its appointment by service of a one-month notice to us if we materially breach the agreement.

## **BOARD COMMITTEES**

### **Audit committee**

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C3 of the Code of Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The audit committee currently consists of three independent non-executive Directors, being Mr. Ngai Wai Fung, Mr. Xu Yaxiong and , Mr. Ng Yuk Keung, with Mr. Ngai Wai Fung serving as chairman of the committee. Mr. Ngai and Mr. Ng have the appropriate professional qualification as set out in Rule 3.10(2) of the Listing Rules.

The primary duties of the audit committee are to assist our Board in providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems, oversee the audit process and perform other duties and responsibilities as assigned by our Board.

We believe that the composition and function of our audit committee will comply with the applicable requirements of the Stock Exchange and we intend to comply with future requirements to the extent that they become applicable to us.

---

## **DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

---

### **Remuneration committee**

We have established a remuneration committee with written terms of reference in compliance with paragraph B1 of the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. The remuneration committee currently consists of two independent non-executive Directors, being Mr. Ngai Wai Fung and Mr. Ng Yuk Keung, and Mr. Mao Zhongwu who is the chairman of the remuneration committee.

The primary functions of the remuneration committee are to evaluate the performance and make recommendations on the remuneration package of our Directors and senior management and evaluate and make recommendations on our employee benefit arrangements, including our retirement scheme, performance assessment system and bonus and commission policies.

### **Nomination committee**

We have established a nomination committee with written terms of reference as recommended under the Code on Corporate Governance Practices, set out in Appendix 14 to the Listing Rules. The nomination committee currently consists of two independent non-executive Directors, being Mr. Ngai Wai Fung and Mr. Xu Yaxiong, and Mr. Mao Zhongwu who is the Chairman of the nomination committee.

The primary functions of the nomination committee are to make recommendations to our Board regarding the appointment [and removal] of our Board.

## **COMPENSATION OF DIRECTORS AND MANAGEMENT**

Our executive Directors, who are also our employees, receive compensation in the form of salaries, bonuses and other allowances. The aggregate amount of remuneration (including fees, salaries and discretionary bonuses) which were paid by our Group to our Directors for the years ended 31 December 2006, 2007 and 2008, and the six months ended 30 June 2009 were approximately RMB0.5 million, RMB1.0 million, RMB1.1 million and RMB1.1 million, respectively.

Our remuneration committee will make recommendations on the remuneration of our directors taking into account the performance of our directors and market standards and the remuneration will be subject to approval by our shareholders. Accordingly, the historical remuneration to our Directors during the years ended 31 December 2006, 2007 and 2008 may not reflect the future levels of remuneration of our Directors.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

The aggregate amount of remuneration (including fees, salaries and discretionary bonuses) which were paid by our Group to the five highest paid individuals, including our Directors, during the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, were approximately RMB0.3 million, RMB0.5 million, RMB1.1 million and RMB0.5 million, respectively.

No remuneration was paid by our Group to our Directors or the five highest paid individuals as an inducement to join or upon joining our Group or as a compensation for loss of office in respect of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009. Further, none of our Directors had waived any remuneration during the same period.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, by us or any of our subsidiaries to our Directors.

### EMPLOYEES

As at the Latest Practicable Date, we had a total of 2,988 full-time employees. They can be categorised as follows according to their roles. The following table shows an approximate breakdown of our employees by function.

Function	
Production and commerce . . . . .	1,604
Sales . . . . .	584
Research and development. . . . .	453
Management and administration . . . . .	123
Quality control and testing. . . . .	130
Finance and accounting . . . . .	39
Human resources . . . . .	29
Information technology . . . . .	19
Audit and control. . . . .	<u>7</u>
Total headcount. . . . .	<u><u>2,988</u></u>

We recruit our employees mainly from colleges in China and Sany Industry Vocational and Technology College (三一工業職業技術學院) ("**Sany College**"). Sany College was established in 2006 and is wholly-owned by Sany Group. Sany College, with over 100 teachers, approximately 60 training fields and more than 6,000 sets of equipment, conducts courses with a focus on providing education, training and skills which are relevant to the operations of our Group. We may provide internships to students from Sany College and upon the completion of internships, we will be given the opportunity to employ certain students into our Group.

---

## DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

---

The remuneration package of our employees includes salary and bonuses. We make contributions to mandatory social security funds for our employees to provide for retirement, medical, work-related injury, maternity and unemployment benefits. For the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, our contributions to the state-managed defined contribution retirement scheme were approximately RMB1.4 million, RMB2.6 million, RMB8.1 million and RMB4.7 million, respectively.

The percentage of salary being contributed by our employees and us respectively to the state-managed defined contribution retirement scheme is listed in the table below:

Type of contribution	Individual (%)	Enterprise (%)
Pension/Endowment Insurance . . . . .	8	19
Unemployment Insurance . . . . .	1	2
Occupational Injury Insurance . . . . .	—	1
Medical Insurance . . . . .	2	8
Maternity Insurance . . . . .	—	0.6
Housing Provident Funds . . . . .	8	8

As confirmed by relevant government authorities and our Directors, we have complied with the requirements of the Labour Bureau and Housing Fund Administration Centres of the relevant local governments in Shenyang City. However, the policies implemented by such local governments could be less stringent than the actual requirements under the PRC national labour laws and regulations. As such, we had obtained confirmations from the Labour Bureau and Housing Funds Administration Centres that as at [the date of the confirmations], the relevant members of our Group have made all necessary Social Insurance Funds and housing funds contributions prior to the issuance of the confirmations and had no outstanding liabilities. Considering that we have already established a high standard for protecting the interests and rights of our employees, the new PRC Labour Contract Law ("**New Labour Law**") did not have any material impact on our business and operations, except that the law superseded the terms of the original employment contracts between our employees and us. In response to the New Labour Law, we have entered into a new employment contract with each of our employees.