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**SANY HEAVY EQUIPMENT INTERNATIONAL
HOLDINGS COMPANY LIMITED**

三一重裝國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 631)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

**REVISION OF PROPOSED ANNUAL CAPS UNDER SUPPLEMENTAL
PRODUCTS SALES AGREEMENT (2017-2019)**

SUPPLEMENTAL PRODUCTS SALES AGREEMENT (2017-2019) (REVISED)

Reference is made to the announcement (the “Announcement”) of Sany Heavy Equipment International Holdings Company Limited (the “Company”, including its subsidiaries, the “Group”) dated 16 March 2017 in relation to, among others, the entering into of the Supplemental Products Sales Agreement (2017-2019). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

On 20 March 2017, the Company and Sany Group entered into the Supplemental Products Sales Agreement (2017-2019) (Revised), pursuant to which both parties agreed that the aggregate amount of sales of products from the Group to Sany Group under the Supplemental Products Sales Agreement (2017-2019) (Revised), as aggregate with those under the Supplemental Master Sales Agreement (2017-2019) shall not exceed 50% of the Group’s then total revenue in each of the financial year during the term of the Supplemental Products Sales Agreement (2017-2019) (Revised) (“Revenue Limit”), and the proposed annual caps under the Supplemental Products Sales Agreement (2017-2019) for the three years ended 31 December 2019 was changed into RMB993 million, RMB995 million, and RMB996 million..

The proposed annual caps are calculated and determined after taking into account (i) the Group’s anticipated manufacturing capacity for the years ending 31 December 2019, (ii) the Group’s expected plans to take advantage of Sany Group’s strong domestic and overseas sales network and sales experiences to enhance the Group’s product sales, (iii) the PRC government’s preferential policy which expects to stimulate the development of the Group’s port machinery and mining machinery business, and (iv) the Revenue Limit as agreed in the Supplemental Products Sales Agreement (2017-2019) (Revised).

To elaborate, the annual cap under the Supplemental Products Sales Agreement (2017-2019) (Revised) covers two business segments of the Group:

Port machinery

The annual caps of the sales arrangement between the Group and Sany Group in terms of port machinery for the three financial years ending 31 December 2019 will be approximately RMB929.512 million, RMB931.075 million and RMB931.256 million determined based on (i) the historical transaction amount in terms of port machinery of approximately RMB683.184 million for the year ended 31 December 2016, and (ii) the Group's anticipated manufacturing capacity and the projected growth in sales revenue of the port machinery from 2017 to 2019.

Mining Machinery Business

The annual caps of the sales arrangement between the Group and Sany Group in terms of mining machinery for the three financial years ending 31 December 2019 will be approximately RMB63.488 million, RMB63.925 million and RMB64.744 million, determined based on (i) the historical transaction amount in terms of mining machinery business of approximately RMB54.181 million for the year ended 31 December 2016, and (ii) the Group's anticipated manufacturing capacity, and the projected growth in sales revenue of the mining machinery from 2017 to 2019.

Save as varied or modified as aforesaid, all other terms of the Supplemental Products Sales Agreement (2017-2019) remain unchanged.

Listing Rules Implications

As one or more of the applicable percentage ratios (other than the profits ratio) as calculated in accordance with Chapter 14 of the Listing Rules for the proposed cap amount in respect of the Supplemental Products Sales Agreement (2017-2019) (Revised) would be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The Company will hold EGM to approve, among others, the Supplemental Products Sales Agreement (2017-2019) (Revised) and the proposed annual caps for the continuing connected transactions contemplated thereunder.

Vinco Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Products Sales Agreement (2017-2019) (Revised).

Circular

A circular containing, inter alia, (i) the Supplemental Products Sales Agreement (2017-2019) (Revised), (ii) the notice of the EGM; (iii) the letter from Vinco Capital Limited to both the Independent Board Committee and the Independent Shareholders regarding, among others, the Supplemental Products Sales Agreement (2017-2019) (Revised) and the transactions thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be despatched to the Shareholders as soon as possible. It is currently expected that the circular will be despatched to the Shareholders on or before 11 April 2017.

By the order of the Board of Directors
Sany Heavy Equipment International Holdings Company Limited
Mr. Qi Jian
Chairman

Hong Kong, 20 March 2017

As at the date of this announcement, the executive Directors are Mr. Qi Jian and Mr. Wu Likun, the non-executive Directors are Mr. Tang Xiuguo, Mr. Xiang Wenbo and Mr. Mao Zhongwu, and the independent non-executive Directors are Mr. Hu Jiquan, Mr. Ng Yuk Keung and Mr. Poon Chiu Kwok.