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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board ("**Board**") of directors (the "**Directors**") of Sany Heavy Equipment International Holdings Company Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2017. These interim results have been reviewed by the audit committee of the Company (the "**Audit Committee**"), comprising solely the independent non-executive Directors, one of whom chairs the Audit Committee.

FINANCIAL SUMMARY

For the six months ended 30 June 2017, the Group recorded revenue of approximately RMB1,200.5 million, with an increase of approximately RMB341.0 million from approximately RMB859.5 million for the six months ended 30 June 2016, representing an increase of approximately 39.7%. Such increase was mainly attributable to (1) the fact that in the first half of 2017, as the coal price rebounded, the coal industry was stabilizing and recovering, which led to the increase of the market demand for roadheaders; and (2) the increase of the international sales of port machinery.

For the six months ended 30 June 2017, the Group's profit margin before tax was approximately 15.4%, as compared to the Group's loss margin before tax of approximately of 6.1% for the six month ended 30 June 2016. Such change was mainly due to (1) the increase in the revenue and gross profit for the six months ended 30 June 2017; (2) the decrease in the ratio of the Group's selling, distribution and administrative expenses; and (3) the decrease in the Group's provision for impairment of trade receivables in the first half of 2017.

For the six months ended 30 June 2017, the Group's profit attributable to owners of the parent was approximately RMB132.0 million, as compared to the Group's loss attributable to owners of the parent of approximately RMB36.0 million for the same period of last year. Such change was mainly because (1) the Group's revenue from port machinery products and coal machinery products increased for the six months ended 30 June 2017; and (2) the Group's impairment provision of trade receivables decreased in the first half of 2017 due to the overall improvement in coal mining industry, which resulted in the improvement in the collection of receivables from sales of the Group's coal mining machinery.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2017

	Notes	Six months ended 30 June 2017 RMB'000 (Unaudited)	2016 RMB'000 (Unaudited)
REVENUE	4	**1,200,529**	859,455
Cost of sales		**(803,697)**	(586,727)
Gross profit		**396,832**	272,728
Other income and gains	4	**87,653**	81,761
Selling and distribution expenses		**(114,676)**	(107,035)
Administrative expenses		**(150,985)**	(160,338)
Other expenses		**(32,715)**	(138,979)
Finance costs	6	**(1,778)**	(960)
Profit/(loss) before tax	5	**184,331**	(52,823)
Income tax expense	7	**(52,773)**	11,977
PROFIT/(LOSS) FOR THE PERIOD		**131,558**	(40,846)
Attributable to:			
Owners of the parent		**131,961**	(36,027)
Non-controlling interests		**(403)**	(4,819)
		131,558	(40,846)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic (RMB)	9	**0.04**	(0.01)
Diluted (RMB)	9	**0.04**	(0.01)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	**131,558**	(40,846)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,809)**	2,256
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods	**(1,809)**	2,256
OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX	**(1,809)**	2,256
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAX	**129,749**	(38,590)
Attributable to:		
Owners of the parent	**130,152**	(33,771)
Non-controlling interests	**(403)**	(4,819)
	129,749	(38,590)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**2,745,983**	2,756,773
Prepaid land lease payments		**671,693**	679,438
Goodwill		**1,129,520**	1,129,520
Intangible assets		**10,533**	21,366
Trade receivables	*11*	**63,517**	81,996
Available-for-sale investment		**10,636**	10,636
Non-current prepayments		**999,383**	736,305
Deferred tax assets		**447,139**	476,692
Total non-current assets		**6,078,404**	5,892,726
CURRENT ASSETS			
Inventories	*10*	**992,307**	915,140
Trade receivables	*11*	**1,525,100**	1,556,871
Bills receivable	*11*	**381,362**	213,315
Prepayments, deposits and other receivables		**353,790**	310,665
Available-for-sale financial investments		**390,000**	390,000
Pledged deposits		**23,838**	27,200
Cash and cash equivalents		**1,073,178**	833,162
Total current assets		**4,739,575**	4,246,353
CURRENT LIABILITIES			
Trade and bills payables	*12*	**1,059,693**	955,559
Other payables and accruals		**990,949**	944,138
Interest-bearing bank and other borrowings	*13*	**3,561**	–
Tax payable		**298,073**	289,509
Provision for warranties		**7,566**	9,485
Government grants		**81,362**	69,800
Total current liabilities		**2,441,204**	2,268,491
NET CURRENT ASSETS		**2,298,371**	1,977,862
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,376,775**	7,870,588

	Notes	**30 June 2017** *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**24,700**	20,160
Interest-bearing bank and other borrowings	*13*	**588,606**	161,422
Government grants		**1,499,584**	1,554,870
Total non-current liabilities		**2,112,890**	1,736,452
Net assets		**6,263,885**	6,134,136

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

	Note	**30 June 2017 *RMB'000* (Unaudited)**	31 December 2016 *RMB'000* (Audited)
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*14*	**302,214**	302,214
Reserves		**5,905,117**	5,774,965
		6,207,331	6,077,179
Non-controlling interests		**56,554**	56,957
Total equity		**6,263,885**	6,134,136

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2017

1. Corporate Information

Sany Heavy Equipment International Holdings Company Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 23 July 2009. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at No. 25, 16 Kaifa Road, Economic and Technological Development Area, Shenyang City, Liaoning Province, the People's Republic of China (the "PRC"). The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the manufacture and sale of roadheader, combined coal mining unit ("CCMU"), mining transport equipment (including underground and surface), port machinery, spare parts and the provision of related service in Mainland China.

In the opinion of the directors of the Company (the "Directors"), as at the date of these interim condensed consolidated financial statements, the immediate holding company and the ultimate holding company of the Company are Sany Hongkong Group Limited ("Sany HK"), a company incorporated in Hong Kong, and Sany Heavy Equipment Investments Company Limited ("Sany BVI"), a company incorporated in the British Virgin Islands, respectively.

2.1 Basis of Preparation

The interim condensed consolidated financial statements for six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

2.2 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are the same as those used in the Group's annual financial statements for the year ended 31 December 2016, except for the adoption of the revised International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs") and Interpretations that the Group has adopted for the first time for the current period as disclosed below.

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets Under Unrealised Losses*
Annual Improvements 2012-2014 Cycle	Amendments to IFRS12

The adoption of these revised IFRSs has no significant effect on these interim condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

2.3 Issued but not yet effective IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the interim condensed consolidated financial statements:

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate and Joint Venture*[3]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Revenue from Contracts with Customers (Clarifications to IFRS 15)*[1]
IFRS 16	*Leases*[2]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
Amendments to IAS 40	*Transfers of Investment Property*[1]
Annual Improvements 2012-2014 Cycle	Amendments to IFRS1 and IAS28[1]
IFRIC23	*Uncertainty over Income Tax Treatments*[2]
IFRS17	*Insurance Contracts*[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 No mandatory effective date yet determined but available for adoption
4 Effective for annual periods beginning on or after 1 January 2021

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application, but is not in a position to state whether these new and revised IFRSs will have a significant impact on the Group's results of operations and financial position.

3. Operating Segment Information

For management purposes, the Group operates in two business units based on its products, and has two reportable operating segments as follows:

(a) Coal mining equipment segment

The coal mining equipment segment engages in the production and sale of roadheader, CCMU, mining transport equipment (including underground and surface), spare parts and the provision of related services; and

(b) Port machinery segment

The port machinery segment engages in the production and sale of large-size port machinery (including gantry crane, ship to shore crane and yard crane) and small-size port machinery (including reach stacker, empty container handler and heavy duty forklift truck), spare parts and the provision of related services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, finance costs, as well as head office and corporate expenses are excluded from this measurement.

Segment assets exclude deferred tax assets, pledged deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, deferred tax liabilities, tax payable and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Coal mining equipment *RMB'000*	Port machinery *RMB'000*	Total *RMB'000*
Period ended 30 June 2017 (Unaudited)			
Segment revenue			
Sales to customers	**532,070**	**668,459**	**1,200,529**
Other revenue	**48,399**	**22,575**	**70,974**
Revenue from operations	**580,469**	**691,034**	**1,271,503**
Segment results	**36,446**	**132,984**	**169,430**
Interest income			**16,679**
Finance costs			**(1,778)**
Profit before tax			**184,331**
Income tax expense			**(52,773)**
Profit for the period			**131,558**
Segment assets	**7,024,369**	**4,061,518**	**11,085,887**
Reconciliation:			
Elimination of intersegment receivables			**(1,812,063)**
Corporate and other unallocated assets			**1,544,155**
Total assets			**10,817,979**
Segment liabilities	**1,438,677**	**4,174,918**	**5,613,595**
Reconciliation:			
Elimination of intersegment payables			**(1,812,063)**
Corporate and other unallocated liabilities			**752,562**
Total liabilities			**4,554,094**
Other segment information:			
Depreciation and amortisation	**85,190**	**39,582**	**124,772**
Capital expenditure*	**69**	**363,361**	**363,430**
Gain on disposal of items of property, plant and equipment	**2,247**	**–**	**2,247**
Impairment losses recognised in profit or loss	**–**	**30,526**	**30,526**

* Capital expenditure consists of additions to property, plant and equipment and prepayment for a piece of land included in "non-current prepayment" in the interim condensed consolidated statement of financial position.

	Coal mining equipment *RMB'000*	Port machinery *RMB'000*	Total *RMB'000*
Period ended 30 June 2016 (Unaudited)			
Segment revenue			
Sales to customers	386,221	473,234	859,455
Other revenue	9,669	72,092	81,761
Revenue from operations	395,890	545,326	941,216
Segment results	(186,850)	132,201	(54,649)
Interest income			2,786
Finance costs			(960)
Loss before tax			(52,823)
Income tax expense			11,977
Loss for the period			(40,846)
Segment assets	7,243,512	3,540,262	10,783,774
Reconciliation:			
Elimination of intersegment receivables			(1,661,099)
Corporate and other unallocated assets			1,430,488
Total assets			10,553,163
Segment liabilities	1,523,130	3,421,636	4,944,766
Reconciliation:			
Elimination of intersegment payables			(1,661,099)
Corporate and other unallocated liabilities			518,335
Total liabilities			3,802,002
Other segment information:			
Depreciation and amortisation	80,466	14,766	95,232
Capital expenditure*	4,302	98,787	103,089
Loss on disposal of items of property, plant and equipment	1,522	17	1,539
Impairment losses recognised in profit or loss	133,743	1,377	135,120

Geographical information

As the revenue from individual foreign country did not exceed 10% of the Group's revenue, over 89% of which is derived from customers based in Mainland China, and most of the Group's identifiable assets and liabilities are located in Mainland China, no geographical information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

Revenue of approximately RMB47,717,000 for the six months ended 30 June 2016 was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer. No such revenue incurred for the six months ended 30 June 2017.

Revenue of approximately RMB161,015,000 (six months ended 30 June 2016: RMB394,022,000) was derived from sales to a fellow subsidiary, including sales to a group of entities which are known to be under common control with that customer.

4. Revenue, Other Income and Gains

Revenue represents the net invoiced value of goods sold and services rendered, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sale of goods	**1,185,179**	850,770
Rendering of services	**15,350**	8,685
	1,200,529	859,455
Other income		
Interest income	**16,679**	2,786
Government grants	**63,517**	75,346
Others	**5,210**	3,629
	85,406	81,761
Gains		
Gain on disposal of items of property, plant and equipment	**2,247**	–
	87,653	81,761

5. Profit/(loss) before Tax

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

		Six months ended 30 June	
		2017	2016
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Cost of inventories sold		**716,417**	450,687
Cost of services provided		**87,280**	126,853
Depreciation		**106,194**	76,262
Amortisation of land lease prepayments**		**7,745**	7,546
Amortisation of intangible assets**		**10,833**	11,424
Auditors' remuneration		**430**	430
Reversal of warranties, net*		**(85)**	(919)
Research and development costs**		**45,400**	54,880
Minimum lease payments under operating leases:		**4,279**	2,962
Employee benefit expenses (including directors and chief executive's remuneration):			
Wages and salaries		**118,704**	98,533
Share-based payment		**–**	783
Pension scheme contributions		**11,073**	5,006
Other staff welfare		**5,370**	2,378
		135,147	106,700
Foreign exchange differences, net***		**3,456**	233
Impairment of trade receivables***	*11*	**28,439**	125,676
Impairment of other receivables***		**285**	257
Loss from sale of scrap materials		**533**	–
Provision against slow-moving and obsolete inventories#		**1,802**	9,187
(Gain)/loss on disposal of items of property, plant and equipment***		**(2,247)**	1,539

* *Included in "Selling and distribution expenses" in the interim condensed consolidated statement of profit or loss.*

** *Included in "Administrative expenses" in the interim condensed consolidated statement of profit or loss.*

*** *Included in "Other income and gains" or "Other expenses" in the interim condensed consolidated statement of profit or loss.*

Included in "Cost of sales" in the interim condensed consolidated statement of profit or loss.

6. Finance Costs

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings	**956**	715
Interest on discounted bills	**822**	–
Interest on documentary bills	**–**	245
	1,778	960

7. 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.

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 period.

Pursuant to the PRC Income Tax Law and the respective regulations, except for certain preferential tax treatments available to certain subsidiaries operating in Mainland China, the companies of the Group which operate in Mainland China were subject to Corporate Income Tax ("CIT") at a rate of 25% on their respective taxable income for the year ended 30 June 2017.

Two (2016: Three) of the Group's principal operating companies, Hunan Sany Port Equipment Co., Ltd. ("Hunan Sany Port Equipment") and Sany Marine Heavy Industry Co., Ltd. ("Sany Marine Heavy Industry"), were recognised as the High and New Technology Enterprise and were therefore subject to CIT at a rate of 15% for six months ended 30 June 2017.

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – Mainland China		
Charge for the period	18,680	(45,978)
Deferred	34,093	34,001
Total tax charge/(credit) for the period	52,773	(11,977)

8 Dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

9 Earnings/(loss) per Share attributable to Ordinary Equity Holders of the Parent

The calculation of basic earnings per share is based on the profit for six months ended 30 June 2017 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,041,025,000 (six months ended 30 June 2016: 3,041,025,000) in issue during the period.

The calculation of the diluted earnings per share amount is based on the profit for six months ended 30 June 2017 attributable to ordinary equity holders of the parent, adjusted to reflect the preferred distribution on the convertible preference shares. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss/earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings/(loss)		
Earnings/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings/(loss) per share calculation	**131,961**	(36,027)
Preferred distribution to the convertible preference shares	**24**	24
Earnings/(loss) attributable to ordinary equity holders of the parent, used in the diluted earnings/(loss) per share calculation	**131,985**	(36,003)

	Number of shares	
	30 June 2017	30 June 2016
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	**3,041,025,000**	3,041,025,000
Effect of dilution – convertible preference shares	**479,781,034**	479,781,034
Weighted average number of ordinary shares used in the diluted earnings/(loss) per share calculation	**3,520,806,034**	3,520,806,034

The Company's share options have no dilution effect for six months ended 30 June 2017 and 2016 as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/loss per share amounts presented.

10 Inventories

	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Raw materials	**506,047**	494,612
Work in progress	**350,058**	263,443
Finished goods	**484,162**	512,709
	1,340,267	1,270,764
Less: provision against slow-moving and obsolete inventories	**(347,960)**	(355,624)
	992,307	915,140

11 Trade and Bills Receivables

	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Trade receivables	**2,401,567**	2,445,963
Impairment	**(812,950)**	(807,096)
	1,588,617	1,638,867
Less: Trade receivables due after one year	**(63,517)**	(81,996)
	1,525,100	1,556,871
Bills receivable	**381,362**	213,315

The Group generally requires its customers to make payments at various stages of the sales transactions, however, the Group grants certain credit periods to old customers with a good payment history. The credit periods of individual customers are considered on a case-by-case basis and are set out in the sales contracts, as appropriate. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. At 30 June 2017, the Group had certain concentrations of credit risk as 27% (31 December 2016: 34%) of the Group's trade receivables were due from a single customer, including a group of entities which are known to be under common control with that customer. Included in the trade receivables was an amount due from fellow subsidiaries in aggregate of RMB427,293,000 as at 30 June 2017 (31 December 2016: RMB515,503,000) for sales of products by the Group, which accounted for 28% (31 December 2016: 25%) of the Group's trade receivables at the end of the reporting period. Trade receivables are non-interest-bearing.

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

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 180 days	**601,723**	645,072
181 to 365 days	**394,416**	179,762
1 to 2 years	**264,545**	486,262
2 to 3 years	**201,980**	271,852
Over 3 years	**125,953**	55,919
	1,588,617	1,638,867

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

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
At 1 January	**807,096**	443,887
Impairment losses recognised	**28,439**	462,113
Amount written off as uncollectible	**(22,585)**	(98,904)
At 30 June/31 December	**812,950**	807,096

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

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Neither past due nor impaired	**1,037,908**	934,373
Past due but not impaired:		
Within 1 year past due	**285,470**	382,731
1 to 2 years past due	**143,942**	243,511
Over 2 years past due	**121,297**	78,252
Total	**1,588,617**	1,638,867

Receivables that were neither past due nor impaired relate to a 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. The Directors are of the opinion that no provision for impairment is necessary in respect of these balances as they were subsequently settled before the date of these financial statements or there has not been a significant change in credit quality and the balances are still considered fully recoverable based on past experience. Included in the balances which were past due but not impaired, the Group holds collaterals over balances due from certain customers amounting to RMB50,652,000 as at 30 June 2017 (31 December 2016: RMB60,824,000).

The maturity profile of the bills receivable of the Group as at the end of the reporting period is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within six months	**346,432**	201,937
Over six months	**34,930**	11,378
	381,362	213,315

Included in the bills receivable was an amount of RMB12,586,000 as at 30 June 2017 (31 December 2016: RMB6,500,000) which was endorsed to a fellow subsidiary for purchasing raw materials by the Group.

Transfer of financial assets that are not derecognised in their entirety

At 30 June 2017, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB81,492,000 (31 December 2016: RMB53,833,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the period to which the suppliers have recourse was RMB81,492,000 (31 December 2016: RMB53,833,000) as at 30 June 2017.

Transfer of financial assets that are derecognised in their entirety

At 30 June 2017, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB313,385,000 (31 December 2016: RMB266,041,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

12 Trade and Bills Payables

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

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 30 days	**261,962**	257,432
31 to 90 days	**469,329**	349,348
91 to 180 days	**209,513**	235,606
181 to 365 days	**46,073**	40,883
Over 1 year	**72,816**	72,290
	1,059,693	955,559

The trade payables are non-interest-bearing and are normally with credit terms of 30 to 120 days.

The bills payable are all due within 180 days.

Included in the trade and bills payables was an amount due to fellow subsidiaries in aggregate of RMB132,143,000 as at 30 June 2017 (31 December 2016: RMB108,989,000) for purchasing raw materials by the Group.

13 Interest-Bearing Bank and Other Borrowings

	30 June 2017 (Unaudited)			31 December 2016 (Audited)		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Bank loans – unsecured	**2-3**	**2017**	**3,561**			–
Non-current						
Bank loans – secured	**0.6**	**2019**	**426,228**			–
Other borrowings – unsecured	**1.18**	**2020-2026**	**162,378**	1.18	2020-2026	161,422
			588,606			161,422

(a) A fellow subsidiary of the Group has guaranteed certain of the Group's bank loans of RMB165,939,000 as at 30 June 2017 (31 December 2016: RMB161,422,000).

(b) Certain of the Group's Standby Letter of Credit has been pledged for the Group's bank loans of RMB426,228,000 at the end of the reporting period (31 December 2016: Nil).

(c) The non-current bank loans of RMB426,228,000 are denominated in Euro, and the current bank loan of RMB3,561,000 and other borrowings of RMB162,378,000 are denominated in RMB.

(d) On 8 March 2016, two subsidiaries of the Group, Sany Marine Heavy Industry and Sany Marine Industry International Holdings Co., Ltd., one fellow subsidiary of the Group, Sany Group Co., Ltd. and National Development Fund Co., Ltd. ("National Development Fund") entered into an investment agreement, pursuant to which National Development Fund agreed to invest an amount of RMB160 million (the "Investment") in Sany Marine Heavy Industry, which bears interest at a fixed rate of 1.2% per annum. This agreement will expire in 2026. According to the Investment Agreement, National Development Fund does not appoint any director to Sany Marine Heavy Industry and has no right to influence the daily operation of Sany Marine Heavy Industry. National Development Fund has the right to adopt any of three different approaches of exit upon and after 13 March 2019. Further details of the Investment have been set out in the announcements of the Company dated 8 March 2016 and 21 March 2016 and the circular of the Company dated 6 May 2016.

On 14 March 2016, the Group received the amount of RMB160 million in cash from National Development Fund. According to a valuation report issued by an independent third party valuer on 18 March 2016, the Investment subscribed for 14.56% of the enlarged registered capital of Sany Marine Heavy Industry. In the opinion of the Directors, the Investment was recorded as financial liability of the Group. As at 30 June 2017, the registration with the relevant authorities in the PRC for the change in shareholding of Sany Marine Heavy Industry was still in process.

The balance of borrowings from National Development Fund was as follows:

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
Amounts repayable:		
In the third to fifth years, inclusive	**7,680**	7,680
Beyond five years	**168,640**	168,640
Total payables	**176,320**	176,320
Future finance charge	**(13,942)**	(14,898)
Net borrowing balance	**162,378**	161,422

14 Share Capital

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised:		
4,461,067,880 (31 December 2016: 4,461,067,880) ordinary shares of HK$0.10 each	**446,107**	446,107
538,932,120 (31 December 2016: 538,932,120) convertible preference shares of HK$0.10 each	**53,893**	53,893
Total authorised capital	**500,000**	500,000
Issued and fully paid:		
3,041,025,000 (31 December 2016: 3,041,025,000) ordinary shares of HK$0.10 each	**304,103**	304,103
479,781,034 (31 December 2016: 479,781,034) convertible preference shares of HK$0.10 each	**47,978**	47,978
Total issued and fully paid capital	**352,081**	352,081
Equivalent to RMB'000	**302,214**	302,214

15 Commitments

The Group had the following capital commitments as at the end of the reporting period:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Buildings	**172,513**	200,084
Plant and machinery	**3,617,722**	3,741,689
Land	**362,600**	–
	4,152,835	3,941,773

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

BUSINESS REVIEW

In the first half of 2017, China's economy continued its stably improving trend. The Group's revenue and profit increased during the six months ended 30 June 2017. The effects of the Group's internationalized development strategy also started to emerge while its export showed a growing trend. The Group focused on value of sales and strengthened the management capability on trade receivables and enhanced cost control and risk management ability to continuously improve the quality of operations, which laid a solid foundation for the Group's long-term development.

Major products

The Company originally classified all its products into four categories. However, since the revenue derived from engineering excavation equipment, mining transport vehicles and natural gas energy equipment accounted for a quite small portion of the total revenue of the Group, the Group decided to combine these businesses together with the traditional coal machinery business into "energy equipment business sector". As at the date of this announcement, the Group divides its products into two categories, namely (1) the marine engineering business sector, which includes port machinery products (reach stacker, empty container handler and quayside gantry crane) and offshore heavy machineries; and (2) the energy equipment business sector, which includes traditional coal mining and excavating equipment (all types of soft rock, hard rock roadheader, drilling machinery, integrated excavation, bolting and self-protection machine, mining and excavating equipment, coal mining machines (shearer), hydraulic support system, scraper conveyor, etc.) and engineering excavation equipment (tunnel series, etc.), mining transport vehicles (mechanical drive off-highway dump truck, electric drive off-highway dump truck, articulated truck and underground coal mining vehicle) and other products.

Research and development capability

As a leading enterprise spearheading the industry's technological advances, the Group considered research and development ("**R&D**") as one of its most important competitive strengths and a main drive to provide customers with products of higher quality at a more reasonable price, which differentiates the Group from the peers in the industry. In the first half of 2017, the port machinery sector of the Group has completed the development of STS4038 lightweight quayside container crane product, STS5048 medium-weighted quayside container crane product, SRSC45S front loader, SDCY90K8S container stacking machine as well as SCP160S and SCP100S heavy-duty forklift truck. In the meantime, the Group completed the railway crane product development for railway system clients and constantly improved the international product spectrum of mobile port machinery for the markets in Europe and North America. As for energy equipment sector, the Group completed the design of STR200 roadheader, the overall planning of mining excavator and large inclined angle shearer, scraper conveyor and hydraulic support system. The Group also completed the design of SRT60S and SRT55S new mine tub and the design and promotion of 33T mixer and SRT55DM3V mine tub for clients in Argentina and India. For the six months ended 30 June 2017, the Group obtained 18 authorized patents, of which 14 are invention patents, 1 is utility model patent and 3 are exterior patents.

Production and Manufacturing

Currently, the Group has production and manufacturing bases in Shenyang, Changsha and Zhuhai respectively. There are eight plants in the coal machinery industrial park located in Shenyang Economic and Technological Development Zone covering a total area of approximately 629,000 sq.m. The industrial park for small port equipment is located in Changsha Industrial Zone with covering a total area of approximately 100,000 sq.m., with several plants and commissioning fields. The industrial park for large port machinery is located in Zhuhai Gaolan Port Economic Area and commenced operation on 6 May 2015. Phase 1 of the project in Zhuhai Gaolan Port Economic Area occupies an area of 800 mu, equipped with a deep-water dock with a coastline of 3.5 km which has currently reached the production capability of full range large-scale port machinery. The Group focused on enhancement of processing and assembly techniques, and adopted various measures to cut production costs.

Marketing and Service

The Group will adhere to its service philosophy of "All For Customers, All From Innovations", by providing first-class services and highly efficient responses to meet customers' needs and raise customers' satisfaction and addressing any concerns from our customers. The Group's superior product quality, attentive after-sales services and efficient responses have achieved high recognition from our customers.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2017, the Group recorded revenue of approximately RMB1,200.5 million, with an increase of approximately RMB341.0 million from approximately RMB859.5 million for the six months ended 30 June 2016, representing an increase of approximately 39.7%. Such increase was mainly attributable to (1) the fact that in the first half of 2017, as the coal price rebounded, the coal industry was stabilizing and recovering, which led to the increase of the market demand for roadheaders; and (2) the increase of the international sales of port machinery.

Other income and gains

For the six months ended 30 June 2017, the Group's other income and gains was approximately RMB87.7 million, which was basically stable as compared to approximately RMB81.8 million for the six months ended 30 June 2016.

Cost of sales

For the six months ended 30 June 2017, the Group's cost of sales was approximately RMB803.7 million, representing an increase of approximately 37.0% against approximately RMB586.7 million for the six months ended 30 June 2016. The change was mainly due to the increase in the overall revenue of the Group.

Gross profit and gross profit margin

For the six months ended 30 June 2017, the gross profit margin of the Group was approximately 33.1%, representing an increase of approximately 1.4 percentage points against approximately 31.7% for the six month ended 30 June 2016. Such increase was mainly due to the slight increase in the gross profit margin of large-scale port machinery products.

Profit/profit margin before tax

For the six months ended 30 June 2017, the Group's profit margin before tax was approximately 15.4%, as compared to the Group's loss margin before tax of approximately 6.1% for the six month ended 30 June 2016. Such change was mainly due to (1) the increase in the revenue and gross profit for the six months ended 30 June 2017; (2) the decrease in the ratio of the Group's selling, distribution and administrative expenses; and (3) the decrease in the Group's provision for impairment of trade receivables in the first half of 2017.

Selling and distribution expenses

For the six months ended 30 June 2017, the selling and distribution expenses were approximately RMB114.7 million, representing an increase of approximately 7.2% against approximately RMB107.0 million for the six months ended 30 June 2016. During the reporting period, the ratio of the Group's selling and distribution expenses to revenue was approximately 9.6%, representing a decrease of approximately 2.9 percentage points as compared to approximately 12.5% for the six months ended 30 June 2016. Such change was due to the adjustments to the Group's sales model which required fewer selling and distribution expenses than before.

Research and development expenses

For the six months ended 30 June 2017, the research and development expenses of the Group were approximately RMB45.4 million, representing a decrease of approximately 17.3% as compared to approximately RMB54.9 million for the six months ended 30 June 2016. For the six months ended 30 June 2017, the ratio of research and development expenses of the Group to its revenue was approximately 3.8%, representing a decrease of approximately 2.6 percentage points as compared to approximately 6.4% for the six months ended 30 June 2016. Such change was mainly due to the decrease in the technological transformation and R&D experiment costs resulting from the Group's well-improved product technology and well-developed coal machinery products.

Administrative expenses

For the six months ended 30 June 2017, administrative expenses of the Group were approximately RMB151.0 million (for the six months ended 30 June 2016: approximately RMB160.3 million). The administrative expenses excluding research and development expenses were approximately RMB105.6 million (for the six months ended 30 June 2016: approximately RMB105.5 million), which accounted for approximately 8.8% of revenue, representing a decrease of approximately 3.5 percentage points against approximately 12.3% for the six months ended 30 June 2016. Such change was mainly attributable to the strengthened control over management expenses and the decrease in the cost of human resources.

Finance costs

For the six months ended 30 June 2017, finance costs of the Group were approximately RMB1.8 million (for the six months ended 30 June 2016: approximately RMB1.0 million), mainly due to the increase in the Group's bank borrowings.

Taxation

For the six months ended 30 June 2017, the Group's effective tax rate was approximately 28.6% (for the six months ended 30 June 2016: the effective tax rate was approximately 22.7%). For details regarding income tax, please refer to note 7 on page 13 of this announcement.

Profit/loss attributable to owners of the parent

For the six months ended 30 June 2017, the Group's profit attributable to owners of the parent was approximately RMB132.0 million, as compared to the Group's loss attributable to owners of the parent of approximately RMB36.0 million for the same period of last year. Such change was mainly because (1) the Group's revenue from port machinery products and coal machinery products increased for the six months ended 30 June 2017; and (2) the Group's impairment provision of trade receivables decreased in the first half of 2017 due to the overall improvement in coal mining industry, which resulted in the improvement in the collection of receivables from sales of the Group's coal mining machinery.

Liquidity and financial resources

As at 30 June 2017, total current assets of the Group were approximately RMB4,739.6 million (31 December 2016: RMB4,246.4 million). As at 30 June 2017, total current liabilities of the Group were approximately RMB2,441.2 million (31 December 2016: RMB2,268.5 million).

As at 30 June 2017, total assets of the Group were approximately RMB10,818.0 million (31 December 2016: approximately RMB10,139.1 million), and total liabilities were approximately RMB4,554.1 million (31 December 2016: approximately RMB4,004.9 million). As at 30 June 2017, the gearing ratio (the asset to liability ratio) was approximately 42.1% (31 December 2016: approximately 39.5%).

Trade and bills receivables

As of 30 June 2017, the Group's trade receivables and bills receivable recorded an increase of approximately 6.4% to approximately RMB1,970.0 million as compared to approximately RMB1,852.2 million as of 31 December 2016, in which trade receivables decreased by approximately 3.1% to approximately RMB1,588.6 million as compared to approximately RMB1,638.9 million as of 31 December 2016; and bills receivable increased by approximately 78.8% to approximately RMB381.4 million as compared to approximately RMB213.3 million as of 31 December 2016. Such change was mainly due to the increase in the Group's sales.

Interest-bearing bank and other borrowings

As at 30 June 2017, interest-bearing bank and other borrowings of the Group were approximately RMB592.2 million (31 December 2016: approximately RMB161.4 million). Such change was due to the increase in bank borrowings.

Cash flow

As at 30 June 2017, cash and cash equivalents of the Group and deposits with maturity of three months or more were approximately RMB1,073.2 million in total.

For the six months ended 30 June 2017, the net cash inflow of the Group from operating activities was approximately RMB158.9 million (for the six months ended 30 June 2016: net cash inflow of approximately RMB1,010.7 million). Such change was mainly because the Group factored certain trade receivables without recourse in the first half of 2016.

For the six months ended 30 June 2017, the net cash outflow from investing activities was approximately RMB317.8 million (for the six months ended 30 June 2016: net cash outflow of approximately RMB134.4 million). Such change was mainly due to the prepayment of part of the consideration for the acquisition of a piece of land. For details, please refer to the announcement of the Company dated 5 June 2017.

For the six months ended 30 June 2017, the net cash inflow of the Group from financing activities was approximately RMB400.7 million (for the six months ended 30 June 2016: net cash outflow of approximately RMB415.4 million) mainly due to increase in bank borrowings.

Turnover days

The Group's average turnover days of inventory were approximately 292.4 days as at 30 June 2017, representing a decrease of approximately 70.0 days from 362.4 days as at 30 June 2016. Such change was mainly due to the Group's strengthened control over inventories.

The turnover days of trade and bills receivables as at 30 June 2017 were approximately 408.0 days, representing a decrease of approximately 277.6 days from approximately 685.6 days as at 30 June 2016. Such change was mainly due to the overall improvement in coal mining industry, which resulted in the improvement in the collection of receivables from sales of the Group's coal mining machinery.

The turnover days of trade and bills payables as at 30 June 2017 were 225.7 days, representing a decrease of approximately 32.2 days from approximately 257.9 days as at 30 June 2016. Such change was mainly due to the increase in the proportion of settled bills resulted from the increase in the Group's cost of sales, which was in line with the increase of revenue.

Contingent liabilities

As at 30 June 2017, the Group had contingent liability of approximately RMB138.1 million, being the financial guarantee under financing lease arrangements provided by Hunan Sany Port Equipment (31 December 2016: approximately RMB156.8 million).

Capital commitment

As at 30 June 2017, the contracted capital commitments of the Group which are not provided for in the financial statements were approximately RMB4,152.8 million (31 December 2016: approximately RMB3,941.8 million).

Employees and remuneration policy

The Group persists in training and developing talents. Accordingly, it provides internal training, external training and correspondence courses to its staff according to their ranking and at different times with an aim to self-improving and enhancing their skills relevant to work as well as strengthening their senses of belonging. In addition, the Group paid year-end bonuses to staff to reward them for their contributions and dedication to the Group. The remuneration of the directors of the Group was determined with reference to their positions, responsibilities and experience and prevailing market conditions.

Material acquisition, disposal and significant investment

There were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2017, nor was there any plan authorized by the Board for other material investments or additions of capital assets at the date of this announcement.

Pledge on assets

As at 30 June 2017, the Group recorded pledged deposits with an aggregate value of approximately RMB23.8 million (31 December 2016: approximately RMB27.2 million), for the purpose of issuing bills payable and banking facilities. As at 30 June 2017, none of the Group's bank loans was secured by property, plant and equipment and prepaid land lease payments (31 December 2016: nil).

Foreign exchange risk

As at 30 June 2017, the Group's cash and bank balances denominated in HK$, EUR$ and US$ were equivalent to approximately RMB446.4 million. The Group will monitor the risk exposures and may consider hedging against material currency risk if required.

Social responsibility

The Group promotes good values of fraternity, mutual assistance and selfless contribution, and it advocates more people to get involved in charity activities with love and care. During the Spring Festival, the Group launched activities to give warmth and help staff mitigate their financial stress. The management visited staff with family difficulties and provided them with consolation money and items; presented family package insurance to staff; and organised staff health check. The Group also raised funds for staff requiring assistance and spread love and care to staff who were in need of support.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

Except for the code provision A.2.1, the Company has complied with the code provisions under the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") from 1 January 2017 to 30 June 2017.

In accordance with code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Further, the division of responsibilities between the chairman and chief executive officer should be clearly established. Mr. Qi Jian is both the chairman of the Board and the chief executive officer of the Company. The Board considers vesting the role of both the chairman of the Board and the chief executive officer of the Company in Mr. Qi Jian because Mr. Qi Jian has in-depth knowledge in the business of the Company and can make appropriate decisions promptly and efficiently and this arrangement provides the Company with consistent leadership and facilitates effective and efficient planning and implementation of business decisions and strategies. The Board believes this structure did not impair the balance of power and authority between the Board and the management of the Company. As the Board comprises of experienced and qualified calibre (including sufficient number of independent non-executive Directors), balance between duty and right can be assured. The Board will continue to review the effectiveness of the Company's corporate governance structure to assess whether the separation of the positions of chairman of the Board and chief executive officer of the Company is necessary.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, for the six months ended 30 June 2017, they were in compliance with the required provisions set out in the Model Code.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The Audit Committee consists of three members, namely Mr. Poon Chiu Kwok, Mr. Ng Yuk Keung and Mr. Hu Jiquan, all of whom are independent non-executive Directors. Mr. Poon Chiu Kwok, who has professional qualifications and experiences in the field of accounting, was appointed as the chairman of the Audit Committee. The Audit Committee has held meetings to discuss the auditing, internal controls, risk management and financial reporting matters including the review of the unaudited interim financial statements of the Group for the six months ended 30 June 2017.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The interim financial results for the six months ended 30 June 2017 have not been audited or reviewed by the Company's external auditor.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

For the six months ended 30 June 2017, neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed securities of the Company (for the year ended 31 December 2016: nil).

SUFFICIENCY OF PUBLIC FLOAT

Based on information available to the Company and within the knowledge of the Directors, the Company had maintained sufficient public float throughout the six months ended 30 June 2017.

PUBLICATION OF INFORMATION ON THE WEBSITES

The interim report of the Company for the six months ended 30 June 2017 containing all the information required by the Listing Rules will be dispatched to the Company's shareholders and published on the website of The Stock Exchange of Hong Kong Limited and the website of the Company at www.sanyhe.com in due course.

By the Order of the Board
Sany Heavy Equipment International Holdings Company Limited
Qi Jian
Chairman

Hong Kong, 15 August 2017

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