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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)

CONTINUING CONNECTED TRANSACTIONS

2024 SUPPLEMENTAL MASTER PURCHASE AGREEMENT;

2024 SUPPLEMENTAL MASTER SALES AGENCY AGREEMENT;

2024 SUPPLEMENTAL ADMINISTRATIVE SERVICES AGREEMENT;

2024 SUPPLEMENTAL MASTER LEASE AGREEMENT;

2024 MASTER SHARED SERVICES AGREEMENT;

2024 MASTER PRODUCT VALUE CHAIN SERVICES AGREEMENT;

2024 MASTER WATER AND ELECTRICITY

PURCHASE AGREEMENT; AND

2024 MASTER SHORT TERM LEASE AGREEMENT

A. EXISTING AGREEMENTS

References are made to the 2022 Announcement, the 2023 Announcement, the 2023 January Circular and the 2023 November Circular.

The Board is pleased to announce that, on 24 October 2024, in contemplation that the transaction amounts under each of the 2023 Supplemental Master Purchase Agreement (Supplemented), the 2023 Supplemental Master Sales Agency Agreement (Supplemented) and the 2023 Supplemental Administrative Services Agreement (Supplemented) for the year ending 31 December 2024 will exceed the annual caps set under the respective agreements, the Company entered into the 2024 Supplemental Master Purchase Agreement, the 2024 Supplemental Master Sales Agency Agreement and the 2024 Supplemental Administrative Services Agreement to revise the annual caps thereunder. The Company has also entered into the 2024 Supplemental Master Lease Agreement to set annual caps for the two years ending 31 December 2025.

B. 2024 NEW MASTER AGREEMENTS

(1) 2024 Master Shared Services Agreement

On 24 October 2024, the Company entered into the 2024 Master Shared Services Agreement with Sany Group, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as digital information system services, business procurement services, human resources recruitment and training services.

(2) 2024 Master Product Value Chain Services Agreement

On 24 October 2024, the Company entered into the 2024 Master Product Value Chain Services Agreement with Sany Group, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as product R&D services, market research services and after-sales services.

(3) 2024 Master Water and Electricity Purchase Agreement

On 24 October 2024, the Company entered into the 2024 Master Water and Electricity Purchase Agreement with Sany Group, pursuant to which the Group will purchase water and electricity resources from Sany Group Companies.

(4) 2024 Master Short Term Lease Agreement

On 24 October 2024, the Company entered into the 2024 Master Short Term Lease Agreement with Sany Group, pursuant to which Sany Group Companies agreed to lease certain premises to the Group on short-term basis, which shall be less than 12 months.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liang, who is a controlling shareholder of the Company and is entitled to exercise or control the exercise of approximately 65.34% voting rights in the ordinary share capital of the Company and indirectly holds 479,781,034 Convertible Preference Shares which represent approximately 12.99% issued share capital of the Company (as enlarged) upon full conversion. As Sany Group is held as to 56.74% by Mr. Liang, Sany Group is an associate of Mr. Liang under Rule 14A.12(1)(c) of the Listing Rules and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the entering into of the 2024 Supplemental Agreements and the 2024 New Master Agreements with Sany Group, and the transactions contemplated thereunder are connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the revised annual caps under the 2024 Supplemental Master Purchase Agreement is more than 5%, the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder (including the proposed annual cap) are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the revised annual caps under the 2024 Supplemental Master Sales Agency Agreement and the 2024 Supplemental Administrative Services Agreement, and the proposed annual caps under each of the 2024 New Master Agreements exceed 0.1% but all of them are less than 5%, each of the 2024 Supplemental Master Sales Agency Agreement, the 2024 Supplemental Administrative Services Agreement and the 2024 New Master Agreements and the transactions contemplated thereunder (including the proposed annual caps) are only subject to the reporting and announcement requirements, and are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of properties under the 2024 Supplemental Master Lease Agreement and amortised over the term of the lease agreement. As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the value of the right-of-use assets under the 2024 Supplemental Master Lease Agreement exceeds 0.1% but all of which are less than 5%, the transaction contemplated under the 2024 Supplemental Master Lease Agreement is subject to the reporting and announcement requirements, but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The Company will convene and hold the EGM to approve the 2024 Supplemental Master Purchase Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder.

Vinco Financial Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2024 Supplemental Master Purchase Agreement.

CIRCULAR

A circular containing, among other things, further information on (i) the 2024 Supplemental Master Purchase Agreement; (ii) the notice of the EGM; (iii) the letter from Vinco Financial Limited to both the Independent Board Committee and the Independent Shareholders regarding the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be made available on the website of the Stock Exchange and the Company and despatched to the Shareholders (if necessary) as soon as possible. It is currently expected that the circular will be made available to the Shareholders on or before 13 November 2024.

A. EXISTING AGREEMENTS

References are made to the 2022 Announcement, the 2023 Announcement, the 2023 January Circular and the 2023 November Circular.

The Board is pleased to announce that, on 24 October 2024, in contemplation that the transaction amounts under each of the 2023 Supplemental Master Purchase Agreement (Supplemented), the 2023 Supplemental Master Sales Agency Agreement (Supplemented) and the 2023 Supplemental Administrative Services Agreement (Supplemented) for the year ending 31 December 2024 will exceed the annual caps set under the respective agreements, the Company entered into the 2024 Supplemental Master Purchase Agreement, the 2024 Supplemental Master Sales Agency Agreement and the 2024 Supplemental Administrative Services Agreement to revise the annual caps thereunder. The Company has also entered into the 2024 Supplemental Master Lease Agreement to set annual caps for the two years ending 31 December 2025. Details of the proposed revision of annual caps of the and the terms of the 2024 Supplemental Master Lease Agreement are set out below.

(1) 2024 Supplemental Master Purchase Agreement

References are made to (i) the 2022 Announcement and the 2023 January Circular regarding the 2023 Master Purchase Agreement pursuant to which the Group will purchase parts and components and second-hand manufacturing equipment from Sany Group Companies; and (ii) the 2023 Announcement and the 2023 November Circular in relation to the 2023 Supplemental Master Purchase Agreement pursuant to which the annual cap of the 2023 Master Purchase Agreement for the year ended 31 December 2023 had been revised.

On 24 October 2024, the Company entered into the 2024 Supplemental Master Purchase Agreement with Sany Group to include machinery to be purchased and to revise the annual caps of the 2023 Master Purchase Agreement (Supplemented) for the two years ending 31 December 2025. The major terms of the 2024 Supplemental Master Purchase Agreement are set out as follows:

Date: 24 October 2024

Parties: (1) The Company; and
(2) Sany Group

Subject Matter: Pursuant to the 2024 Supplemental Master Purchase Agreement, the Company agreed to purchase or procure its subsidiaries to purchase from Sany Group Companies (1) certain parts and components and machinery produced by Sany Group Companies; and (2) second-hand manufacturing equipment, for the manufacturing of products of the Group.

Term: The 2023 Master Purchase Agreement (Supplemented) has a fixed term commencing from 1 January 2023 to 31 December 2025 (both days inclusive). The 2024 Supplemental Master Purchase Agreement shall become effective upon obtaining the Independent Shareholders' approval at the EGM.

Pricing:

Parts and Components

For those tailor-made parts and components for the Group manufactured by Sany Group Companies, the basis of determining prices of the parts and components produced by Sany Group Companies will be determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant parts and components plus a gross margin ranging from approximately 10% to 30%, with reference to the usual gross margin of the Group's procurement of other similar parts and components from Independent Third Parties, which should be in any event no less favourable to the Group than terms offered by Independent Third Parties.

For those common parts and components which can be easily accessible in the market, the pricing will be determined with reference to the prevailing market prices of the same products, and should be in any event no less favourable to the Group than terms offered by Independent Third Parties.

Machinery

For those machinery for the Group manufactured by Sany Group Companies, the basis of determining prices of the machinery produced by Sany Group Companies will be determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant machinery plus a gross margin ranging from approximately 10% to 20%, with reference to the usual gross margin of the Group's procurement of other similar machinery from Independent Third Parties, which should be in any event no less favourable to the Group than terms offered by Independent Third Parties.

Second-hand Manufacturing Equipment

The basis of determining prices of the second-hand manufacturing equipment will be determined on arm's length negotiation and with reference to the below formula, which is a default formula set by the Group's ERP financial software following the Group's accounting policy for depreciation and valuation on equipment and also applicable to the valuation of all equipment of the Group, no matter whether they are procured from Independent Third Parties or Sany Group Companies, and should be in any event no less favourable to the Group than terms offered by Independent Third Parties.

Price = Original Purchase Price – Original Purchase Price (1–3%) x (number of years since the equipment was purchased by Sany Group/10 years)

“3%” represents the minimum residual value of equipment and “10 years” represents the maximum durable years of equipment and both of them are set according to the Group's accounting policy.

Payment: In respect of each purchase of parts and components or machinery or second-hand manufacturing equipment by the Group from Sany Group Companies, Sany Group Companies and the Group will enter into separate purchase agreements to specify the types and number of products to be purchased, the relevant delivery arrangements and the selling prices of such products.

Payment will be settled by way of telegraphic transfer at credit terms to be agreed by the parties in accordance with the Group's normal term of supplies from Independent Third Parties.

Historical figures: The historical transaction amounts for the six months ended 30 June 2024 was RMB940,758,128.

Proposed annual cap: Pursuant to the 2024 Supplemental Master Purchase Agreement, the annual cap for the transactions for each of the two years ending 31 December 2025 shall be revised as follows:

	For the year ending 31 December	
	2024	2025
	<i>(RMB)</i>	<i>(RMB)</i>
Existing Annual Caps	1,696,940,810	2,284,841,210
Revised Annual Caps	2,400,000,000	2,520,000,000

The revised annual caps were arrived based on the types of parts and components, machinery and second-hand manufacturing equipment to be purchased, historical transaction amounts, the orders under negotiation and the anticipated procurement plan of the Group having considered the business plan of the Group. It is anticipated that there will be an increase in the orders to be placed by the Group for the year ending 31 December 2024, thereby requiring an upward adjustment to the annual cap for the year ending 31 December 2024 due to the continuous growth in scale of product sales of the Group.

The transaction amount for the six months ended 30 June 2024 was RMB940,758,128. The Board noted that there has been an increase in interest from the Group's customers for purchases of machinery that are not manufactured by the Group, and will therefore require the Group to purchase such machinery from Sany Group Companies and then subsequently selling to the Group's customers. Furthermore, the range of parts and components purchased from Sany Group Companies had been increased as a result of newly acquired subsidiaries by the Group, in particular with respect to battery cells. Accordingly, the annual caps set under the 2023 Master Purchase Agreement (Supplemented) will not be sufficient to cope with the Group's business growth. As at the date of this announcement, the annual cap for the year ending 31 December 2024 under the 2023 Master Purchase Agreement (Supplemented) has not been exceeded.

The 2024 Supplemental Master Purchase Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Supplemental Master Purchase Agreement.

(2) 2024 Supplemental Master Sales Agency Agreement

References are made to (i) the 2022 Announcement regarding the 2023 Master Sales Agency Agreement pursuant to which Sany Group Companies shall act as the sales agency for the Group for overseas end-customers; and (ii) the 2023 Announcement in relation to the 2023 Supplemental Master Sales Agency Agreement pursuant to which the annual caps of the 2023 Master Sales Agency Agreement had been revised.

On 24 October 2024, the Company entered into the 2024 Supplemental Master Sales Agency Agreement with Sany Group to revise the annual caps of the 2023 Master Sales Agency Agreement (Supplemented) for the two years ending 31 December 2025. The major terms of the 2024 Supplemental Master Sales Agency Agreement are set out as follows:

Date:	24 October 2024
Parties:	(1) The Company; and (2) Sany Group
Subject Matter:	Sany Group Companies agreed to act as the sales agency for the Group for the overseas end-customers and the Company agreed to pay Sany Group Companies for the agency fees based on the actual amount of the sales transactions.
Term:	The 2023 Master Sales Agency Agreement (Supplemented) has a fixed term commencing from 1 January 2023 to 31 December 2025 (both days inclusive).
Pricing:	The sales agency fees payable will be determined based on arm's length negotiation and with reference to the below formula and the sales agency fees paid by the Group to Sany Group Companies shall not be higher than the sales agency fees paid to the Independent Third Party agencies for similar products and in similar regions.
	$\text{Sales agency fees} = \text{Sales revenue of sold products} \times 5\%$
	<i>Note: The Group's 2023 annual sales expenses rate was 6.2% and Sany Group Companies are willing to offer a slightly lower sales expenses rate of 5%</i>
Service agency contracts:	In respect of each sale of products by the Group, the Group shall enter into the sales contract with the end-customers directly, and the Group and Sany Group Companies shall enter into separate sales agency agreements to specify the agency fees of the relevant products being sold.

- Payment terms: Invoice for sales agency fees shall be issued by Sany Group Companies to the Group and payment for the sales agency fees will be settled by way of telegraphic transfer or cheque in the following month upon receipt of the invoice by the Group.
- Historical figures: The historical transaction amounts for the six months ended 30 June 2024 was RMB8,743,296.
- Proposed annual cap: Pursuant to the 2024 Supplemental Master Sales Agency Agreement, the annual cap for the transactions for each of the two years ending 31 December 2025 shall be revised as follows:

	For the year ending 31 December	
	2024	2025
	<i>(RMB)</i>	<i>(RMB)</i>
Existing Annual Caps	77,300,000	82,000,000
Revised Annual Caps	127,300,000	135,000,000

The revised annual caps were arrived based on the historical transaction amounts, orders under negotiation and the anticipated sales plan for overseas regions.

Even though the transaction amount under the 2023 Master Sales Agency Agreement (Supplemented) for the six months ended 30 June 2024 was RMB8,743,296 only, which was much lower than the annual cap for the year ending 31 December 2024 set under the 2023 Master Sales Agency Agreement (Supplemented), due to the continuous growth in scale of product sales of the Group, it is anticipated that there will be a significant increase in the sales to overseas end-customers amounting to approximately RMB1,200 million, with more overseas sales orders expected to be completed and settled by the end of 2024. thereby requiring an upward adjustment to the annual cap for the year ending 31 December 2024. As at the date of this announcement, the annual cap for the year ending 31 December 2024 under the 2023 Master Sales Agency Agreement (Supplemented) has not been exceeded.

The 2024 Supplemental Master Sales Agency Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Supplemental Master Sales Agency Agreement.

Except for the annual caps, other terms of the 2023 Master Sales Agency Agreement (Supplemented) remain unchanged in the 2024 Supplemental Master Sales Agency Agreement.

(3) 2024 Supplemental Administrative Services Agreement

References are made to (i) the 2022 Announcement regarding the 2023 Administrative Services Agreement pursuant to which the Group agreed to purchase and procure from Sany Group Companies certain goods and services such as travel bookings, dining and accommodation; and (ii) the 2023 Announcement in relation to the 2023 Supplemental Administrative Services Agreement pursuant to which the annual cap of the 2023 Administrative Services Agreement had been revised.

On 24 October 2024, the Company entered into the 2024 Supplemental Administrative Services Agreement with Sany Group to revise the annual caps of the 2023 Administrative Services Agreement (Supplemented) for the two years ending 31 December 2025. The major terms of the 2024 Supplemental Administrative Services Agreement are set out as follows:

Date:	24 October 2024
Parties:	(a) The Company; and (b) Sany Group.
Subject matter:	Pursuant to the 2024 Supplemental Administrative Services Agreement, the Group agreed to purchase and procure from Sany Group Companies certain goods and services such as travel bookings, dining and accommodation (the “ Administrative Services ”).
Term:	The 2023 Administrative Services Agreement (Supplemented) has a fixed term commencing from 1 January 2023 to 31 December 2025 (both days inclusive).
Pricing:	The service fees payable for the 2024 Supplemental Administrative Services Agreement will be determined based on arm’s length negotiation and such service fees payable by the Group to Sany Group Companies shall not be higher than the service fees paid to Independent Third Parties for similar services.
Payment terms:	Monthly invoices shall be issued by Sany Group Companies to the Group and payment for the service fees will be settled by way of telegraphic transfer or cheque in the following month upon receipt of the invoice by the Group.
Historical figures:	The historical transaction amounts for the six months ended 30 June 2024 was RMB23,680,320.

Proposed annual caps: Pursuant to the 2024 Supplemental Administrative Services Agreement, the annual caps for the transactions for each of the two years ending 31 December 2025 shall be revised as follows:

	For the year ending 31 December	
	2024	2025
	<i>(RMB)</i>	<i>(RMB)</i>
Existing Annual Caps	35,000,000	38,000,000
Revised Annual Caps	46,000,000	48,500,000

The 2024 Supplemental Administrative Services Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Supplemental Administrative Services Agreement.

The revised annual caps were arrived based on (i) the historical transactions amount; (ii) the prevailing market prices of similar services in the PRC; and (iii) the anticipated increase in the demand of the administrative services required by the Group due to the Group's expansion into the businesses of the acquired companies, such as Sany Lithium Energy, in 2024.

The transaction amount under the 2023 Administrative Services Agreement (Supplemented) for the six months ended 30 June 2024 was RMB23,680,320, it is anticipated that the fees for the Administrative Services provided will increase, thereby requiring an upward adjustment to the annual cap for the year ending 31 December 2024. As at the date of this announcement, the annual cap for the year ending 31 December 2024 under the 2023 Administrative Services Agreement (Supplemented) has not been exceeded.

Except for the annual caps, other terms of the 2023 Administrative Services Agreement (Supplemented) remain unchanged in the 2024 Supplemental Administrative Services Agreement.

(4) 2024 Supplemental Master Lease Agreement

References are made to (i) the 2022 Announcement regarding the 2023 Master Lease Agreement pursuant to which Sany Group Companies agreed to lease certain premises to the Group; and (ii) the 2023 Announcement in relation to the 2023 Supplemental Master Lease Agreement pursuant to which the annual cap of the 2023 Master Lease Agreement for the year ended 31 December 2023 had been revised.

On 24 October 2024, the Company entered into the 2024 Supplemental Master Lease Agreement with Sany Group to set the annual caps for the two years ending 31 December 2025. The major terms of the 2024 Supplemental Master Lease Agreement are set out as follows:

- Date: 24 October 2024
- Parties: (a) The Company; and
(b) Sany Group.
- Subject matter: Pursuant to the 2024 Supplemental Master Lease Agreement, Sany Group Companies agreed to lease certain premises to the Group, details of which are set forth as below.
- Term: The 2023 Master Lease Agreement (Supplemented) has a fixed term commencing from 1 January 2023 to 31 December 2025 (both days inclusive).
- Properties: Sale Outlets Networking Property: (i) certain working areas and dormitories owned by Sany Auto Manufacturing with a total floor area of up to approximately 1,000 sq.m. located in Ningxia Hui Autonomous Region, Xi'an City, Shaanxi Province and Chengdu City, Sichuan Province, the PRC; (ii) certain factories, working areas and dormitories owned by Sany Northwest Heavy Industry with a total area of up to approximately 4,000 sq.m. located in Sany Northwest Industry Zone, Urumqi City, Xinjiang Uygur Autonomous Region, the PRC; (iii) certain working areas and dormitories owned by Shanxi Sany Machinery Co. Ltd.* (陝西三一機械有限公司) with a total area of up to approximately 1,000 sq.m. located in Xianyang City, Shaanxi Province, the PRC; (iv) certain working areas and dormitories owned by Guangdong Sany Machinery Co., Ltd.* (廣東三一機械有限公司) with a total area of up to approximately 1,000 sq.m. located in Guangzhou City, Guangdong Province, the PRC; and (v) certain working areas and dormitories owned by Anhui Sany Machinery Co., Ltd.* (安徽三一機械有限公司) with a total area of up to approximately 1,200 sq.m. located in Hefei City, Anhui Province, the PRC;
Beijing Property: (i) certain factories owned by Sany Sun Valley with a floor area of up to approximately 20,000 sq.m. located in Sany Huilongguan Industry Zone, Changpin District, Beijing, the PRC;

Beijing R&D Property: up to approximately 1,000 working spaces owned by Sany Sun Valley located in Sany Huilongguan Industry Zone, Changpin District, Beijing, the PRC;

Shanghai Property: certain dormitories owned by Shanghai Sany Technology Co., Ltd.* (上海三一科技有限公司) with area up to approximately 1,000 sq.m. located in Chuansha Town, Shanghai City, PRC;

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; (ii) certain factories with a total area of up to approximately 180,000 sq.m., as well as certain working areas and dormitories with a floor area of up to approximately 70,000 sq.m. owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), located in Zhuzhou City, Hunan Province, the PRC; (iii) certain factories with a floor area of up to approximately 35,000 sq.m. and certain working areas with a floor area of up to approximately 10,000 sq.m. owned by Hunan Deutz AG Power Co., Ltd.* (湖南道依茨動力有限公司) located in Changsha City, Hunan Province, the PRC; and (iv) certain factories with a total area of up to approximately 150,000 sq.m., as well as certain working areas and dormitories owned by Sany Auto Manufacturing with a total floor area of up to approximately 3,000 sq.m., located in Changsha City, Hunan Province, the PRC; and

Indonesia Property: certain factories owned by PT. Sany Indonesia Mining Equipment with a floor area of up to approximately 22,500 sq.m., located in Jawa Barat, Indonesia.

Rental:

The total rental payable is determined after arm's length negotiations between parties after taking into consideration the market price of similar areas and locations.

Below is a breakdown of the rental payments:

Sale Outlets Networking Property: (i) up to RMB25 per sq.m. per month; (ii) up to RMB30 per sq.m. per month; (iii) up to RMB29 per sq.m. per month; (iv) up to RMB73 per sq.m. per month; (v) up to RMB20 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing R&D Property: up to RMB1,000 per working space per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Shanghai Property: up to RMB100 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Hunan Property: (i) up to RMB7 per sq.m. per month (ii) up to RMB40 per sq.m. per month; (iii) up to RMB56 per sq.m. per month; and (iv) up to RMB30 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Indonesia Property: up to RMB25 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Proposed annual caps:

Pursuant to the 2024 Supplemental Master Lease Agreement, the annual caps for the lease arrangements for each of the two years ending 31 December 2025 shall be as follows:

	For the year ending 31 December	
	2024	2025
	<i>(RMB)</i>	<i>(RMB)</i>
Annual Caps	175,000,000	30,000,000

According to IFRS 16, the rental payments to be made by the Group are capital in nature and will be recognised as assets of the Group at the respective commencement dates of the actual lease contracts under the 2024 Supplemental Master Lease Agreement and amortised over the term of the lease agreement. The value of such right-of-use asset (before tax) to be recognised by the Company is expected to be approximately the figures for the annual caps for the two years ending 31 December 2025 as set out above.

The proposed annual caps of the value of the right-of-use assets under the 2024 Supplemental Master Lease Agreement were determined after taking into account the following factors:

- (i) the maximum aggregated rental payments under the 2024 Supplemental Master Lease Agreement taking into account the historical transactions amount under the 2023 Master Lease Agreement (Supplemented) and the conditions of the premises, including but not limited to the locations, areas of the properties required by the Group in light of the anticipated business needs as well as the facilities associated with the premises, the prevailing market conditions and market rent for comparable properties in the vicinity; and

- (ii) the estimated present value of the maximum aggregated rental payments under the 2024 Supplemental Master Lease Agreement to be recorded as right-of-use assets in the Group's financial statements taking into account the Group's incremental borrowing rate as the discount rate.

The reason for the sharp decrease in the annual cap for the year ending 31 December 2025 from the year ending 31 December 2024 is because most renewal of leases will take place in 2024. As at the date of this announcement, the Company had not entered into any leases with Sany Group during the year of 2024. The annual cap for the year ending 31 December 2025 is mainly for new properties to be leased for the Group' new businesses and is determined based on the estimated value of the right-of-use asset for such new properties.

REASONS AND BENEFITS

The reasons and benefits of the entering into of each of the Existing Agreement and the 2024 Supplemental Agreements are set out as follows:

Reasons for and benefits of entering into the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement

The Directors consider that it is crucial for the Group to maintain the stability in supply and quality of the parts and components, machinery and second-hand manufacturing equipment for its existing and future production needs. Sany Group Companies are familiar with the Group's specifications, standards and requirements and the Group is confident on the quality of the parts and components, machinery and second-hand manufacturing equipment supplied by Sany Group Companies. In view of the Group's past purchasing experience with Sany Group Companies, the Directors are of the view that Sany Group Companies can effectively fulfill the Group's high requirement in supply stability as well as product quality. In addition, Sany Group Companies have provided the Group with more favorable terms such as flexible and timely delivery schedule of the parts and components, machinery and second-hand manufacturing equipment purchased by the Group. At the same time, purchasing machinery which the Group is unable to produce from Sany Group and selling such products to the Group's customers will help the Company increase its revenue. The entering into of the 2024 Supplemental Master Purchase Agreement would enable the Group to keep up with its business plans and the anticipated increase in sales orders of the Group and to continue these transactions in compliance with the Listing Rules.

In light of the above and the internal control procedures in place in order to ensure the transactions conducted under the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement will be on terms not less favourable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed “**INTERNAL CONTROL MEASURES**” of this announcement, the Board (excluding the independent non-executive Directors who will express their views after taking into consideration the advice of the Independent Financial Adviser) considers that the terms of the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of entering into the 2023 Master Sales Agency Agreement (Supplemented) and the 2024 Supplemental Master Sales Agency Agreement

The sales agency model is mainly adopted for overseas regions where the end-customers are in a less centralized location. The Group can take advantage of Sany Group’s strong overseas sales network to procure the end-customers and then expand the relevant market gradually, which would be much more commercially efficient than the Group seeking and coordinating with the customers one by one directly. Therefore, it is reasonable for Sany Group to charge certain agency fees. The entering into of the 2024 Supplemental Master Sales Agency Agreement would enable the Group to keep up with the anticipated increase in sales in overseas market and to continue these transactions in compliance with the Listing Rules.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2023 Master Sales Agency Agreement (Supplemented) and the 2024 Supplemental Master Sales Agency Agreement will be on terms not less favourable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed “**INTERNAL CONTROL MEASURES**” of this announcement, the Board considers that the terms of the 2023 Master Sales Agency Agreement (Supplemented) and the 2024 Supplemental Master Sales Agency Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of entering into the 2023 Administrative Services Agreement (Supplemented) and the 2024 Supplemental Administrative Services Agreement

Through entering into the 2023 Administrative Services Agreement (Supplemented), the Group’s employees can benefit from the mobile travel service platform developed by Sany Group and the accommodation and catering services provided by Sany Group Companies. The streamlined process of booking tickets for trains and flights as well as arranging accommodation for its employees for their business travels, and large-scale

booking taking into account the needs of the Group and Sany Group Companies would enable the Group to enjoy more discounts on the required services which will reduce administrative expenses of the Group. The entering into of the 2024 Supplemental Administrative Services Agreement would enable the Company to keep up with the anticipated increase of the relevant business activities under the 2023 Administrative Services Agreement (Supplemented) and to continue these transactions in compliance with the Listing Rules.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2023 Administrative Services Agreement (Supplemented) and the 2024 Supplemental Administrative Services Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL MEASURES**" of this announcement, the Board considers that the terms of the 2023 Administrative Services Agreement (Supplemented) and the 2024 Supplemental Administrative Services Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of entering into the 2024 Supplemental Master Lease Agreement

The Group has multiple sales networking locations in China. Leasing Sale Outlets Networking Property allows Sany Heavy Equipment to leverage Sany Group's sufficient locations and well-equipped office facilities of Sany Group to build local accessories warehouses and maintain the daily business operations of branches.

The business operations of Sany Intelligent Mining demands Beijing Property for industrial propose. Leasing Beijing Property and Beijing R&D Property allows Sany Intelligent Mining to leverage talent advantages in Beijing so as to attract high-end technical talents in automation and intelligence and to enhance R&D capabilities of the Company and product competitiveness.

The leasing of the Shanghai Property would allow the Group to provide accommodation arrangement for its employees.

The leasing of the Hunan Property and Indonesia Property allows Sany Energy Equipment, Sany Silicon Energy, Sany Hydrogen Energy, Sany Lithium Energy, Sany Technology Equipment to quickly produce products and carry out work for their business, thereby saving the Group's time in building factories, dormitories and office buildings and reducing the Group's initial investment, which is conducive to the Group's rapid development of new businesses.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2024 Supplemental Master Lease Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL**

MEASURES” of this announcement, the Board considers that the terms of the 2024 Supplemental Master Lease Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

B. 2024 NEW MASTER AGREEMENTS

(1) 2024 Master Shared Services Agreement

On 24 October 2024, the Company entered into the 2024 Master Shared Services Agreement with Sany Group, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as digital information system services, business procurement services, human resources recruitment and training services.

Set out below are the principal terms of the 2024 Master Shared Services Agreement:

Date: 24 October 2024

Parties: (a) The Company; and
(b) Sany Group.

Subject matter: Pursuant to the 2024 Master Shared Services Agreement, the Group agreed to purchase and procure from Sany Group Companies certain services such as digital information system services, business procurement services, human resources recruitment and training services (the “**Shared Services**”).

Term: The 2024 Master Shared Services Agreement shall come into effect on 24 October 2024 and expire on 31 December 2026 (both days inclusive).

Pricing and other terms: The pricing and other terms of the individual agreements to be entered under the 2024 Master Shared Services Agreement shall be determined with reference to the prevailing market prices of similar services in the PRC. The measures set out under the section headed “**INTERNAL CONTROL MEASURES**” of this announcement would be adopted to ensure that the terms offered to the Group under the 2024 Master Shared Services Agreement are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties.

Payment terms: Monthly invoices shall be issued by Sany Group Companies to the Group for the payment of the services, which will be settled by telegraphic transfer or cheque within a month upon receipt of the invoice by the Group.

The 2024 Master Shared Services Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Master Shared Services Agreement.

Proposed annual caps and basis of determination

Pursuant to the 2024 Master Shared Services Agreement, it is proposed that the annual caps for the three years ending 31 December 2026 are expected not to exceed the following:

	For the year ending 31 December		
	2024 (<i>RMB</i>)	2025 (<i>RMB</i>)	2026 (<i>RMB</i>)
Fees payable by the Group to Sany Group Companies for the Shared Services	43,800,000	46,000,000	50,000,000

The annual caps for each of the three financial years ending 31 December 2026 were determined by reference to (i) the type of services which will be shared under the 2024 Master Shared Services Agreement and the prevailing market prices of similar services in the PRC; and (ii) the expected growth in the demand of the Shared Services required by the Group.

It is expected that there will be an increase in the Shared Services to be purchased by the Group under the 2024 Master Shared Services Agreement from the year ending 31 December 2024 to the year ending 31 December 2026 owing to the anticipated continuous growth in the demand of the Shared Services of the Group in the future.

Reasons for and benefits of entering into the 2024 Master Shared Services Agreement

Sany Group Companies had not provided the Shared Services to the Group prior to the entering into of the 2024 Master Shared Services Agreement. Due to Sany Group Companies's large enterprise scale, Sany Group Companies can extend the established and mature digital information system, business procurement system, human resources recruitment and training system to the Group, enabling the Group

to obtain mature and systematic professional services at a lower unit price, a benefit that extends to the Group through entering into of the 2024 Master Shared Services Agreement.

The Group will have access to the Shared Services available on the centralized platform established by Sany Group, and pay the costs based on the actual usage of Shared Service. Such Shared Services provided by Sany Group Companies encompass a variety of offerings and are purchased by the Group with an aim to enhance operational efficiency and reduce costs, and include: (a) Sany Group Companies' existing digitalization and IT systems solutions, which consist of: (i) an office automation system, realizing digital office and remote video conferencing through information system, and consolidates essential business systems into a unified platform, thereby achieving a high level of business digital intelligence and strengthening the Group's operational capabilities; (ii) a business procurement system. Relying on the business procurement system of Sany Group, the Group can obtain information on various materials and suppliers through the business procurement system, so as to reduce the unit procurement cost through comprehensive price comparison; (iii) a human resources service system. Relying on human resources system of Sany Group, it enables the Group to obtain low-cost and high-quality services such as recruitment, training and employee relationship management through the human resources system, thereby reducing the comprehensive human resources costs; (iv) integrated information system services that provide an internal management platform at a cost lower than prevailing market prices; (b) business procurement services. Sany Group Companies can obtain materials such as steel, rubber products and power batteries which are also used in the Group's production at lower unit prices through bulk commodity procurement, and the Group can share such low-priced raw material procurement channels through payment of procurement service fees to Sany Group Companies, which will enable the Group to obtain more favorable procurement prices as compared to the prevailing market prices; and (c) human resources recruitment and training services, Sany Group Companies have established mature and well-developed recruitment channels and training resources. By paying human resources service fees to Sany Group Companies so to share the above low-priced recruitment channels and training resources, the Group can reduce initial expenditure on the establishment of recruitment channels and training resources, thereby generally reducing recruitment and training costs that are usually borne by the Group during the year and ensure that expenses remain lower than market prices.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2024 Master Shared Services Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL MEASURES**" of this announcement, the Board considers that the terms of the 2024 Master Shared Services Agreement and the transactions contemplated

thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

(2) 2024 Master Product Value Chain Services Agreement

On 24 October 2024, the Company entered into the 2024 Master Product Value Chain Services Agreement with Sany Group, pursuant to which the Group will purchase and procure certain services from Sany Group Companies, such as product R&D services, market research services and after-sales services.

Set out below are the principal terms of the 2024 Master Product Value Chain Services Agreement:

Date:	24 October 2024
Parties:	(a) The Company; and (b) Sany Group.
Subject matter:	Pursuant to the 2024 Master Product Value Chain Services Agreement, the Group agreed to purchase and procure from Sany Group Companies certain services such as product R&D services, market research services and after-sales services (the “ Product Value Chain Services ”).
Term:	The 2024 Master Product Value Chain Services Agreement shall come into effect on 24 October 2024 and expire on 31 December 2026 (both days inclusive).
Pricing and other terms:	The pricing and other terms of the individual agreements to be entered under the 2024 Master Product Value Chain Services Agreement shall be determined with reference to the prevailing market prices of similar services in the PRC. The measures set out under the section headed “ INTERNAL CONTROL MEASURES ” of this announcement would be adopted to ensure that the terms offered to the Group under the 2024 Master Product Value Chain Services Agreement are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties.
Payment terms:	Monthly invoices shall be issued by Sany Group Companies to the Group for the payment of the services, which will be settled by telegraphic transfer or cheque within a month upon receipt of the invoice by the Group.

The 2024 Master Product Value Chain Services Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Master Product Value Chain Services Agreement.

Proposed annual caps and basis of determination

Pursuant to the 2024 Master Product Value Chain Services Agreement, it is proposed that the annual caps for the three years ending 31 December 2026 are expected not to exceed the following:

	For the year ending 31 December		
	2024 (<i>RMB</i>)	2025 (<i>RMB</i>)	2026 (<i>RMB</i>)
Fees payable by the Group to Sany Group Companies for the Product Value Chain Services	37,500,000	40,000,000	42,000,000

The annual caps for each of the three financial years ending 31 December 2026 were determined by reference to (i) the transactions amount for the six months ended 30 June 2024; (ii) the type of services which will be purchased under the 2024 Master Product Value Chain Services Agreement and the prevailing market prices of similar services in the PRC; and (iii) the expected growth in the demand of the Product Value Chain Services required by the Group.

It is expected that there will be an increase in the Product Value Chain Services to be purchased by the Group under the 2024 Master Product Value Chain Services Agreement from the year ending 31 December 2024 to the year ending 31 December 2026 owing to the anticipated continuous growth in the demand of the Product Value Chain Services of the Group in the future.

Reasons for and benefits of entering into the 2024 Master Product Value Chain Services Agreement

Sany Group Companies have been providing Product Value Chain Services to the Group since 1 January 2024, and the transaction amounts for the six months ended 30 June 2024 was RMB6,012,000. As at the date of this announcement, such transaction amounts remain below the de minimis thresholds and were fully exempt from all reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Through entering into of the 2024 Master Product Value Chain Services Agreement, the Group will be able to increase its work efficiency and reduce costs: (i) the R&D services can effectively develop products that meet the actual specific needs of global customers of the

Group and assist the Group in developing new products; (ii) market research services can help the Group quickly investigate the specific needs of global customers, which is conducive to the Group's increased sales; and (iii) after-sales services can improve the Group's customers' satisfaction of the products.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2024 Master Product Value Chain Services Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL MEASURES**" of this announcement, the Board considers that the terms of the 2024 Master Product Value Chain Services Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

(3) 2024 Master Water and Electricity Purchase Agreement

On 24 October 2024, the Company entered into the 2024 Master Water and Electricity Purchase Agreement with Sany Group, pursuant to which the Group will purchase water and electricity resources from Sany Group Companies.

Set out below are the principal terms of the 2024 Master Water and Electricity Purchase Agreement:

Date: 24 October 2024

Parties: (a) The Company; and
(b) Sany Group.

Subject matter: Pursuant to the 2024 Master Water and Electricity Purchase Agreement, the Group agreed to purchase water and electricity resources that Sany Group Companies acquired from the PRC government.

Term: The 2024 Master Water and Electricity Purchase Agreement shall come into effect on 24 October 2024 and expire on 31 December 2026 (both days inclusive).

Pricing and other terms: Electricity will be purchased at a price calculated by reference to the relevant volume of electricity usage based on the electricity meter multiplied by the relevant government prescribed price per kWh (as adjusted from time to time), which is determined by the government authorities (including State Grid Corporation of China* (國家電網公司)).

Water will be purchased at a price calculated by reference to the relevant water usage based on the water meter multiplied by the relevant government prescribed price per cubic meter (as adjusted from time to time), which is determined by the government authorities such as Hunan Water Development Co., Ltd.* (湖南水務發展股份有限公司).

The pricing and other terms of the individual agreements to be entered under the 2024 Master Water and Electricity Purchase Agreement shall be determined with reference to the prevailing market prices of similar services in the PRC. The measures set out under the section headed “**INTERNAL CONTROL MEASURES**” of this announcement would be adopted to ensure that the terms offered to the Group under the 2024 Master Water and Electricity Purchase Agreement are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties.

Payment terms: Monthly invoices shall be issued by Sany Group Companies to the Group for the payment of the water and electricity, which will be settled by telegraphic transfer or cheque within a month upon receipt of the invoice by the Group.

The 2024 Master Water and Electricity Purchase Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Master Water and Electricity Purchase Agreement.

Proposed annual caps and basis of determination

Pursuant to the 2024 Master Water and Electricity Purchase Agreement, it is proposed that the annual caps for the three years ending 31 December 2026 are expected not to exceed the following:

	For the year ending 31 December		
	2024 (<i>RMB</i>)	2025 (<i>RMB</i>)	2026 (<i>RMB</i>)
Fees payable by the Group to Sany Group Companies for the water and electricity	20,000,000	21,000,000	22,500,000

The annual caps for each of the three years ending 31 December 2026 were determined by reference to (i) the transactions amount for the six months ended 30 June 2024; (ii) the water and electricity which will be purchased under the 2024 Master Water and Electricity Purchase Agreement and the prevailing market prices of water and electricity in the PRC; and (iii) the expected growth in the demand of the water and electricity required by the Group.

It is expected that there will be an increase in water and electricity to be purchased by the Group under the 2024 Master Water and Electricity Purchase Agreement from the year ending 31 December 2024 to the year ending 31 December 2026 owing to the anticipated continuous growth in the Group's production, thereby the energy consumption required for production.

Reasons for and benefits of entering into the 2024 Master Water and Electricity Purchase Agreement

Sany Group Companies have been supplying water and electricity to the Group, and the transaction amounts for the six months ended 30 June 2024 was RMB4,743,000. The historical transactions amount for each financial year in the past and for the period since 1 January 2024 up to the date of this announcement remained below the de minimis thresholds and were fully exempt from all reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the Group is expanding its new energy businesses and anticipates that the consumption of water and electricity from Sany Group Companies will increase substantially, by entering into the 2024 Master Water and Electricity Purchase Agreement, the Group could have quick access to water and electricity resources for its production at the prescribed government price and would be able to purchase water and electricity resources in compliance with the requirements of Chapter 14A of the Listing Rules. The business nature of Sany Hydrogen Energy of hydrogen production consumes a lot of electricity and water by electrolyzing water to produce hydrogen, Sany Silicon Energy has produced more products, thereby requiring more water and electricity, and the acquired business of Sany Lithium Energy in 2024 also increased overall electricity demand.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2024 Master Water and Electricity Purchase Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL MEASURES**" of this announcement, the Board considers that the terms of the 2024 Master Water and Electricity Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

(4) 2024 Master Short Term Lease Agreement

On 24 October 2024, the Company entered into the 2024 Master Short Term Lease Agreement with Sany Group, pursuant to which Sany Group Companies agreed to lease certain premises to the Group on short-term basis, which shall be less than 12 months.

Set out below are the principal terms of the 2024 Master Short Term Lease Agreement:

Date: 24 October 2024

Parties: (a) The Company; and
(b) Sany Group.

Subject matter: Pursuant to the 2024 Master Short Term Lease Agreement, Sany Group Companies agreed to lease certain premises to the Group, details of which are set forth as below.

Term: The 2024 Master Short Term Lease Agreement shall come into effect on 24 October 2024 and expire on 31 December 2026 (both days inclusive).

Properties Beijing Property: (i) certain factories owned by Sany Sun Valley with a floor area of up to approximately 20,000 sq.m. located in Sany Huilongguan Industry Zone, Changpin District, Beijing, the PRC;

Beijing R&D Property: up to approximately 1,000 working spaces owned by Sany Sun Valley located in Sany Huilongguan Industry Zone, Changpin District, Beijing, the PRC;

Shanghai Property: certain dormitories owned by Shanghai Sany Technology Co., Ltd.* (上海三一科技有限公司) with area up to approximately 1,000 sq.m. located in Chuansha Town, Shanghai City, PRC; and

Hunan Property: (i) certain factories owned by Sany Renewable Energy Co., Ltd.* (三一重能股份有限公司) with a floor area of up to approximately 185,000 sq.m., located in Chenzhou City, Hunan Province, the PRC; (ii) certain factories with a total area of up to approximately 180,000 sq.m., as well as certain working areas and dormitories with a floor area of up to approximately 70,000 sq.m. owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), located in Zhuzhou City, Hunan Province, the PRC; (iii) certain factories with a floor area of up to approximately 35,000 sq.m. and certain working areas with a floor area of up to approximately 10,000 sq.m. owned by Hunan Deutz AG Power Co., Ltd.* (湖南道依茨動力有限公司) located in Changsha City, Hunan Province, the PRC; and (iv) certain factories with a total area of up to approximately 30,000 sq.m., as well as certain working areas and dormitories owned by Sany Auto Manufacturing with a total floor area of up to approximately 3,000 sq.m., located in Changsha City, Hunan Province, the PRC.

Rental:

The total rental payable is determined after arm's length negotiations between parties after taking into consideration the market price of similar areas and locations.

Below is a breakdown of the rental payments:

Beijing Property: up to RMB58 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Beijing R&D Property: up to RMB1,000 per working space per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Shanghai Property: up to RMB100 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

Hunan Property: (i) up to RMB7 per sq.m. per month; (ii) up to RMB40 per sq.m. per month; (iii) up to RMB56 per sq.m. per month; (iv) up to RMB30 per sq.m. per month, which is determined based on arm's length negotiation between the parties and by reference to market rates of similar location and areas, payable monthly within the first week of each month.

The 2024 Master Short Term Lease Agreement is a framework agreement which provides the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time, and as required, the Group and Sany Group Companies will enter into separate individual agreements on terms and conditions which comply with the principles set out in the 2024 Master Short Term Lease Agreement.

Proposed annual caps and basis of determination

Pursuant to the 2024 Master Short Term Lease Agreement, it is proposed that the annual caps for the three years ending 31 December 2026 are expected not to exceed the following:

	For the year ending 31 December		
	2024 (<i>RMB</i>)	2025 (<i>RMB</i>)	2026 (<i>RMB</i>)
Fees payable by the Group to Sany Group Companies for the short term leases	25,000,000	25,000,000	25,000,000

The annual caps for each of the three financial years ending 31 December 2026 were determined by reference to location, the area of the properties required by the Group for its expected business needs and facilities associated with the properties, the market conditions and prevailing market rents of similar properties.

Reasons for and benefits of entering into the 2024 Master Short Term Lease Agreement

Sany Group Companies had not entered into short term leases with the Group prior to the entering into of the 2024 Master Short Term Lease Agreement.

By entering into of the 2024 Master Short Term Lease Agreement, the Group has enhanced flexibility in leasing properties based on its evolving business needs and new developments. A short-term lease enables Sany Energy Equipment, Sany Silicon Energy, Sany Hydrogen Energy, Sany Lithium Energy, Sany Technology Equipment to quickly expand sales outlets, produce products and carry out work for their

business, thereby saving the Group's time in building factories, dormitories and office buildings and reducing the Group's initial investment, which is conducive to the Group's rapid development of new businesses. Such short-term leases are ideal for the Group's new businesses, where the sustainability of the new businesses is uncertain. This approach allows the Group to control costs while assessing the viability of new initiatives. Should a business prove stable and sustainable, the Group can transition the lease of the relevant properties into a long-term lease.

In light of the above and the internal control procedures in place in order to ensure that the transactions conducted under the 2024 Master Short Term Lease Agreement will be on terms no less favorable to the Group than terms offered by Independent Third Parties, details of which are disclosed under the section headed "**INTERNAL CONTROL MEASURES**" of this announcement, the Board considers that the terms of the 2024 Master Short Term Lease Agreement and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms or better, in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liang, who is a controlling shareholder of the Company and is entitled to exercise or control the exercise of approximately 65.34% voting rights in the ordinary share capital of the Company and indirectly holds 479,781,034 Convertible Preference Shares which represent approximately 12.99% issued share capital of the Company (as enlarged) upon full conversion. As Sany Group is held as to 56.74% by Mr. Liang, Sany Group is an associate of Mr. Liang under Rule 14A.12(1)(c) of the Listing Rules and hence a connected person of the Company under Chapter 14A of the Listing Rules.

Accordingly, the entering into of the 2024 Supplemental Agreements and the 2024 New Master Agreements with Sany Group, and the transactions contemplated thereunder are connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the revised annual caps under the 2024 Supplemental Master Purchase Agreement is more than 5%, the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder (including the proposed annual cap) are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the revised annual caps under the 2024 Supplemental Master Sales Agency Agreement and the 2024 Supplemental Administrative Services Agreement, and the proposed annual caps under each of the 2024 New Master Agreements exceed 0.1% but all of them are less than 5%, each of the 2024 Supplemental Master Sales Agency Agreement, the 2024 Supplemental Administrative Services Agreement and the 2024 New Master

Agreements and the transactions contemplated thereunder (including the proposed annual caps) are only subject to the reporting and announcement requirements, and are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

In accordance with HKFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of properties under the 2024 Supplemental Master Lease Agreement and amortised over the term of the lease agreement. As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the value of the right-of-use assets under the 2024 Supplemental Master Lease Agreement exceeds 0.1% but all of which are less than 5%, the transaction contemplated under the 2024 Supplemental Master Lease Agreement is subject to the reporting and announcement requirements, but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

Existing Agreements, the 2024 Supplemental Agreements and 2024 New Master Agreements

To ensure that the terms of the continuing connected transactions of the Group are on normal commercial terms and on terms no less favorable to the Group than terms offered by Independent Third Parties, the Group has adopted various internal control measures for the Existing Agreements, the 2024 Supplemental Agreements and 2024 New Master Agreements as follows:

2023 Master Sales Agency Agreement (Supplemented), 2024 Supplemental Master Sales Agency Agreement, 2023 Administrative Services Agreement (Supplemented), 2024 Supplemental Administrative Services Agreement, 2023 Master Lease Agreement (Supplemented), 2024 Supplemental Master Lease Agreement, 2024 Master Shared Services Agreement, 2024 Master Product Value Chain Services Agreement and 2024 Master Short Term Lease Agreement

Before entering into an individual agreement under the relevant framework agreement, the technical personnel and the finance department shall gather information regarding the product and service cost and market rate and pass on such information to the sales and marketing department which shall then determine the price or service fee based on the respective pricing principle under the relevant framework agreement, and with reference to at least two similar transactions conducted between the Group and Independent Third Parties to ensure that the terms offered by Sany Group Companies shall not be less favourable to the Group than terms offered by Independent Third Parties or, if such transactions are not available, two comparable transactions for similar services provided by other suppliers who are Independent Third Parties.

The terms are subject to further review and approval by the head of sales and marketing department prior to the signing and execution of the relevant agreement(s).

2024 Master Water and Electricity Purchase Agreement

After collecting the relevant information, the finance department of the Group would check the relevant electricity meter and water meter and ensure the actual charges payable by the Group for the purchase of water and electricity resources from Sany Group Companies are calculated by multiplying the volume of water and electricity in demand and the unit purchase price as promulgated by the relevant local regulatory authorities.

2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement

The basis of determining the prices of the products to be purchased by the Group under the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement will be in accordance with the prevailing market prices of similar products and based on the following principles:

- (i) with reference to at least two comparable transactions conducted between the Group and Independent Third Parties (if any) or if such transactions are not available, two comparable transactions conducted by other suppliers who are Independent Third Parties, taking into account the price, quality and other terms (such as payment terms, credit terms and after-sales services); and
- (ii) where the prevailing market price above is unavailable, such as for products tailor-made for the Group manufactured by Sany Group due to confidentiality of certain technical information, which the Group cannot seek other market prices for reference, the basis of determining prices of the parts and components and machinery produced by Sany Group Companies will be determined on arm's length negotiation and with reference to the manufacturing costs involved in the relevant part and component and machinery plus a gross margin ranging from 10% to 30%, with reference to the usual gross margin of the Group's procurement of other similar products from Independent Third Parties, which should be in any event no less favourable to the Group than terms offered by Independent Third Parties. In order to determine the gross margin of the products, including parts and components and machinery, the Company maintains a cost engineer in charge of the Group's procurement costs (the Group requires that such cost engineer should at least have three years of working experience in procurement department in the Group) to (1) collect the quotes obtained from Independent Third Parties and (2) conduct industry researches and price quotations on a monthly basis to obtain the latest industry standard, market price and breakdowns of costs of different kinds of products including but not limited to the similar parts and components and machinery in order to get a full picture of the gross margin charged on relevant products in the market as the Group's database. When the Company determines the prices of the

parts and components and machinery to be produced by Sany Group Companies, the cost engineer would provide advice on the suggested gross margin with reference to that of the similar parts and components and machinery. Based on the current database of the Group, the gross profit margin charged on the similar parts and components and machinery with similar costs structure ranges from 10%–30%. To ensure that the actual prices for the procurement of the Group under the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement are on normal commercial terms and on terms no less favourable to the Group than that offered by Independent Third Party, the internal audit department of the Group will conduct regular checks to review and assess, against manufacturing costs involved and Sany Group Companies' sales to other Independent Third Parties in the market, whether the products have been procured on normal commercial terms. If they are of the view that the prices of the procurement are less favourable to the Group than that available to Independent Third Parties, they will report the issue to the executive Directors and the chief executive officer in order to re-consider and re-negotiate the prices of the procurement.

Different review process will be applied to determine the supplier and the procurement price based on whether the comparable products with prevailing market price are available.

Products purchased under the 2023 Master Purchase Agreement (Supplemented) and the 2024 Supplemental Master Purchase Agreement must be on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties.

General

The Group has the following general internal control procedures to ensure all the continuing connected transactions are conducted in accordance with the requirements under Chapter 14A of the Listing Rules:

- (i) the Group's financial department has a designated employee to monitor related transactions conducted under each of the Existing Agreements, 2024 Supplemental Agreements and the 2024 New Master Agreements. When the transaction limit reaches 80% of the annual cap set under the respective agreement, he/she will promptly inform the business department of the Group and the chief financial officer such that the Group can arrange for a revision of the annual cap as appropriate, in compliance with all relevant requirements under Chapter 14A of the Listing Rules. No further transaction will be conducted in excess of the annual cap, and transactions will only resume after the Group has complied with all relevant Listing Rules requirements under Chapter 14A in relation to the revised annual cap;

- (ii) the internal audit department of the Group will conduct regular checks on a bi-annual basis to review and assess whether the transactions under each of the Existing Agreements, the 2024 Supplemental Agreements and the 2024 New Master Agreements have been conducted in accordance with the terms of the relevant agreements and on normal commercial terms;
- (iii) the Company's independent non-executive Directors will conduct an annual review of the transactions under each of the Existing Agreements, the 2024 Supplemental Agreements and the 2024 New Master Agreements to ensure that the Group has complied with its internal approval procedures, terms of the respective agreement and the relevant Listing Rules; and
- (iv) the Company will engage external auditors to conduct annual review of transactions under the Existing Agreements, the 2024 Supplemental Agreements and the 2024 New Master Agreements.

The Board considers that the internal control procedures and pricing policies adopted for the Existing Agreements, the 2024 Supplemental Agreements and the 2024 New Master Agreements are effective to ensure that the transactions contemplated under the Existing Agreements, the 2024 Supplemental Agreements and the 2024 New Master Agreements will be conducted on normal commercial terms and not prejudicial to the interest of the Company and the Shareholders as a whole.

EGM

The Company will convene and hold the EGM to approve the 2024 Supplemental Master Purchase Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder.

Vinco Financial Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the 2024 Supplemental Master Purchase Agreement.

CIRCULAR

A circular containing, among other things, further information on (i) the 2024 Supplemental Master Purchase Agreement; (ii) the notice of the EGM; (iii) the letter from Vinco Financial Limited to both the Independent Board Committee and the Independent Shareholders regarding the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder; and (iv) the recommendation of the Independent Board Committee to the Independent Shareholders in connection thereto, will be made available on the website of the Stock Exchange and the Company and despatched to the Shareholders (if necessary) as soon as possible. It is currently expected that the circular will be made available to the Shareholders on or before 13 November 2024.

GENERAL

Since Sany Group, being a party to the 2024 Supplemental Agreements and the 2024 New Master Agreements, is an associate of Mr. Liang, Mr. Liang Zaizhong, being the son of Mr. Liang, has abstained from voting on the Board resolutions approving each of the 2024 Supplemental Agreements and the 2024 New Master Agreements due to conflict of interests.

As Mr. Tang Xiuguo and Mr. Xiang Wenbo, each a non-executive Director, also have interests in Sany Group, they have also abstained from voting on the relevant Board resolutions approving each of the 2024 Supplemental Agreements and the 2024 New Master Agreements.

Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the 2024 Supplemental Agreements and the 2024 New Master Agreements and is therefore required to abstain from attending the Board meeting and/or voting on the Board resolutions approving the entering into of the 2024 Supplemental Agreements and the 2024 New Master Agreements and the transactions contemplated thereunder.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is an investment holding company and its subsidiaries are principally engaged in the design, manufacture and sales of mining equipment, logistics equipment, oil and gas equipment and emerging industry equipment products and spare parts and the provision of related services.

Information on Sany Group

Sany Group is principally engaged in high-tech industries, manufacture of automobile, cultural and educational industries, real estate industries, research and development of new materials and biotechnology and other related businesses. As at the date of this announcement, Sany Group is held as to 56.74% by Mr. Liang, 8.75% by Tang Xiuguo (a non-executive Director), 8% by Xiang Wenbo (a non-executive Director), 8% by Mao Zhongwu (an Independent Third Party), 0.5% by Liang Linhe (nephew of Mr. Liang), and 10 shareholders who are Independent Third Parties each of them holding less than 5.00% of equity interest of Sany Group.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“2022 Announcement”	the announcement of the Company dated 16 December 2022 regarding, among others, the 2023 Master Purchase Agreement, the 2023 Master Sales Agency Agreement, the 2023 Administrative Services Agreement and the 2023 Master Lease Agreement
“2023 Administrative Services Agreement”	the agreement entered into between the Company and Sany Group on 16 December 2022 in relation to the provision of certain administrative services by Sany Group Companies to the Group for a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
“2023 Administrative Services Agreement (Supplemented)”	the 2023 Administrative Services Agreement as supplemented by the 2023 Supplemental Administrative Services Agreement
“2023 Announcement”	the announcement of the Company dated 30 October 2023 regarding, among others, the 2023 Supplemental Master Purchase Agreement, the 2023 Supplemental Master Sales Agency Agreement, the 2023 Supplemental Administrative Services Agreement and the 2023 Supplemental Master Lease Agreement
“2023 January Circular”	the circular of the Company dated 18 January 2023 regarding, among others, the 2023 Master Purchase Agreement
“2023 Master Lease Agreement”	the agreement entered into between the Company and Sany Group dated 16 December 2022 in relation to Sany Group Companies leasing certain premises to the Group, for a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
“2023 Master Lease Agreement (Supplemented)”	the 2023 Master Lease Agreement as supplemented by the 2023 Supplemental Master Lease Agreement

“2023 Master Purchase Agreement”	the agreement entered into between the Company and Sany Group dated 16 December 2022 in relation to the Group’s purchases of parts and components and second-hand manufacturing equipment from Sany Group Companies, for a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
“2023 Master Purchase Agreement (Supplemented)”	the 2023 Master Purchase Agreement as supplemented by the 2023 Supplemental Master Purchase Agreement
“2023 Master Sales Agency Agreement”	the agreement entered into between the Company and Sany Group dated 16 December 2022 in relation to the provision of sales agency services by Sany Group Companies to the Group, for a term commencing from 1 January 2023 and ending on 31 December 2025 (both days inclusive)
“2023 Master Sales Agency Agreement (Supplemented)”	the 2023 Master Sales Agency Agreement as supplemented by the 2023 Supplemental Master Sales Agency Agreement
“2023 November Circular”	the circular of the Company dated 20 November 2023 regarding, among others, the 2023 Supplemental Master Purchase Agreement
“2023 Supplemental Administrative Services Agreement”	the supplemental agreement entered into between the Company and Sany Group on 30 October 2023 to supplement the 2023 Administrative Services Agreement
“2023 Supplemental Master Lease Agreement”	the supplemental agreement entered into between the Company and Sany Group on 30 October 2023 to supplement the 2023 Master Lease Agreement
“2023 Supplemental Master Purchase Agreement”	the supplemental agreement entered into between the Company and Sany Group on 30 October 2023 to supplement the 2023 Master Purchase Agreement
“2023 Supplemental Master Sales Agency Agreement”	the supplemental agreement entered into between the Company and Sany Group on 30 October 2023 to supplement the 2023 Master Sales Agency Agreement

“2024 Master Product Value Chain Services Agreement”	the agreement entered into between the Company and Sany Group on 24 October 2024 in relation to the provision of certain product value chain services such as product R&D services, market research services and after-sales services by Sany Group Companies to the Group
“2024 Master Shared Services Agreement”	the agreement entered into between the Company and Sany Group on 24 October 2024 in relation to the provision of certain services such as digital information system services, business procurement services, human resources recruitment and training services by Sany Group Companies to the Group
“2024 Master Short Term Lease Agreement”	the agreement entered into between the Company and Sany Group dated 24 October 2024 in relation to Sany Group Companies leasing certain premises to the Group, for a term commencing from 24 October 2024 and ending on 31 December 2026 (both days inclusive)
“2024 Master Water and Electricity Purchase Agreement”	the agreement entered into between the Company and Sany Group on 24 October 2024 in relation to the Group’s purchase of water and electricity resources from Sany Group Companies
“2024 New Master Agreements”	collectively, the 2024 Master Shared Services Agreement, the 2024 Master Product Value Chain Services Agreement, the 2024 Master Water and Electricity Purchase Agreement and the 2024 Master Short Term Lease Agreement
“2024 Supplemental Administrative Services Agreement”	the supplemental agreement entered into between the Company and Sany Group on 24 October 2024 to supplement the 2023 Administrative Services Agreement (Supplemented)
“2024 Supplemental Agreements”	collectively, the 2024 Supplemental Master Purchase Agreement, the 2024 Supplemental Master Sales Agency Agreement, the 2024 Supplemental Administrative Services Agreement and the 2024 Supplemental Master Lease Agreement
“2024 Supplemental Master Lease Agreement”	the supplemental master lease agreement entered into between the Company and Sany Group on 24 October 2024 to supplement the 2023 Master Lease Agreement (Supplemented)
“2024 Supplemental Master Purchase Agreement”	the supplemental agreement entered into between the Company and Sany Group on 24 October 2024 to supplement the 2023 Master Purchase Agreement (Supplemented)

“2024 Supplemental Master Sales Agency Agreement”	the supplemental agreement entered into between the Company and Sany Group 24 October 2024 to supplement the 2023 Master Sales Agency Agreement (Supplemented)
“associate”	has the same meaning ascribed to it under the Listing Rules
“Beijing Property”	certain premises owned by Sany Sun Valley, leased to Sany Intelligent Mining
“Beijing R&D Property”	certain premises owned by Sany Sun Valley, leased to Sany Intelligent Mining
“Board”	the board of Directors
“Company”	Sany Heavy Equipment International Holdings Company Limited (三一重裝國際控股有限公司), a company incorporated with limited liability on 23 July 2009 under the laws of the Cayman Islands and the Shares of which are listed on the Stock Exchange (stock code: 631)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Convertible Preference Shares”	the limited-voting convertible preference shares of the Company
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to, among others, consider and if thought fit, approve the 2024 Supplemental Master Purchase Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder
“Existing Agreements”	collectively, the 2023 Master Purchase Agreement (Supplemented), the 2023 Master Sales Agency Agreement (Supplemented), the 2023 Administrative Services Agreement (Supplemented) and the 2023 Master Lease Agreement (Supplemented)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hunan Property”	certain premises owned by Zhuzhou Sany Energy Equipment Co., Ltd.* (株洲三一能源裝備有限公司), Hunan Deutz AG Power Co., Ltd.* (湖南道依茨動力有限公司) and Sany Auto Manufacturing leased to the Group
“Hunan Sany Port Equipment”	Hunan Sany Port Equipment Co., Ltd.* (湖南三一港口設備有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, who have no material interest in the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder (including the annual cap for those transactions), namely Mr. Poon Chiu Kwok, Mr. Ng Yuk Keung, Mr. Hu Jiquan and Mr. Yang Shuyong
“Independent Financial Adviser” or “Vinco Financial”	Vinco Financial Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the 2024 Supplemental Master Purchase Agreement and the transactions contemplated thereunder (including the annual caps for those transactions)
“Independent Shareholders”	the Shareholders who are not interested in or involved in the 2024 Supplemental Master Purchase Agreement
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates
“Indonesia Property”	certain factories owned by PT. Sany Indonesia Mining Equipment with a floor area of up to approximately 22,500 sq.m., located in Jawa Barat, Indonesia
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Liang”	Mr. Liang Wengen, the controlling shareholder of the Company
“PRC”	the People’s Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Outlets Networking Property”	certain premises owned by Sany Northwest Heavy Industry and Sany Auto Manufacturing leased to Sany Heavy Equipment
“Sany Auto Manufacturing”	Sany Auto Manufacturing Co., Ltd.* (三一汽車製造有限公司), a company established under the laws of the PRC and a subsidiary of Sany Group
“Sany Energy Equipment”	Sany Energy Equipment Co., Ltd.* (三一能源裝備有限公司), a company established under the laws of the PRC and a subsidiary of the Group
“Sany Group”	三一集團有限公司 (Sany Group Limited*), a company with limited liability established on 18 October 2000 under the laws of the PRC
“Sany Group Companies”	Sany Group and its subsidiaries from time to time
“Sany Heavy Equipment”	Sany Heavy Equipment Co., Ltd.* (三一重型裝備有限公司), a company established under the laws of the PRC and a subsidiary of the Group
“Sany Hydrogen Energy”	Sany Hydrogen Energy Co., Ltd.* (三一氫能有限公司), a company established under the laws of the PRC and a subsidiary of the Group
“Sany Intelligent Mining”	Sany Intelligent Mining Technology Co., Ltd.* (三一智礦科技有限公司), a company established under the laws of the PRC and a subsidiary of the Company
“Sany Lithium Energy”	Sany Lithium Energy Co., Ltd.* (三一鋰能有限公司), a company established under the laws of the PRC and a subsidiary of the Group
“Sany Northwest Heavy Industry”	Sany Northwest Heavy Industry Co., Ltd.* (三一西北重工有限公司), a company established under the laws of the PRC and a subsidiary of Sany Group
“Sany Silicon Energy”	Sany Silicon Energy (Zhuzhou) Co., Ltd.* (三一硅能(株洲)有限公司), a company established under the laws of the PRC and a subsidiary of the Group

“Sany Sun Valley”	Beijing Sany Sun Valley Technology Co., Ltd.* (北京三一太陽谷科技有限公司), a company established under the laws of the PRC and a subsidiary of Sany Group
“Sany Technology Equipment”	Sany Technology Equipment Co., Ltd.* (三一技術裝備有限公司), a company established under the laws of the PRC and a subsidiary of the Group
“Shanghai Property”	certain premises owned by Shanghai Sany Technology Co., Ltd. leased to Hunan Sany Port Equipment
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

* *for identification only*

By the order of the Board
Sany Heavy Equipment International Holdings Company Limited

Mr. Liang Zaizhong

Chairman

Hong Kong, 24 October 2024

As at the date of this announcement, the executive Directors are Mr. Liang Zaizhong, Mr. Qi Jian and Mr. Fu Weizhong, the non-executive Directors are Mr. Tang Xiuguo and Mr. Xiang Wenbo, and the independent non-executive Directors are Mr. Ng Yuk Keung, Mr. Poon Chiu Kwok, Mr. Hu Jiquan and Mr. Yang Shuyong.