SANY HEAVY EQUIPMENT INTERNATIONAL HOLDINGS COMPANY LIMITED
三一重裝國際控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 631)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL SUMMARY

- Turnover increased from approximately RMB2,683.5 million in 2010 to approximately RMB3,780.2 million in 2011, representing a year-on-year increase of approximately 40.9%.
- Net profit attributable to shareholders of the Company increased from approximately RMB670.5 million in 2010 to approximately RMB774.4 million in 2011, representing a year-on-year increase of approximately 15.5%.
- The basic earnings per ordinary share were approximately RMB0.25 Yuan in 2011.
- The Board proposed the payment of a final dividend of HK5.6 cents per ordinary share of the Company (2010: HK7.6 cents).

The board of directors (the "Board") of Sany Heavy Equipment International Holdings Company Limited (the "Company") is pleased to announce the annual consolidated results of the Company and its subsidiaries (collectively, referred to as the "Group") for the year ended 31 December 2011, together with comparative figures for the preceding financial year ended 31 December 2010.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2011

	Notes	2011 RMB'000	2010 RMB'000
REVENUE	4	**3,780,183**	2,683,461
Cost of sales		**(2,254,484)**	(1,445,011)
Gross profit		**1,525,699**	1,238,450
Other income and gains	4	**217,130**	89,219
Selling and distribution costs		**(465,253)**	(335,361)
Administrative expenses		**(382,015)**	(248,776)
Other expenses	5	**(11,213)**	(17,908)
Finance costs	6	**(4,679)**	(5,778)
PROFIT BEFORE TAX	5	**879,669**	719,846
Income tax expense	7	**(105,314)**	(49,334)
PROFIT FOR THE YEAR		**774,355**	670,512
Attributable to:			
Owners of the parent		**774,355**	670,512
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
			(Restated)
Basic *(RMB Yuan)*	9	**0.25**	0.22
			(Restated)
Diluted *(RMB Yuan)*	9	**0.25**	0.22

Details of the dividends payable and proposed for the year are disclosed in note 8.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	2011	2010
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**774,355**	670,512
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**(19,631)**	(20,898)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(19,631)**	(20,898)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**754,724**	649,614
Attributable to:		
Owners of the parent	**754,724**	649,614

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2011

	Notes	31 December 2011 RMB'000	31 December 2010 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,656,800**	837,707
Prepaid land lease payments		**434,913**	326,158
Intangible assets		**42,774**	–
Non-current prepayments		**392,665**	110,659
Deferred tax assets		**113,458**	82,435
Total non-current assets		**2,640,610**	1,356,959
CURRENT ASSETS			
Inventories	*10*	**719,049**	384,297
Trade receivables	*11*	**1,526,352**	874,417
Bills receivable	*11*	**771,738**	281,785
Prepayments, deposits and other receivables		**402,999**	227,708
Financial assets at fair value through profit or loss		**12,490**	12,233
Investment deposits		**535,670**	768,560
Time deposits		**324,296**	1,177,250
Pledged deposits		**55,431**	37,718
Cash and cash equivalents		**477,516**	762,534
Total current assets		**4,825,541**	4,526,502
CURRENT LIABILITIES			
Trade and bills payables	*12*	**737,992**	277,973
Other payables and accruals		**725,614**	446,906
Due to a fellow subsidiary		**134,405**	–
Tax payable		**99,944**	86,934
Provision for warranties		**47,583**	31,934
Government grants		**17,308**	6,655
Total current liabilities		**1,762,846**	850,402
NET CURRENT ASSETS		**3,062,695**	3,676,100
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,703,305**	5,033,059

	Notes	31 December 2011 RMB'000	31 Decemeber 2010 RMB'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		–	1,835
Government grants		**329,547**	279,481
Total non-current liabilities		**329,547**	281,316
Net assets		**5,373,758**	4,751,743
EQUITY			
Equity attributable to owners of the parent			
Issued capital	*13*	**270,110**	182,801
Reserves		**4,962,484**	4,436,233
Proposed final dividend	*8*	**141,164**	132,709
Total equity		**5,373,758**	4,751,743

1. CORPORATE INFORMATION

Sany Heavy Equipment International Holdings Company Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 23 July 2009. The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the head office and principal place of business of the Company is located at 31 Yansaihu Street, Economic and Technological Development Area, Shenyang City, Liaoning Province, the People's Republic of China (the "PRC"). The Group is principally engaged in the manufacture and sale of roadheaders, combined coal mining units ("CCMUs") and coal mine transportation vehicles in Mainland China.

In the opinion of the directors of the Company (the "Directors"), as at the date of this report, the holding company and the ultimate holding company of the Company are Sany Hongkong Group Limited and Sany Heavy Equipment Investments Company Limited, respectively.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations approved by the International Accounting Standards Board, and the International Accounting Standards and Standing Interpretations Committee Interpretations approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for financial assets at fair value through profit or loss and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2011. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

IFRS 1 Amendment	Amendment to IFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters*
IAS 24 (Revised)	*Related Party Disclosures*
IAS 32 Amendment	Amendment to IAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
IFRIC 14 Amendments	Amendments to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to IFRSs 2010	Amendments to a number of IFRSs issued in May 2010

The principal effects of adopting these new and revised IFRSs are as follows:

(a) The IFRS 1 Amendment allows a first-time adopter to utilise the transitional provisions in paragraph 44G of IFRS 7 and not to provide comparative figures for certain disclosures in an entity's first IFRS financial statements. The transitional provisions in IFRS 7 have also been amended to clarify that the disclosures required by Amendments to IFRS 7 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments* issued in March 2009 need not be provided for (i) annual or interim periods, including any statement of financial position presented within an annual comparative period ended before 31 December 2009 and (ii) any statement of financial position as at the beginning of the earliest comparative period as at a date before 31 December 2009. As the Group is not a first-time adopter of IFRSs, the IFRS 1 Amendment is not applicable to the Group.

(b) IAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group as the Company is not a government-controlled entity.

(c) The IAS 32 Amendment revises the definition of financial liabilities such that rights, options or warrants issued to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, provided that the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. The amendment will not have any financial impact on the Group.

(d) The IFRIC 14 Amendments remove an unintended consequence arising from the treatment of prepayments of future contributions in certain circumstances when there is a minimum funding requirement. The amendments require an entity to treat the benefit of an early payment as a pension asset. The economic benefit available as a reduction in future contributions is thus equal to the sum of (i) the prepayment for future services and (ii) the estimated future services costs less the estimated minimum funding requirement contributions that would be required as if there were no prepayments. As the Group has had no defined benefit schemes, the adoption of the amendments will not have any financial impact on the Group.

(e) IFRIC 19 addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are a consideration paid in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* and the difference between the carrying amount of the financial liability extinguished, and the consideration paid, shall be recognised in profit or loss. The consideration paid should be measured based on the fair value of the equity instrument issued or, if the fair value of the equity instrument cannot be reliably measured, the fair value of the financial liability extinguished. The interpretation will not have any financial impact on the Group.

(f) *Improvements to IFRSs 2010* issued in May 2010 sets out amendments to a number of IFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- IFRS 3 *Business Combinations:* The amendment clarifies that the amendments to IFRS 7, IAS 32 and IAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- IAS 1 *Presentation of Financial Statements:* The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- IAS 27 *Consolidated and Separate Financial Statements:* The amendment clarifies that the consequential amendments from IAS 27 (as revised in 2008) made to IAS 21, IAS 28 and IAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has one reportable operating segment as follows:

The heavy equipment segment principally produces roadheaders, CCMUs and coal mine transportation vehicles.

No operating segments have been aggregated to form the above reportable operating segment.

Over 90% of the Group's revenue is derived from customers based in Mainland China and all the Group's identifiable assets and liabilities are located in the PRC.

Information about a major customer

Revenue of approximately RMB666,047,000 (2010: Nil) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services provided, after allowances for returns and trade discounts.

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

	Group	
	2011	2010
	RMB'000	*RMB'000*
Revenue		
Sale of goods	**3,736,906**	2,663,344
Rendering of services	**43,277**	20,117
	3,780,183	2,683,461
Other income		
Bank interest income	**10,416**	15,336
Profit from the sale of scrap materials	**69,373**	36,393
Government grants	**83,304**	12,762
Others	**222**	4,722
	163,315	69,213
Gains		
Gains from investment deposits	**33,371**	7,773
Exchange gains	**20,444**	–
Fair value gains on derivative financial instruments	**–**	12,233
	53,815	20,006
	217,130	89,219

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Notes	Group 2011 RMB'000	Group 2010 RMB'000
Cost of inventories sold		**2,225,722**	1,434,259
Cost of services provided		**28,762**	10,752
Depreciation		**58,188**	33,943
Amortisation of land lease prepayments		**6,926**	6,926
Auditors' remuneration		**2,000**	2,000
Provision for warranties*		**61,961**	68,429
Research and development costs**		**185,800**	120,798
Minimum lease payments under operating leases:			
Dormitories for staff		**2,399**	2,853
Warehouses		**2,644**	1,074
		5,043	3,927
Employee benefit expenses (including directors' remuneration):			
Wages and salaries		**304,090**	237,192
Pension scheme contributions		**41,994**	14,265
Other staff welfare		**19,591**	9,180
		365,675	260,637
Other expenses:			
Foreign exchange differences, net		**–**	4,776
Impairment of trade receivables	*11*	**6,121**	2,748
Provision against slow-moving and obsolete inventories	*10*	**4,198**	9,872
Loss on disposal of items of property, plant and equipment		**894**	512
		11,213	17,908

* Provision for warranties is included in "Selling and distribution costs" in the consolidated income statement.

** Research and development costs are included in "Administrative expenses" in the consolidated income statement.

6. FINANCE COSTS

	Group	
	2011	2010
	RMB'000	*RMB'000*
Interest on discounted bills	**4,679**	5,778

7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Pursuant to the PRC Income Tax Law and the respective regulations, except for certain preferential tax treatment available to certain subsidiaries operating in Mainland China, the companies of the Group which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on their respective taxable income for the year ended 31 December 2011.

The Group's principal operating company, Sany Heavy Equipment Co., Ltd. (三一重型裝備有限公司)("Sany Heavy Equipment"), obtained the high technology enterprise accreditation and hence was subject to CIT at a rate of 15% in 2011.

	Group	
	2011	2010
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**138,172**	59,758
Deferred	**(32,858)**	(10,424)
Total tax charge for the year	**105,314**	49,334

A reconciliation of the income tax expense applicable to profit before tax using the statutory rate for the location in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rate, and a reconciliation of the applicable rate to the effective tax rate, are as follows:

	Group			
	2011		2010	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**879,669**		719,846	
Tax at the statutory tax rate	**219,917**	25.0	179,962	25.0
Entities subject to lower statutory income tax rates	**(94,353)**	(10.7)	(98,479)	(13.7)
Expenses not deductible for tax	**8,419**	1.0	8,925	1.2
Tax effect of change in tax rate when temporary difference is realised	**109**	0.0	(983)	(0.1)
Super-deduction of research and development costs	**(17,064)**	(1.9)	(18,227)	(2.5)
Income not subject to tax	**(12,935)**	(1.5)	(5,894)	(0.8)
Tax concession granted	**–**	–	(14,419)	(2.0)
Tax losses not recognised	**1,221**	0.1	826	0.1
Others	**–**	–	(2,377)	(0.3)
Tax charge at the Group's effective tax rate	**105,314**	12.0	49,334	6.9

8. DIVIDEND

	2011	2010
	RMB'000	*RMB'000*
Proposed final – HK5.6 cents (2010: HK7.6 cents) per ordinary share	**141,164**	132,709

The final dividend of HK5.6 cents per share is subject to approval by the shareholders in annual general meeting. Such dividend will be distributed from the share premium of the Company. In the opinion of the Directors, such distribution is in compliance with the Articles of Association adopted by the Company on 23 July 2009, which states that dividend may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution, dividend may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law of the Cayman Islands; subject to the provisions of its Memorandum of Association or Articles of Association and provided that immediately following the distribution or paying dividend the Company will be able to pay its debts as they fall due in the ordinary course of business.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit for the year ended 31 December 2011 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,112,500,000 in issue during the year, as adjusted to reflect the issue of bonus shares on 26 May 2011. The weighted average number of ordinary shares in issue during the year ended 31 December 2010 has been retrospectively restated to 3,112,500,000 ordinary shares to reflect the issue of bonus shares.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2011 and 2010 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those years.

10. INVENTORIES

	Group	
	2011	2010
	RMB'000	*RMB'000*
Raw materials	**247,018**	123,706
Work in progress	**235,589**	120,613
Finished goods	**249,827**	150,898
	732,434	395,217
Less: Provision against slow-moving and obsolete inventories	**(13,385)**	(10,920)
	719,049	384,297

The movements in the provision against slow-moving and obsolete inventories are as follows:

		Group	
	Note	**2011**	2010
		RMB'000	*RMB'000*
At 1 January		**10,920**	11,806
Charge for the year	*5*	**4,198**	9,872
Amount written off		**(1,733)**	(10,758)
At 31 December		**13,385**	10,920

11. TRADE AND BILLS RECEIVABLES

	Group 2011 RMB'000	2010 RMB'000
Trade receivables	**1,560,473**	907,346
Impairment	**(34,121)**	(32,929)
Trade receivables, net	**1,526,352**	874,417
Bills receivable	**771,738**	281,785

The Group generally requires its customers to make payments at various stages of the sales transactions, however, the Group grants certain credit periods to old customers with good payment history. The credit periods of individual customers are considered on a case-by-case basis and are set out in the sales contracts, as appropriate. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

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

	Group 2011 RMB'000	2010 RMB'000
Within 60 days	**597,244**	528,159
61 to 90 days	**388,913**	86,431
91 to 180 days	**202,559**	119,464
181 to 365 days	**202,240**	103,950
Over 1 year	**135,396**	36,413
	1,526,352	874,417

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

		Group	
	Note	**2011**	2010
		RMB'000	*RMB'000*
At 1 January		**32,929**	30,332
Impairment losses recognised	*5*	**6,121**	2,748
Amount written off as uncollectible		**(4,929)**	(151)
At 31 December		**34,121**	32,929

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB34,121,000 (2010: RMB32,929,000) with a carrying amount before provision of RMB34,121,000 (2010: RMB32,929,000).

The individually impaired trade receivables relate to customers that were in financial difficulties or in default in payments. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		Neither past	**Past due but not impaired**		
		due nor	**Within 180**	**181 to 365**	**Over 1**
Group	**Total**	**impaired**	**days**	**days**	**year**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2011	1,526,352	1,416,170	100,985	6,135	3,062
31 December 2010	874,417	801,700	53,654	14,384	4,679

Receivables that were neither past due nor impaired relate to a number of diversified customers for whom there was no recent history of default.

The trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

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

	Group	
	2011	2010
	RMB'000	*RMB'000*
Within 6 months	**771,738**	281,785

Included in the balances of bills receivable are amounts of approximately RMB41,000,000 (2010: approximately RMB33,142,000) which were pledged to secure the issuance of bills payable.

12. TRADE AND BILLS PAYABLES

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

	Group	
	2011	2010
	RMB'000	*RMB'000*
Within 30 days	**247,812**	88,470
31 to 90 days	**236,512**	109,358
91 to 180 days	**225,104**	60,289
181 days to 365 days	**17,326**	10,056
Over 1 year	**11,238**	9,800
	737,992	277,973

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

The bills payable are all due within 180 days.

13. SHARE CAPITAL

	2011	2010
	HK$'000	*HK$'000*
Authorised:		
5,000,000,000 ordinary shares (31 December 2010: 3,000,000,000 ordinary shares) of HK$0.10 each	**500,000**	300,000
Issued and fully paid:		
3,112,500,000 ordinary shares (31 December 2010: 2,075,000,000 ordinary shares) of HK$0.10 each	**311,250**	207,500
Equivalent to RMB'000	**270,110**	182,801

Pursuant to the resolution on the issue of bonus shares and the increase in the Company's share capital at the annual general meeting held on 13 May 2011, the authorised share capital of the Company was increased to HK$500,000,000 divided into 5,000,000,000 ordinary shares of HK$0.10 each, and the Company's issued share capital was increased to HK$311,250,000 divided into 3,112,500,000 ordinary shares of HK$0.10 each by capitalising the share premium of the Company, pursuant to which 1,037,500,000 bonus shares have been allotted and issued.

INDUSTRY OVERVIEW

As the coal industry is less susceptible to economic cycles, the impact of the gloomy global economy in 2011 on the coal-related machinery industry was limited. Furthermore, benefited from government's encouragement of mechanization in coal mining and the renewal and replacement of coal machinery and equipment, the coal-related machinery market of China maintained a steady growth momentum in 2011. The demand for new equipment from merged coal mines as well as the demand for renewal and upgrade of equipment in production are also expected to create strong potential demand for the Group's products.

BUSINESS REVIEW

Results overview

Despite the limitation in the Group's production capacity, the Group achieved remarkable results by adopting a market-oriented approach, aiming at satisfying customers' demand and following the core philosophy of leading the industry with technological innovation. The leading position of the Group's main product, roadheaders, was further solidified, while our CCMUs, a new product in the industry, gained wide recognition in the market. Sales of these products, combined with a sharp growth in revenue from after sale services and spare parts, drove a significant rise in the Group's revenue. The Group recorded revenue of approximately RMB3,780.2 million in 2011, representing a significant growth of approximately 40.9% from approximately RMB2,683.5 million in 2010. Gross profit reached approximately RMB1,525.7 million, an increase of approximately 23.2% year-on-year, while gross profit margin decreased by approximately 5.8 percent points from 2010 to approximately 40.4% and net profit grew by approximately 15.5% year-on-year to approximately RMB774.4 million.

Major products

The products of the Group may be broadly categorised into roadheaders, CCMUs, spare parts and services and other products. Roadheaders include all sorts of soft rock and hard rock roadheaders; CCMUs include coal mining machines (shearer), hydraulic support system (hydraulic support), scraper conveyors (Armored-Face Conveyers) and centralised control system; and other products include underground vehicles such as shuttle car, shield carrier and material vehicle, and continuous mining machinery and coal mine concrete pumps which are not the three foregoing major products. During the period under review, the product mix of the Group extended to surface mining transport equipment by adding off-highway mining trucks with carrying capacity of 33 to 230 tonnes. The addition of off-highway mining trucks further enriches the Group's product portfolio, rendering the Group a complete one-stop supplier of integrated coal mining equipment and services for its customers.

Research and development capability

As a leading enterprise spearheading the industry's technological advances, the Group always sets its eyes on state-of-the-art technology, and has continuously been increasing investments in research and development ("R&D") in order to establish a top of the industry and world-class R&D team. The Group offers products at a reasonable price that are of higher quality compared to its competition in the same price range. In addition to raising the R&D standard in China, the Group has invested and established R&D centers in the United States and Germany and recruited experienced foreign research experts. These overseas R&D centers enable the Group to keep abreast of the most advanced R&D concepts in the world, which the Group can use to enhance its R&D capability and manufacturing standard, and also promote the Group's brand overseas. As a pioneer in innovative technologies in the industry, the Group obtained 204 patents, of which 14 were patented inventions in 2011.

As of 31 December 2011, the number of the Group's R&D personnel increased by approximately 52.5% to 915, representing approximately 18.5% of the Group's employees. R&D expenses increased by approximately RMB65.0 million to approximately RMB185.8 million year-on-year. The ratio of R&D expenses to revenue increased by approximately 0.4 percent point to approximately 4.9%.

New products

Leveraging on its excellent R&D capability, the Group has launched a number of products which are first of its kind in the industry based on market needs, and has been continuously upgrading its existing products. The innovation of the Group has had a profound impact on the development direction of the industry and changed the world. During 2011, the Group researched and developed a horizontal shaft roadheader with 418KW cutting power which is specially designed for drilling wide tunnels in coal mines. The Group also successfully produced its self-developed drilling machine used in narrow tunnels, which plays an important role to facilitate the mechanization process of hard rock tunnels excavation while providing a new direction for the development of excavation and mining equipment. Wireless remote control system is used in pilot models of a new generation of roadheaders which allows comprehensive remote operation and greatly improves the safety of operation personnel. The offering of CCMUs has addressed the issue of compatibility among equipment produced by different manufacturers for integrated coal mining as well as the lack of consideration for the overall system design when the equipment are separately developed. These new products will also enjoy the upgrade support from the Group. The Group has launched various high-new technology products and as a new generation of armoured-face conveyors and leading 8-meters hydraulic roof supports. The overall technological level of the Group's products has reached a world-class level and is leading the coal machinery industry to scale new heights, which represents a new stage in our mission of changing the world.

Capacity expansion

In order to satisfy the market's growing demand, the Group will further improve and strengthen its production ability and expedite the full utilization of capacity. Currently, four plants have been completed in the Group's new industrial park located in the Shenyang Economic and Technology Development Zone. It is expected that the construction of the new industrial park will be fully completed in 2012, and the capacity for CCMUs will be further increased. In addition to the new industrial park in Shenyang, the Group's industrial park in Taiyuan formally commenced construction on 11 August 2011 and is expected to be completed in two years. After the completion and operation of the industrial park in Taiyuan, the Group's production capacity will be significantly increased. The Group also intends to acquire land plots in major coal production regions for further expansion of production capacity in future. The Group is also committed to enhancing production capacity in the production site at the Shenyang industrial park through equipment upgrade and optimization of production process.

Distribution and service

The Group optimised its management system in accordance with the market condition in China to realise strategic targets such as eliminating risks and reducing costs. The Group has implemented a new policy to adopt the independent distributor model since August 2010. The Group succeeded in transforming its marketing model and the independent distributors with transformed model continuously gained successful bids, attaining remarkable achievements in project bidding among state-owned coal mining enterprises. The Group will continue to strengthen the communication with its customers, extend the scope of collaboration, consolidate the achievements of collaboration, realize the alliance between leading companies and attain win-win development.

The Group has been developing overseas market to seek more growth opportunities, and has achieved remarkable result in this respect. During the period under review, the Group participated in international exhibitions held in Vietnam, Korea, Russia, Asia-Europe Expo, etc. Through participation in high level forums and representative exhibitions, holding product promotion conferences and using advertisements, the Group constantly increases communication with customers, industry associations and authoritative personnel in the industry to promote the awareness of our products and brand. The Group successfully signed service agent agreement in Ukraine and distributor agreement in Australia, in an effort to develop the high-end coal-mining machineries market of major coal producing countries, signifying an important development in the establishment of the Group's international distribution network. After development in recent years, the fine quality of the Group's product has now been widely recognized by the global market and our brand's influence in the world has grown significantly, which, we believe, has helped change the perception of "made in China" among business and consumers around the world.

The Group adheres to the business philosophy of "All for Customers" and aims at providing the best services in the industry. We continued in innovating our services. After initiating the "Mines-stationed Services", "Nurse-style Services" and "Patrol Services", we launched quantifiable service commitment, which is unique in the industry. The Group takes "the Quickest Arrival, the Quickest Supply of Spare Parts and the Quickest Problem-Solving Process" as the target of its services, and vows to commit to "Three Quickness, Spare Parts Supply, Life-long Worry-free", which is manifested through our quantifiable service commitment of "Personnel Arrival within 2 Hours, Spare Parts Arrival within 8 Hours, and Solving Problems within 12 Hours". The Group focuses on customers' needs and strives to satisfy their production demands. At the same time, the Group introduced the unique service concepts of "one stop service" and "one policy for one situation, and one policy for one district". Pursuant to such concepts, the point to point service model is customised to suit particular districts and customers, taking a further step in putting the "All for Customers" philosophy into practice. As at 31 December 2011, the Group had 75 warehouses, 19 maintenance centers, 84 service offices and 66 mine-stationed service outlets, covering throughout the main coal production regions in 19 provinces of China and located in the neighbourhood of its customers, demonstrating the Group's leadership in quality and service in the industry.

FINANCIAL REVIEW

Revenue

During the 2011 financial year, the Group's sales income grew steadily to approximately RMB3,780.2 million (2010: approximately RMB2,683.5 million), representing a growth of approximately 40.9%. The growth rate of our sales income was higher than that of our major competitive partners. Roadheaders continued to capture the largest market share, consolidating its leading position further. CCMUs was highly recognized by our customers and attained remarkable growth in sales income. Following sustaining sales of the product, the accumulative quantity sold to customers keeps increasing, which led to a sharp increase in sales of spare parts.

Product categories

	2011	2010	Percentage growth
	RMB million	*RMB million*	*%*
Roadheaders	**2,544.2**	1,943.3	30.9%
CCMUs	**599.1**	312.0	92.0%
Spare parts and services	**573.1**	335.9	70.6%
Other products	**63.8**	92.3	-30.9%
	3,780.2	2,683.5	40.9%

Roadheaders

For the year ended 31 December 2011, revenue from the sales of roadheaders increased significantly by about 30.9% to approximately RMB2,544.2 million (2010: approximately RMB1,943.3 million), mainly due to the continuous growth of roadheaders sales and growing demand for large roadheaders with high gross profit margin from customers.

CCMUs

For the year ended 31 December 2011, revenue from the sales of CCMUs increased significantly by about 92.0% to approximately RMB599.1 million (2010: approximately RMB312.0 million), mainly due to the fact that the Group succeeded in shaping demand from customers and the technology level and quality of our products gained wide recognition from customers.

Spare parts and services

For the year ended 31 December 2011, revenue from the sales of spare parts and services increased significantly by about 70.6% to approximately RMB573.1 million (2010: approximately RMB335.9 million), mainly due to the increase in the accumulative quantities of products sold to the Group's customers, and the Group's excellent services have created higher than expected value added for customers.

Other products

For the year ended 31 December 2011, revenue from the sales of other products decreased by about 30.9% to approximately RMB63.8 million (2010: approximately RMB92.3 million), mainly due to the restriction of capacity as the Group gave priority to the development of roadheaders and CCMUs.

Other income

For the year ended 31 December 2011, the Group's other income was approximately RMB217.1 million (2010: approximately RMB89.2 million), representing a year-on-year growth of approximately 143.4%. The growth was mainly due to (1) government's grants of approximately RMB83.3 million to support R&D projects and establishment of industrial parks; (2) gains of approximately RMB69.4 million from sale of scarp materials; and (3) bank interest income and gains from investment deposits of approximately RMB43.8 million.

Customer composition and regional analysis

For the year ended 31 December 2011, the Group's income mainly came from Shanxi, Anhui, Shaanxi, Inner Mongolia and Henan. Income from these five provinces represented approximately 74.0% of the Group's total sales, an increase of approximately 5.6 percent points over last year. Benefited from mergers of coal mines, sales income from Shanxi Province accounted for approximately 38.0% of the Group's total income (2010: approximately 32.8%). For the year ended 31 December 2011, the proportion of sales to large state-owned coal enterprises increased further.

Cost of sales

For the year ended 31 December 2011, the Group's cost of sales were approximately RMB2,254.5 million (2010: approximately RMB1,445.0 million), representing an increase of approximately 56.0%. The increase was mainly due to the significant increase in the Group's sales revenue.

Gross profit and gross margin

For the year ended 31 December 2011, the gross profit of the Group was approximately RMB1,525.7 million (2010: approximately RMB1,238.5 million), representing a year-on-year growth of approximately 23.2%. Gross margin was approximately 40.4% (2010: approximately 46.2%), representing a decrease of approximately 5.8 percent points year-on-year. The decrease was mainly due to the difference in gross margin between various products and the change in the product mix. To satisfy the large increase in market demand for CCMUs, the Group strived to increase capacity and as a result, significant fixed costs was invested during the period which led to a low gross margin for CCMUs. However, as the capacity has been increasing, the economy of scale will be achieved gradually which will bring unit production cost down and the gross margin for CCMUs as well as the overall gross margin will be improved significantly.

Profit margin before tax

For the year ended 31 December 2011, the Group's profit margin before tax was approximately 23.3% which decreased approximately 3.5 percent points from 2010. The decrease was mainly due to the Group's continual increase in R&D investment and marketing effort. In addition, the Group also continuously increased investments in services, upgraded software and hardware facilities as to provide services which exceed customers' expectation and provide customer with life-long worry-free after sales services.

Selling and distribution costs

For the year ended 31 December 2011, the selling and distribution costs of the Group were approximately RMB465.3 million (2010: approximately RMB335.4 million), representing a year-on-year increase of approximately 38.7%. For the year ended 31 December 2011, the ratio of the Group's selling and distribution costs to revenue decreased by approximately 0.2 percent point year-on-year to approximately 12.3%. The decrease was mainly due to the economy scale being gradually benefited the selling and distribution costs along with the expansion of Group's sales volume.

Research and development expenses

For the year ended 31 December 2011, research and development expenses of the Group were approximately RMB185.8 million, and its ratio to revenue was approximately 4.9%, representing an increase of approximately 0.4 percent point from approximately 4.5% of 2010. The Group is committed to building a highly competitive and first-class R&D team, and fully utilizing overseas talent resources. It seeks to break traditional concepts and lower production costs further through developing standardized products that can be used generally.

Administrative expenses

For the year ended 31 December 2011, administrative expenses of the Group were approximately RMB382.0 million. The ratio of administrative expenses excluding research and development expenses to revenue increased approximately 0.4 percent point to approximately 5.2% from approximately 4.8% of 2010. The increase was mainly due to the change in national tax law and as a result, foreign enterprises cease to enjoy reduction or relief of urban construction tax and education surcharge.

Finance costs

For the year ended 31 December 2011, finance costs of the Group were approximately RMB4.7 million (2010: approximately RMB5.8 million). The main cause of the decrease is a reduction of discounted bills receivable under the rational and coordinated arrangement of the Group.

Taxation

Sany Heavy Equipment, a wholly-owned subsidiary of the Group, is a National High New Technology Enterprise in Liaoning Province and is entitled to preferential tax treatments. The Group's effective tax rate in 2011 was approximately 12.0% (2010: effective tax rate approximately 6.9%). The increase was mainly due to the fact that the income tax rate of Sany Heavy Equipment increased to 15%. The income tax increased from approximately RMB49.3 million for the year ended 31 December 2010 to approximately RMB105.3 million for the year ended 31 December 2011, of which current income tax was approximately RMB138.2 million (2010: approximately RMB59.8 million) and deferred income tax gain was approximately RMB32.9 million (2010: approximately RMB10.4 million).

Profit attributable to equity holders of the Company

For the year ended 31 December 2011, the Group's profit attributable to equity holders was approximately RMB774.4 million (2010: approximately RMB670.5 million), representing a year-on-year growth of approximately 15.5%.

Liquidity and financial resources

As at 31 December 2011, current assets of the Group were approximately RMB4,825.5 million (31 December 2010: approximately RMB4,526.5 million). As of 31 December 2011, current liabilities of the Group were approximately RMB1,762.8 million (31 December 2010: approximately RMB850.4 million).

As at 31 December 2011, total assets of the Group were approximately RMB7,466.2 million (31 December 2010: approximately RMB5,883.5 million), and total liabilities were approximately RMB2,092.4 million (31 December 2010: approximately RMB1,131.7 million). As at 31 December 2011, the asset to liability ratio of the Group was approximately 28.0%.

As of 31 December 2011, the Group did not have any bank borrowings.

As at 31 December 2011, the Group had sufficient cash and a large amount of credit facility at banks that had not been utilized.

Trade and bills receivables

As at 31 December 2011, the Group's trade and bills receivables was approximately RMB2,298.1 million, representing an increase of approximately 98.8% from approximately RMB1,156.2 million as of 31 December 2010, of which trade receivables was approximately RMB1,526.4 million, representing an increase of approximately 74.6% from approximately RMB874.4 million as of 31 December 2010 and bills receivable was approximately RMB771.7 million, representing an increase of approximately 173.8% from approximately RMB281.8 million as of 31 December 2010. This was mainly due to (i) increase in retention money and receivables in line with the significant increase in sales income; (ii) the fact that the proportion of financing sales in sales income substantially decreased from approximately 11.7% to approximately 2.1%; and (iii) increase in the proportion of sales to major customers.

Cash flow

As compared with the beginning of this year, cash and cash equivalents of the Group decreased by approximately RMB285.0 million to approximately RMB477.5 million. The cash and cash equivalents of the Group, investment deposits and time deposits with maturity of three months or more were approximately RMB1,337.5 million in total.

For the year ended 31 December 2011, the net cash outflow from operating activities was approximately RMB219.6 million (2010: the net cash inflow of approximately RMB279.9 million). For the main reason of the decrease, please see the above paragraph "Trade and bills receivables".

For the year ended 31 December 2011, the net cash inflow from investing activities was approximately RMB111.7 million (2010: the net cash outflow from of approximately RMB2,273.0 million). The decreases were mainly due to term deposits with original maturity of three months or more when acquired and investment deposits expired.

For the year ended 31 December 2011, the net cash outflow from financing activities of the Group was approximately RMB157.5 million (2010: the net cash outflow of approximately RMB89.3 million). The decrease was mainly due to the Group's payment of approximately RMB132.7 million as dividend in 2011.

Turnover days

The average turnover days of inventory in 2011 was approximately 91.3 days, representing a decrease of approximately 30.6 days from approximately 121.9 days in 2010. The improvement was mainly due to: (i) the effort made by the Group's management to optimize its inventory management model, and formulated rational production plan in accordance with the market demand of different products; (ii) a matured and stable customer base has been established for roadheaders which enabled planned production; and (iii) sales of CCMUs increased significantly, but its supply was not able to meet demand due to capacity limitation.

Due to its stringent approval process of customers' credit standings, the Group was able to keep a bad debt loss of near zero. The turnover days of trade and bills receivables in 2011 were approximately 170.0 days, representing an increase of approximately 31.5 days from approximately 138.5 days in 2010. For the main reason of the increase, please see the above paragraph "Trade and bills receivables".

Turnover days of trade and bills payables slightly decreased by approximately 0.8 day from approximately 83.0 days in 2010 to approximately 82.2 days in 2011.

Contingent liabilities

As at 31 December 2011, the Group had no material contingent liability.

Capital commitment

As at 31 December 2011, the contracted capital commitments of the Group which are not provided for in the financial statements were approximately RMB626.3 million (31 December 2010: approximately RMB500.7 million).

Employees and remuneration policy

As at 31 December 2011, the Group had 4,958 employees (31 December 2010: 3,625 employees).

	31 December 2011		31 December 2010		
	Number of employees	**Percentage to total employees**	Number of employees	Percentage to total employees	Change in percentage
Manufacturing	**2,747**	**55.4%**	1,489	41.1%	14.3 points
Product research and development	**915**	**18.5%**	600	16.5%	2.0 points
Sale and services	**388**	**7.8%**	606	16.7%	-8.9 points
Management	**908**	**18.3%**	930	25.7%	-7.4 points
Total employees	**4,958**	**100%**	3,625	100%	

To keep up with the planned expansion of production capacity, the Group actively built up its pool of technical talents in manufacturing during the period under review. As an innovative enterprise, the Group emphasizes on the introduction of high-caliber research and development talents to expand its existing R&D team, ensuring the standard and innovation pace of core products and leading the industry's development. Meanwhile, the Group continually improves its management standard, adjusts distribution model and optimizes staff structure to reduce staff costs further.

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

Material acquisition and disposal

On 30 December 2011, Sany Heavy Equipment, acquired all the assets related to the off-highway mining truck business of Sany Heavy Machinery.

Pledge of assets

As at 31 December 2011, pledged deposits and bills receivable with aggregate value of approximately RMB96.4 million (2010: approximately RMB70.9 million), which were for the purpose of obtaining the banking facility granted to the Group.

Foreign exchange risk

As at 31 December 2011, the Group's foreign currencies were equivalent to approximately RMB1.4 million. The Group has utilized forwards to mitigate its exchange fluctuation risk. The Group will monitor the risk exposures and may consider hedging against material currency risk if required.

Social responsibility

The Group is committed to take upon itself the corporate social responsibility. After the earthquake on 11 March 2011 stroked Japan, the Group and its affiliate Sany Group Limited took action immediately and donated rescue equipment to the nuclear power plant at Fukushima and sent rescue personnel to assist the rescue work. On 18 July 2011, the Nanshan tunnel in Dalian collapsed and the Group promptly mobilized a hard rock roadheader nearby to the spot to provide assistance to the rescue campaign. The Group has participated in several rescue campaigns in both local and international disasters, displaying the spirit of humanitarianism in the capacity of a corporation. The Group persists in "helping employee to success" and provides "Golden Autumn Grants" to children of employees with financial difficulty, which demonstrates our earnest care for the staff. The Group also helps the poor and needy. We made donation for sanitation workers of Shenyang and visited homes for the elderly and orphanages, offering love and care to those who are in need. The Group's concrete acts are representative of a global enterprise with social responsibility and corporate mission.

DIVIDEND

The Board has recommended the payment of a final dividend of HK5.6 cents per ordinary share of the Company for the year ended 31 December 2011. The proposed final dividend, if approved by the shareholders in the forthcoming annual general meeting, will be paid in cash on or before Friday, 1 June 2012 to the shareholders on the register of members of the Company on 22 May 2012.

CORPORATE GOVERNANCE

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

The Company has complied with the Code on Corporate Governance Practices (the ''CG Code'') as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2011.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 10 May 2012. A notice convening the annual general meeting will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 7 May 2012 to Thursday, 10 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 4 May 2012.

The register of members of the Company will be closed from Thursday, 17 May 2012 to Tuesday, 22 May 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 16 May 2012.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not redeemed any of its listed shares during the year ended 31 December 2011. Neither the Company nor any of its subsidiaries had purchased, sold or repurchased any of the listed shares of the Company during the year ended 31 December 2011.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct for securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the period under review, they were in compliance with the required provisions set out in the Model Code. All Directors declared that they have complied with the Model Code for the year ended 31 December 2011.

AUDIT COMMITTEE

The Audit Committee was established in compliance with Rules 3.21 and 3.22 of the Listing Rules and with written terms of reference in compliance with the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group and to provide advice and comments to the Board. The members meet regularly with the external auditors and the Company's senior management for the review, supervision and discussion of the Company's financial reporting and internal control procedures and ensure that management has discharged its duty to have an effective internal control system. The Audit Committee consists of three members, namely Mr. Ngai Wai Fung, Mr. Xu Yaxiong and Mr. Ng Yuk Keung, of which are all independent non-executive Directors. Mr. Ngai Wai Fung, who has appropriate professional qualifications and experience in accounting matters, is the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2011, including the accounting principles and practices adopted by the Group, selection and appointment of the external auditors.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31 December 2011 containing all the information required by the Listing Rules is to be despatched to shareholders of the Company and made available on the website of the Stock Exchange at www.hkex.com.hk and the website of the Company at www.sanyhe.com in due course.

By the order of the Board of Directors
Sany Heavy Equipment International Holdings Company Limited
Mao Zhongwu
Chairman

Hong Kong, 26 March 2012

As at the date of this announcement, the executive Directors are Mr. Mao Zhongwu, Mr. Zhou Wanchun and Mr. Liang Jianyi, the non-executive Directors are Mr. Xiang Wenbo, Mr. Huang Jianlong and Mr. Wu Jialiang, and the independent non-executive Directors are Mr. Ngai Wai Fung, Mr. Xu Yaxiong and Mr. Ng Yuk Keung.