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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)**

**CONNECTED TRANSACTION  
LOAN AGREEMENT**

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On 4 April 2018, Sany Heavy Equipment, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with Hunan Zhonghong, pursuant to which Sany Heavy Equipment agreed to provide a loan to Hunan Zhonghong in the principal amount of RMB100 million with an interest rate of 5.3% per annum for a term of 187 days commencing from the date of the Loan Agreement. Sany Group agreed to provide guarantee to Hunan Zhonghong in favour of Sany Heavy Equipment under the Loan Agreement.

**IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Liang Wengen is a controlling shareholder of the Company by virtue of his indirect 56.42% interests in Sany Hong Kong, which in turn holds 2,134,580,188 ordinary Shares and 479,781,034 convertible preference shares of the Company, which, in aggregate, represents 85.97% of the issued share capital of the Company.

Hunan Zhonghong is held by Sany Group as to 91.57% and Sany Group is in turn held by Mr. Liang Wengen as to 56.42%. As such, Hunan Zhonghong is an associate of Mr. Liang Wengen under Rule 14A.12(1)(c) and hence a connected person of the Company under the Listing Rules.

The Loan Agreement constitutes a financial assistance under Chapter 14A. As each of the applicable percentage ratios of the Loan Agreement is more than 0.1% but less than 5%, the transaction thereunder constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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<b>Parties</b>	(1) Sany Heavy Equipment, as the lender; and (2) Hunan Zhonghong, as the borrower
<b>Agreement Date</b>	4 April 2018
<b>Subject</b>	Sany Heavy Equipment agreed to provide a loan to Hunan Zhonghong in the principal amount of RMB100 million with an interest rate of 5.3% per annum for a term of 187 days commencing from the date of the Loan Agreement.
<b>Loan Amount</b>	RMB100 million
<b>Term</b>	187 days commencing from the date of the Loan Agreement, i.e., 4 April 2018
<b>Interest Rate</b>	5.3% per annum
<b>Interest</b>	RMB2,715,342.47 (RMB100 million X 5.3% X 187/365)
<b>Purpose of the Loan</b>	The Loan shall be applied and used by Hunan Zhonghong for its daily operation activities.
<b>Repayment</b>	Hunan Zhonghong shall repay any outstanding loan under the Loan Agreement together with all interest accrued thereon due and payable to Sany Heavy Equipment by no later than the end of the term of the Loan Agreement.
<b>Guarantee</b>	Sany Group agreed to provide guarantee to Hunan Zhonghong in favour of Sany Heavy Equipment under the Loan Agreement.

## REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms and conditions of the Loan Agreement (including the interest rate) are negotiated on an arm's length basis between Sany Heavy Equipment and Hunan Zhonghong with reference to the normal prevailing commercial practice. The Directors (including the independent non-executive Directors)

considered that the Loan Agreement is on normal commercial terms and was entered into based on the Group's credit assessment towards Hunan Zhonghong. Taking into account that (i) the assets backing and credit assessment results of Hunan Zhonghong are satisfactory to the Group, (ii) the Loan would be funded from the Group's temporarily idle funds, which would not affect the working capital or daily operation of the Group; (iii) the expected return to be generated from the Loan would increase the Group's earnings, and (iv) Sany Group agreed to provide guarantee to Hunan Zhonghong in favour of Sany Heavy Equipment, which further minimizes the risks, the Directors consider (including the independent non-executive Directors) believe the transaction under the Loan Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transaction contemplated under the Loan Agreement or is required to abstain from voting on the Board resolution for considering and approving the same.

### **IMPLICATION UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Liang Wengen is a controlling shareholder of the Company by virtue of his indirect 56.42% interests in Sany Hong Kong, which in turn holds 2,134,580,188 ordinary Shares and 479,781,034 convertible preference shares of the Company, which, in aggregate, represents 85.97% of the issued share capital of the Company.

Hunan Zhonghong is held by Sany Group as to 91.57% and Sany Group is in turn held by Mr. Liang Wengen as to 56.42%. As such, Hunan Zhonghong is an associate of Mr. Liang Wengen under Rule 14A.12(1)(c) and hence a connected person of the Company under the Listing Rules.

The Loan Agreement constitutes a financial assistance under Chapter 14A. As each of the applicable percentage ratios of the Loan Agreement is more than 0.1% but less than 5%, the transaction thereunder constitutes a connected transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **INFORMATION ON THE GROUP AND SANY HEAVY EQUIPMENT**

The Company is an investment holding company and its subsidiaries are principally engaged in the design, manufacturing and sales of roadheader, combined coal mining unit, mining transportation vehicles, port machinery and marine heavy equipment products. Sany Heavy Equipment is a wholly-owned subsidiary of the Company.

### **INFORMATION ON HUNAN ZHONGHONG**

Hunan Zhonghong is principally engaged in financial leasing business.

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“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 meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Zhonghong”	Hunan Zhonghong Financial Leasing Co., Ltd.* (湖南中宏融資租賃有限公司), a company established under the laws of the PRC and a connected person of the Company
“Independent Shareholders”	the Shareholders who are not interested in or involved in the Loan Agreement and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan of a principal amount of RMB100 million granted by Sany Heavy Equipment to Hunan Zhonghong pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 4 April 2018 entered into by and between Sany Heavy Equipment and Hunan Zhonghong, pursuant to which Sany Heavy Equipment agreed to provide a loan to Hunan Zhonghong in the principal amount of RMB100 million with an interest rate of 5.3% per annum for a term of 187 days commencing from the date of the Loan Agreement
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“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 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 wholly-owned subsidiary of the Company
“Sany Hong Kong”	means Sany Hongkong Group Limited, a company with limited liability incorporated on 14 October 2005 under the laws of Hong Kong and a controlling shareholder of the Company;
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

\* *for identification purpose only*

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

Hong Kong, 4 April 2018

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