SANYI

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)

POSITIVE PROFIT ALERT

This announcement is made by Sany Heavy Equipment International Holdings Company Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of Securities and Future Ordinance (Chapter 571, Laws of Hong Kong).

The board (the "Board") of directors (the "Directors") of the Company wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that, it is expected that the unaudited net profit for the year ended 31 December 2019 will increase significantly as compared to that for the year ended 31 December 2018. Such expectation was primarily attributable to the following reasons:

(1) In 2019, the reform on the supply-side of the coal industry achieved remarkable results, while the investment in fixed assets significantly increased and the intelligent development of coal mines has accelerated. The domestic and international sales of products and value-added standalone machines substantially increased and sales revenue significantly increased as the mining equipment products of the Group transformed towards intellectualized, unmanned and upsizing. The newly launched widebody vehicles of the Group began to gain market shares in both domestic and international markets with their excellent performance, continuously driving the revenue of the Group's mining vehicles to increase significantly during the year, as compared to last year.

(2) The speed of port loading and unloading equipment's upsizing and automation updates increased noticeably, and multiple products from the logistics equipment segment of the Group were highly recognized by the market, which resulted in a significant increase in sales revenue, in which the domestic sales of products such as large-scale port machinery including quayside crane and transtainer reached a significant increase, while accumulative sales revenue of new products such as heavy-duty forklift truck, gripper and electric truck increased significantly during the year, as compared to last year.

(3) The Group has better control on cost through measures such as enhancement of techniques, three types of real-time data and device interconnection. Therefore, the gross profit margin of products such as integrated coal mining products and front loaders increased significantly.

(4) The percentage of management expenses (excluding R&D expenses) against revenue further decreased as a result of improvement on the efficiency of the Group's internal operations through the transformation of digitalization.

The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, which has not been audited or reviewed by the auditors or approved by the audit committee of the Company. The Group will issue an announcement on its annual results for the year ended 31 December 2019 in due course in accordance with the Listing Rules.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 3 February 2020

As at the date of this announcement, the executive Directors are Mr. Liang Zaizhong, Mr. Qi Jian, Mr. Fu Weizhong and Mr. Zhang Zhihong, 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 and Mr. Hu Jiquan.