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)

INSIDE INFORMATION
UNAUDITED FINANCIAL DATA
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021
AND
FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021

SUMMARY

This announcement is made by Sany Heavy Equipment International Holdings Company Limited pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

For the nine months ended 30 September 2021

— Unaudited consolidated revenue for the Period amounted to approximately RMB7,541,466,783, representing an increase of approximately 37.0% as compared to approximately RMB5,503,842,013 for the corresponding period of 2020.

— Unaudited consolidated gross profit for the Period amounted to approximately RMB1,809,292,470, representing an increase of approximately 18.3% as compared to approximately RMB1,529,027,944 for the corresponding period of 2020.

— Unaudited consolidated net profit for the Period amounted to approximately RMB1,113,389,323, representing an increase of approximately 23.4% as compared to approximately RMB902,258,710 for the corresponding period of 2020.

For the three months ended 30 September 2021

— Unaudited consolidated revenue for the three months ended 30 September 2021 amounted to approximately RMB2,557,267,346, representing an increase of approximately 51.4% as compared to approximately RMB1,688,766,221 for the corresponding period of 2020.

— Unaudited consolidated gross profit for the three months ended 30 September 2021 amounted to approximately RMB594,152,008, representing an increase of approximately 19.1% as compared to approximately RMB498,932,537 for the corresponding period of 2020.

— Unaudited consolidated net profit for the three months ended 30 September 2021 amounted to approximately RMB284,443,379, representing an increase of approximately 7.9% as compared to approximately RMB263,639,080 for the corresponding period of 2020.

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

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 the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). In order to update the shareholders and investors of the Group's information, the board (the "**Board**") of directors (the "**Directors**") of the Company hereby announces the unaudited financial data of the Group for the nine months ended 30 September 2021 (the "**Period**") and the three months ended 30 September 2021, respectively.

The information below was extracted from the unaudited management accounts of the Group for the Period and the three months ended 30 September 2021 together with the comparative figures for the corresponding periods in 2020, respectively:

	(Unaudited) For the nine months ended 30 September 2021	**(Unaudited) For the nine months ended 30 September 2020**	**Growth rate**
	RMB'000	*RMB'000*	*(%)*
Revenue	7,541,467	5,503,842	37.0%
Gross profit	1,809,292	1,529,028	18.3%
Profit before tax	1,244,351	1,031,875	20.6%
Net profit	1,113,389	902,259	23.4%

	(Unaudited) For the three months ended 30 September 2021	**(Unaudited) For the three months ended 30 September 2020**	**Growth rate**
	RMB'000	*RMB'000*	*(%)*
Revenue	2,557,267	1,688,766	51.4%
Gross profit	594,152	498,933	19.1%
Profit before tax	298,399	277,922	7.4%
Net profit	284,443	263,639	7.9%

During the Period, the Group recorded a significant increase in revenue and profit as compared to the corresponding period last year. The Board considered that such increase was primarily attributable to the following reasons:

(1) Benefiting from the continuous increase in mechanization rate of coal mining in the PRC, the demand for large-scale and intelligent coal mining equipment was on the rise, which resulted in a significant growth in revenue from coal mining products, such as roadheaders, integrated mining and widebodied vehicles. Meanwhile, as construction of automated ports accelerated around the world, the demand for intelligent and electric port equipment has been increasing continuously, leading to a substantial growth in revenue from the Group's small port machinery and large port machinery products.

(2) The Group further pushed ahead with its internationalization strategy and achieved successive breakthroughs in overseas markets. Overseas sales revenue of new products, such as widebodied vehicles and telehandlers, grew significantly, driving the continuous growth of overseas sales.

(3) The Group continuously increased investments in new businesses and new products and achieved remarkable results in research and development (R&D). Manufacturing of various new intelligent products, such as intelligent roadheaders, automated integrated mining, automated rail mounted gantry cranes, intelligent production lines and smart logistics was completed, giving new impetus to the sustained growth of the Company's results.

The Group strengthened its R&D capabilities as the size of its R&D personnel for digitalization, electrification, computerization and internationalization doubled. During the Period, R&D expenses increased by 77.9% as compared with the same period last year, representing an increase in ratio of R&D expenses against revenue to 7.3%. Meanwhile, the consolidated gross profit margin decreased due to an increase in raw material prices and international freight charges, and a change in product mix, such that the increase in profit fell behind that of revenue. The Group will enhance its profitability and achieve high-quality sustainable development through digital upgrades, intelligent manufacturing, as well as quality enhancement and cost reduction (提質降本).

Please be reminded that the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited management accounts of the Group for the Period and for the three months ended 30 September 2021, respectively and the information currently available to the Group which has not been audited or reviewed by the auditors of the Company.

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

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

Hong Kong, 29 October 2021

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 and Mr. Hu Jiquan.