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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)**

### **GRANT OF RESTRICTED SHARES**

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

Reference is made to the announcement of the Company dated 29 June 2023 and the circular of the Company dated 25 July 2023 in relation to the amendment of the 2019 Restricted Share Award Scheme.

The Board hereby announces that on 20 September 2023, the Company resolved to grant 24,275,271 Restricted Shares to 1,760 Eligible Participants (some of them received more than one batch of the Restricted Shares) in accordance with the terms of the 2019 Restricted Share Award Scheme.

Details of the Grant are set out below:

**Date of Grant** : 20 September 2023

**Number of Restricted Shares granted** : 24,275,271 Restricted Shares in total.

**Batch 1** : 17,418,596 Restricted Shares to 1,181 Grantees in total, of which,

1,305,203 Restricted Shares granted to individuals who are required to be disclosed on a named basis under Rule 17.06A(2) of the Listing Rules, details of which are as follows; and

<b>Name of Grantees</b>	<b>Position</b>	<b>Number of Restricted Shares awarded</b>
Mr. Qi	Executive Director	912,144
Mr. Fu	Executive Director	336,402
Mr. Liang	Supervisor of a wholly-owned subsidiary of the Group	56,657
		1,305,203

16,113,393 Restricted Shares granted to individuals who are not required to be disclosed on a named basis under Rule 17.06A(2) of the Listing Rules and are employees of the Group including senior managers and directors of the Group (other than the Directors).

**Vesting Schedule** : The vesting schedule of this batch is as follows:

<b>Vesting date</b>	<b>% of Restricted Shares</b>	<b>Number of Restricted Shares involved</b>
20 September 2024	20%	3,483,720
31 March 2025	20%	3,483,719
31 March 2026	20%	3,483,719
31 March 2027	20%	3,483,719
31 March 2028	20%	3,483,719

**Batch 2** : 3,198,477 Restricted Shares to 83 Grantees in total, of which,

1,770,538 Restricted Shares granted to Mr. Qi, the executive Director; and

1,427,939 Restricted Shares granted to individuals who are not required to be disclosed on a named basis under Rule 17.06A(2) of the Listing Rules and are employees of the Group including senior managers (other than the Directors).

**Vesting Schedule** : The vesting schedule of this batch is as follows:

<b>Vesting date</b>	<b>% of Restricted Shares</b>	<b>Number of Restricted Shares involved</b>
20 September 2024	10%	319,849
31 March 2025	20%	639,695
31 March 2026	20%	639,695
31 March 2027	20%	639,695
31 March 2028	20%	639,695
31 March 2029	10%	319,848

**Batch 3** : 3,658,198 Restricted Shares to 570 Grantees in total, all of whom are employees who are not the Directors and senior managers of the Group. None of the individuals of this batch is required to be disclosed on a named basis under Rule 17.06A(2) of the Listing Rules.

**Vesting Schedule** : The vesting schedule of this batch is as follows:

<b>Vesting date</b>	<b>% of Restricted Shares</b>	<b>Number of Restricted Shares involved</b>
20 September 2024	50%	1,829,099
31 March 2025	50%	1,829,099

**Purchase price of the Restricted Shares granted** : Nil

**Closing price of the Shares on the Grant Date** : HK\$12.00

**Performance targets** : The Company has established an appraisal mechanism to evaluate the performance of each Eligible Participant on a yearly basis (the “**Full Year Performance Evaluation**”).

The performance targets of the Restricted Shares are individualised based on the job nature and job positions of each Eligible Participant and the projected market and business conditions each year.

Performance targets in connection with the Grant had been set for all Eligible Participants at the beginning of the Company’s fiscal year in the form of a performance contract entered into between each Eligible Participant and the Company. Each performance contract contains some performance targets aligned to the strategic priorities of the Group.

The performance targets of the Restricted Shares granted under each of the three batches include, among others, (i) revenue of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); and (iv) other research and development achievements accomplished for the relevant financial year. Upon achieving the goals set in the respective performance contract at the end of the fiscal year, the number of Restricted Shares to be granted to each Eligible Participant shall be determined by the Board with reference to the Full Year Performance Evaluation, their positions, responsibilities, experience and the amount of cash incentives that they would have otherwise received in lieu of the Restricted Shares.

In view of the above, the Remuneration Committee considered the grant of the Restricted Shares aligned with the purpose of the 2019 Restricted Share Award Scheme, in particular to provide incentives to the Grantees so that they will work with the Group continuously to achieve the set performance targets.

**Clawback mechanism** : The Restricted Shares granted will be subject to the clawback mechanism set out in the 2019 Restricted Share Award Scheme.

Without prejudice to the terms of the 2019 Restricted Share Award Scheme, the Company may recover or withhold all unvested Restricted Shares granted to a Grantee in the case where the Eligible Participant (i) resigns unilaterally and fails to meet the termination notice period requirements; (ii) has been fired for violating the Company's relevant regulations and labor discipline; (iii) has been convicted or held liable of any criminal offence involving his integrity or honesty; (iv) breaches any material regulations such as non-competition, confidentiality or Company's information security; (v) is involved in a material misstatement in the audited financial statements of the Company that requires a restatement; or (vi) if the Grant is linked to any performance targets and the Board is of the view that there exists circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner. The Board may, at its absolute discretion, determine whether an Eligible Participant commits a misconduct or is involved in a material misstatement in the Company's financial statements. If the Board exercises its discretion under the 2019 Restricted Share Award Scheme, it will give the relevant Grantee(s) written notice of such determination and the Board's interpretation of and determination pursuant to the 2019 Restricted Share Award Scheme shall be final, conclusive and binding.

## **REASONS FOR AND BENEFITS OF THE GRANT**

The grant of the Restricted Shares is to align the interests of the Grantees with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain the Grantees to make contributions to the long-term growth and success of the Group.

The grant of the Restricted Shares to Mr. Qi and Mr. Fu have been approved by the Board (including independent non-executive Directors), save that Mr. Qi and Mr. Fu have abstained from approving the relevant resolutions relating to the grant of the Restricted Shares to themselves.

To the best knowledge of the Directors, as at the date of this announcement and save as disclosed above, (i) none of the Grantees is a Director, chief executive or substantial Shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) none of the Grantees is a participant with options and Restricted Shares granted and to be granted exceeding the 1% individual limit under the Listing Rules; (iii)

none of the Grantees is a related entity participant or a service provider (as defined under the Listing Rules); and (iv) no financial assistance has been provided by the Group to the Grantees for the purchase of the Restricted Shares.

Taking into account the purposes and objectives of the 2019 Restricted Share Award Scheme, the Company considers that the grant of the Restricted Shares is fair and reasonable, and is in the interests of the Company and its Shareholders as a whole.

The Grant will be satisfied by issue of new Shares. Accordingly, following the Grant, an aggregate of 294,585,675 new Shares remains available for future grants under the 2019 Restricted Share Award Scheme and the share option scheme of the Company adopted on 11 August 2023.

## **DEFINITIONS**

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

“2019 Restricted Share Award Scheme”	the restricted share award scheme of the Company adopted on 3 December 2019, as amended on 11 August 2023
“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 Main Board of the Stock Exchange (stock code: 631)
“controlling shareholder”	shall have the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any person(s) who is/are eligible to receive a Grant under the 2019 Restricted Share Award Scheme
“Grant”	individually or collectively, a grant of Restricted Shares under the 2019 Restricted Share Award Scheme
“Grant Date”	the date on which the Restricted Shares were granted, being 20 September 2023
“Grantee(s)”	any Eligible Participant(s) who accepts/accept an Offer in accordance with the terms of the 2019 Restricted Share Award Scheme

“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 People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Qi”	Mr. Qi Jian, the vice chairman and executive Director of the Board
“Mr. Fu”	Mr. Fu Weizhong, the executive Director of the Board
“Mr. Liang”	Mr. Liang Zhenggen is the uncle of Mr. Liang Zaizhong, the executive Director, and the brother of Mr. Liang Wengen, the Company’s controlling shareholder
“Offer”	an offer for the Grant
“Remuneration Committee”	the remuneration committee of the Board
“Restricted Shares”	Shares granted pursuant to terms of the 2019 Restricted Share Award Scheme
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

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

Hong Kong, 20 September 2023

*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.*