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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)

ANNOUNCEMENT GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Sany Heavy Equipment International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 29 December 2021 (the “**Date of Grant**”), 96,950,000 share options (the “**Share Options**”) to subscribe for the ordinary shares of HK\$0.1 each in the share capital of the Company (the “**Shares**”) were granted, subject to acceptance of the grantees (the “**Grantees**”), under the share option scheme adopted by the Company on 16 February 2013 (the “**Share Option Scheme**”).

The details of the Share Options granted are as follows:

Each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$7.39 per Share, which is the highest of (1) the nominal value of a Share; (2) the closing price of HK\$7.27 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and (3) the average closing price of HK\$7.386 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

The Share Options granted shall vest in the proposed Grantees in accordance with the timetable below, each with an exercise period commencing from the relevant vesting date and ending 10 years after the Date of Grant (for this purpose, the date or each such date on which the Share Options are to vest being hereinafter referred to as a “Vesting Date”):

Vesting Date	Percentage of Share Options
If the revenue for the year 2021 represents an increase of 35% or more as compared to that of the year 2020, or the net profit for the year 2021 represents an increase of 20% or more as compared to that of the year 2020, the Vesting Date will be the date when the annual results announcement for the year ending 31 December 2021 is published.	30% of the total number of Share Options granted
If the revenue for the year 2022 represents an increase of 70% or more as compared to that of the year 2020, or the net profit for the year 2022 represents an increase of 45% or more as compared to that of the year 2020, the Vesting Date will be the date when the annual results announcement for the year ending 31 December 2022 is published.	30% of the total number of Share Options granted
If the revenue for the year 2023 represents an increase of 100% or more as compared to that of the year 2020, or the net profit for the year 2023 represents an increase of 70% or more as compared to that of the year 2020, the Vesting Date will be the date when the annual results announcement for the year ending 31 December 2023 is published.	40% of the total number of Share Options granted

On this basis, the Group has established an assessment mechanism, which includes the following performance indicators for the years 2021/2022/2023:

- (a) the growth rate of the net profit of each subsidiary of the Group for which the Grantees are employed; and
- (b) the annual weighted performance rating of the Grantees.

The above two performance indicators correspond to the performance coefficient respectively, and the number of the Share Options to be finally vested in the Grantees shall be calculated based on the number of the Share Options to be vested in them following the achievement of the above annual results multiplied by the performance coefficient of such year.

Exercise of the Share Options is conditional upon the achievement of certain performance targets as set out in the respective offer letters, during the exercise period of the Share Options. Subject to the Listing Rules and the Share Option Scheme, the Board reserves its rights to specify appropriate performance targets and conditions that must be achieved before the exercise of the Share Options for each of the individual Grantees at its absolute discretion.

Among a total of 96,950,000 Share Options, 87,360,000 Share Options were granted to other employees who are not connected persons (as defined in the Listing Rules) of the Company, and 9,590,000 Share Options were granted to connected persons of the Company, details of which are as follows:

Name of connected persons	Position	Number of the Share Options granted
Mr. Qi Jian	Executive Director, vice chairman of the Board and chief executive officer	5,290,000
Mr. Fu Weizhong	Executive Director	3,160,000
Mr. Liang Zhenggen	Supervisor of a subsidiary of the Company established under the laws of the People's Republic of China	1,140,000
		9,590,000

Mr. Qi Jian and Mr. Fu Weizhong are executive Directors and thus are connected persons under Chapter 14A of the Listing Rules. 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, and thus he is a connected person of the Company under Chapter 14A of the Listing Rules.

The grant of the Share Options to the Directors and the chief executives of the Company has been approved by the independent non-executive Directors according to Rule 17.04(1) of the Listing Rules. Each of the Grantees who is a Director or a chief executive of the Company has abstained from voting so far as the resolution for the approval of the grant of the Share Options to each of them was concerned.

Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules).

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

Hong Kong, 29 December 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.