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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)**

**DISCLOSEABLE TRANSACTION  
2022 FINANCIAL PRODUCTS FRAMEWORK AGREEMENT**

**2022 FINANCIAL PRODUCTS FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 14 June 2021 in relation to the 2021 Financial Products Framework Agreement, which was entered into between the Company and CICC. Pursuant to the 2021 Financial Products Framework Agreement, the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, from 12 June 2021 to 11 June 2022.

As the Group will continue to subscribe for financial products from CICC or its subsidiaries after the expiry of the 2021 Financial Products Framework Agreement on 11 June 2022, the Board announces that on 12 June 2022, the Company entered into the 2022 Financial Products Framework Agreement with CICC, pursuant to which the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, from 12 June 2022 to 11 June 2023.

## **IMPLICATION UNDER THE LISTING RULES**

As certain applicable percentage ratios in relation to the transactions under the 2022 Financial Products Framework Agreement exceed 5%, but all the applicable percentage ratios are less than 25%, the entering of the 2022 Financial Products Framework Agreement would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

## **2022 FINANCIAL PRODUCTS FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 14 June 2021 in relation to the 2021 Financial Products Framework Agreement, which was entered into between the Company and CICC. Pursuant to the 2021 Financial Products Framework Agreement, the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, from 12 June 2021 to 11 June 2022.

As the Group will continue to subscribe for financial products from CICC or its subsidiaries after the expiry of the 2021 Financial Products Framework Agreement on 11 June 2022, the Board announces that on 12 June 2022, the Company entered into the 2022 Financial Products Framework Agreement with CICC, pursuant to which the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, from 12 June 2022 to 11 June 2023.

The principal terms of the 2022 Financial Products Framework Agreement are set out below:

<b>Parties</b>	(1) the Company; and (2) CICC
<b>Agreement Date</b>	12 June 2022
<b>Subject</b>	According to the 2022 Financial Products Framework Agreement, the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries from time to time, including but not limited to, assets management products, trust products, securities investment funds, entrusted investment management products, Cayman funds, public offering of funds, exchange-traded funds and any other financial products.

The parties shall, during the term of the 2022 Financial Products Framework Agreement, enter into individual agreements which specify and record the terms and conditions of the specific financial products to be subscribed for by the Group, in accordance with the principles and terms of the 2022 Financial Products Framework Agreement in all material aspects.

<b>Term</b>	from 12 June 2022 to 11 June 2023
<b>Proposed maximum daily balance for the financial products</b>	The proposed maximum daily balance for the financial products to be subscribed for by the Group from CICC or its subsidiaries for the period from 12 June 2022 to 11 June 2023 under the 2022 Financial Products Framework Agreement is RMB2,000,000,000 (or any equivalent foreign currencies).
<b>Basis of the proposed maximum daily balance</b>	<p>In arriving at the proposed maximum daily balance for financial products to be subscribed for by the Group from CICC or its subsidiaries under the 2022 Financial Products Framework Agreement, the Directors considered the following:</p> <ul style="list-style-type: none"><li>(i) the historical maximum daily balance for the financial products subscribed for by the Group from CICC or its subsidiaries under the 2021 Financial Products Framework Agreement during the period from 12 June 2021 to 11 June 2022 did not exceed RMB1,800,000,000; and</li><li>(ii) the Group's cash flow, bank deposits balance, accounts receivable and the anticipated assets management demands based on the current business operation of the Group.</li></ul>
<b>Expected maximum annual return rate (%)</b>	<p>The maximum annual return rate under the 2022 Financial Products Framework Agreement shall not exceed 6.5%, which is based upon that:</p> <ul style="list-style-type: none"><li>(i) the historical maximum annual return rate for the financial products subscribed for by the Group from CICC or its subsidiaries under the 2021 Financial Products Framework Agreement during the period from 12 June 2021 to 11 June 2022 was 4.9%; and</li><li>(ii) it is expected that the maximum annual return rate for the financial products to be subscribed for by the Group from CICC or its subsidiaries during the term under the 2022 Financial Products Framework Agreement will not exceed 6.5%.</li></ul>

**Expected maximum annual interests to be received upon maturity (RMB)**

The formula of the expected maximum annual interests under the 2022 Financial Products Framework Agreement is set out as follows:

$$RMB2,000,000,000*6.5\%$$

Based on the above, the expected maximum annual interests to be received upon maturity for the period from 12 June 2022 to 11 June 2023 is RMB130,000,000 (or any equivalent foreign currencies).

## **INTERNAL CONTROL**

The Company has adopted the following internal control measures with respect to the transactions contemplated under the 2022 Financial Products Framework Agreement in order to better safeguard the interests of the Shareholders:

- (i) the Company has adopted a monetary fund management system that establishes a strict internal review process for the Company's fund usage, in order to safeguard against fund usage risks and ensure the adequacy of the operating fund of the Company;
- (ii) the Company has assigned the finance department to be responsible for managing assets and monitoring the maximum daily balance for the financial products to be subscribed for under the 2022 Financial Products Framework Agreement, to ensure the daily transaction amount for the financial products would not exceed the maximum daily balance under the 2022 Financial Products Framework Agreement. Any risks of exceeding such maximum daily balance would be immediately reported to the chief financial officer of the Company; and
- (iii) the internal audit department of the Group will conduct regular checks to review and assess whether the transactions under the 2022 Financial Products Framework Agreement have been conducted in accordance with the terms of the relevant agreements and on normal commercial terms.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2022 FINANCIAL PRODUCTS FRAMEWORK AGREEMENT**

The Directors are of the view that the transactions under the 2022 Financial Products Framework Agreement are beneficial to the Group for the following reasons:

- (i) by entering into the 2022 Financial Products Framework Agreement, the Company is able to manage its assets more flexibly and efficiently, and retain discretion to deposit or withdraw the Group's funds according to the Group's business needs, and better utilize the Group's temporarily idle assets to make effective investment;

- (ii) the Group has acquired financial products from CICC or its subsidiaries since 2019, which have produced satisfactory interest income together with the principal received by the Group upon the maturity or redemption of their financial products. As such, the Group will carry on such transactions to enable it to earn interest income for its temporarily idle funds;
- (iii) based on the previous satisfactory cooperation with CICC or its subsidiaries, the Group is expected to benefit from CICC's deeper understanding of the operation, investment needs and business development of the Group, which helps to provide more efficient and high-quality business services than other financial institutions; and
- (iv) the Group is able to compare with the same type of financial products provided by other commercial banks or financial institutions in the same period, and will benefit in negotiating more favorable terms with CICC or its subsidiaries. If other financial products with more favorable terms are available, the Group has a right to subscribe for any other financial products available on the market at its discretion, without incurring any additional costs under the 2022 Financial Products Framework Agreement, which would lower the investment risks and increase the Group's earnings.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the 2022 Financial Products Framework Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

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

As certain applicable percentage ratios in relation to the transactions under the 2022 Financial Products Framework Agreement exceed 5%, but all the applicable percentage ratios are less than 25%, the entering of the 2022 Financial Products Framework Agreement would constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and hence are subject to the notification and announcement requirements set out under Rule 14.34 of the Listing Rules.

#### **INFORMATION ON THE COMPANY**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and sale of mining equipment, logistics equipment, robotic and smart mined products and spare parts and the provision of related services in Mainland China.

## INFORMATION ON CICC

CICC is a company principally engaged in investment banking, equity sales, fixed income, commodities and currencies, wealth management, investment management and relevant financial services, the shares of which are listed on the Stock Exchange (Stock Code: 3908).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry and based on the public information available to the Company, CICC and its ultimate beneficial owners are third parties independent of each of the Company and its connected persons.

## DEFINITIONS

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

“2021 Financial Products Framework Agreement”	the financial products framework agreement dated 12 June 2021 entered into by and between the Company and CICC, pursuant to which the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, commencing from 12 June 2021 to 11 June 2022
“2022 Financial Products Framework Agreement”	the financial products framework agreement dated 12 June 2022 entered into by and between the Company and CICC, pursuant to which the Group agreed to subscribe for a series of financial products from CICC or its subsidiaries, from 12 June 2022 to 11 June 2023
“Board”	the board of Directors
“CICC”	China International Capital Corporation Limited (中國國際金融股份有限公司), a joint stock limited company incorporated in the PRC and the shares of which are listed on the Stock Exchange (Stock Code: 3908)
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“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 the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 12 June 2022

*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.*