

(For immediate Release)



**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)

**Profitability of Sany International significantly enhanced in 2017
Profit attributable to owners of the parent reached RMB230 million**

FINANCIAL HIGHLIGHTS

- Revenue for 2017 was approximately RMB2,481.4 million (2016: approximately RMB1,841.8 million), up 34.7% year on year due to (1) the notable increase in sales of coal mining machinery products along with the significant improvement in the coal industry; and (2) the significant increase in international revenue of port machinery products.
- Profit margin before tax for the year was approximately 12.7%, up 51.1 percentage points as from -38.4% in 2016 due to (1) increase in revenue; (2) increase in gross profit margin of coal machinery products; (3) successful cost control measures; and (4) revival of the coal mining industry which accelerated recovery of receivables; and reduction in impairment losses recognised for 2017.
- Profit attributable to owners of the parent for the year was approximately RMB229.4 million, compared with the RMB644.4 million loss for 2016.
- The turnover cycle of trade and bills receivables as at end-2017 were approximately 389.2 days, down 205.8 days from approximately 595.0 days as at end-2016.

(28 March 2018, Hong Kong) **Sany International Holdings Company Limited** (“Sany” or the “Company”, together with subsidiaries, the “Group”; HKSE stock code: 631) announced today its annual results for the year ended 31 December 2017.

For the year ended 31 December 2017, the Group recorded revenue of approximately RMB2,481.4 million (the year ended 31 December 2016: approximately RMB1,841.8 million), representing an increase of approximately 34.7% as compared with the year ended 31 December 2016. The increase was mainly due to (1) the notable increase in sales of coal mining machinery products along with the significant improvement in the coal industry; and (2) the significant increase in international revenue of port machinery products.

Profit attributable to owners of the parent for the year was approximately RMB229.4 million, as compared with the RMB644.4 million loss for the year 2016.

Basic earnings per share for the year were RMB0.08, compared with the per share loss of RMB0.21 in 2016. The Board of Directors of the Company has resolved not to recommend any final dividend payment for 2017.

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28 March 2018*

The turnover cycle of trade and bills receivables as at 31 December 2017 was approximately 389.2 days, representing a decrease of 205.8 days from approximately 595.0 days as at 31 December 2016 mainly due to that the implementation of “value sales policy” (sales to customers with good cooperation records and high credibility) by the management, strengthened management and control of trade receivables risk, enhanced the ability to recover funds. These reduced trade receivables risks accordingly.

The income from sales of coal mining machinery products and port machinery products for 2017 increased because the coal mining industry recovered due to in-depth national supply-side reforms, and coal prices increased accordingly, which in turn stimulated the demand for coal mining machinery. Meanwhile, the Group timely seized the opportunity afforded by the emerging global container shipping industry and actively expanded its international market share for port marine machinery. The Group has been attaching importance to research and development, and promotion of new products, such as mining transport equipment and heavy-duty forklift trucks, to tailor for the market trend.

The profit margin of coal mining machinery products increased due to the enhanced manufacturing efficiency as the Group has optimized the manufacturing management and capacity monitoring and timely adjusted procurement of raw materials, facilitating better utilization of the Group’s manufacturing resources and reduced manufacturing costs. Besides the management fees decreased as a result of further enhancements in internal control, including cost control.

Looking ahead, Mr. Qi Jian, Chairman of Sany, said: “We expect that the global economy will continue to recover, which benefit the energy equipment and port machinery industry as a whole. Under the positive external environment, the Company will adhere to the principle of seeking progress amidst stability, focus on improving its operating capabilities, building the core competitiveness, and proceeding with research and development of flagship products, reshaping the business system, streamlining processes, building the talent pool, implementing value marketing and in-depth internationalization. We will strive for sound, efficient and sustainable operations, taking development of the Group to a new height.”

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About Sany Heavy Equipment International Holdings Limited

Sany Heavy Equipment International Holdings Company Limited is principally engaged in coal mining equipment and port machinery businesses. The Company operates through two sectors. (1) the energy equipment business sector, which includes coal machinery business products, such as roadheaders (all types of soft rock, hard rock roadheader and integrated excavation, bolting and self-protection machine) and CCMU; the non-coal business products, such as mining transport equipment (mechanical drive off-highway dump truck, electric drive off-highway dump truck, articulated truck), underground coal mining vehicle and excavation equipment (tunnel and excavation series) and other products; and (2) the marine engineering business sector, which includes large port machinery products including reach stacker, container stacking machine and quayside container crane, small port machineries such as front loader and heavy forklift.

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