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Agenda

I. Key Achievements
II. Financial Review
III. Business Review
IV. Corporate Development Strategies and Culture
V. Questions and Answers
Section One

Key Achievements
## Key Achievements in 2010

<table>
<thead>
<tr>
<th>Month</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>Established a “Mining Engineering and Equipment Research Centre” to promote industrial technology innovation and expand the Group’s R&amp;D</td>
</tr>
<tr>
<td>Mar</td>
<td>Established an “American Research Institution” to further enhance R&amp;D strength and obtained greater competitive advantages than domestic and international competitors</td>
</tr>
<tr>
<td>Apr</td>
<td>Launched China's first fully-automated combined coal mining unit and delivered to China Shenhua</td>
</tr>
<tr>
<td>May</td>
<td>Launched China’s first plough mining unit to meet the needs of fully-mechanized mining in thin coal seam</td>
</tr>
<tr>
<td>Aug</td>
<td>Completed construction of the first factory block in new industry zone to boost capacity</td>
</tr>
<tr>
<td>Dec</td>
<td>Launched China’s first underground survival system, provided customers total rescue solution</td>
</tr>
</tbody>
</table>
**Key Achievements**

**Revenue**

- 2009: RMB 1,901.4 million
- 2010: RMB 2,683.5 million

**R&D Investments**

- 2009: RMB 61.1 million
- 2010: RMB 120.8 million

**Net Profit**

- 2009: RMB 490.4 million
- 2010: RMB 670.5 million
- 2010*: RMB 699.4 million

Note:*The adjusted net profit is based on the assumption that research and development expenditure and turnover grew at the same pace at 41.1%
Key Achievements

Further Expanded Market Share of Roadheaders

In 2010, sales of roadheaders increased by 34.4%, outperforming major competitors.

Combined Coal Mining Units Earned Market Recognition

Combined coal mining units launched in 2009 received wide market recognition, achieved 66.6% growth in sales.
Section Two

Financial Review
Financial Highlights

Revenue

Gross Profit and Gross Margin

EBIT

Net Profit

Note:*The adjusted net profit is based on the assumption that research and development expenditure and turnover grew at the same pace at 41.1%
For the year ended 31 December 2010, the Group incurred finance costs aggregated approximately RMB5.8 million (2009: RMB3.8 million)
## Healthy Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 December</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>Current assets</td>
<td>4,526.5</td>
<td>4,618.8</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>1,357.0</td>
<td>840.1</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,883.5</td>
<td>5,458.9</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>850.4</td>
<td>984.9</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>281.3</td>
<td>262.3</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,131.7</td>
<td>1,247.2</td>
</tr>
<tr>
<td>Net assets</td>
<td>4,751.8</td>
<td>4,211.7</td>
</tr>
<tr>
<td>Current ratio (times)</td>
<td>5.3x</td>
<td>4.7x</td>
</tr>
</tbody>
</table>
## Working Capital Management

### Average Inventory Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>173.9</td>
</tr>
<tr>
<td>2010</td>
<td>121.9</td>
</tr>
</tbody>
</table>

### Trade and Bills Receivable Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>126.8</td>
</tr>
<tr>
<td>2010</td>
<td>138.5</td>
</tr>
</tbody>
</table>

### Trade and Bills Payable Turnover Days

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>109.5</td>
</tr>
<tr>
<td>2010</td>
<td>83.0</td>
</tr>
</tbody>
</table>

### Cash Conversion Cycle

<table>
<thead>
<tr>
<th>Year</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>191.2</td>
</tr>
<tr>
<td>2010</td>
<td>177.4</td>
</tr>
</tbody>
</table>

*Note: Cash conversion cycle=Average inventory turnover days + Trade and bills receivable turnover days – Trade and bills payable turnover day*
# Cash Flow

<table>
<thead>
<tr>
<th>(RMB million)</th>
<th>Year ended 31 December</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from operating activities</td>
<td>279.9</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from investing activities</td>
<td>-2,273.0</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from financing activities</td>
<td>-89.3</td>
</tr>
<tr>
<td>Net inflow (outflow) in cash and cash equivalents</td>
<td>-2,082.3</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the periods</td>
<td>2,865.8</td>
</tr>
<tr>
<td>Net effect of foreign exchange rate changes</td>
<td>-20.9</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the periods</td>
<td>762.5</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the periods (adjusted)*</td>
<td>2,708.3</td>
</tr>
</tbody>
</table>

Note:* Excluding time deposits of maturities of 3 months or above and structured deposits
Section Three

Business Review
Roadheaders

- The Group’s roadheaders have the features of high power, small size, high efficiency, low consumption, high reliability and easy maintenance etc.
- In 2010 we launched the second generation of our flagship road headers products that feature higher power output, more streamlined configuration, higher excavation speeds, lower unit power consumption and lower failures.
- The Group’s EBZ318H and EBZ260H are leading the technology trend in the roadheader market, making large-scale roadheaders more popular than ever.
- The Group’s coal mine passageway dust removal technology, high-gradient downward excavation technology and narrow passageway small section cutting technology are leading the industry.
Combined Coal Mining Units

Full-automated Combined Coal Mining Units

Full-automated Plough Coal Units

- The fully-automated combined coal mining unit launched in 2009 provides effective solution to the problems faced by mechanized coal mining equipment for a long time, such as low level of automation, low safety and productivity, insufficient component support, etc. A unit of this type was delivered to China Shenhua.

- The plough coal unit is for use in thin coal seam features full automation and remote control capability. This unit was delivered to Tiefa Coal Mine.
Other Products

Continuous Mining Machinery

Coal Mine Transportation Vehicles

Coal Mine Concrete Pumps

Shuttle Car
Unparalled R&D Capabilities

R&D Achievements

- Applied for a total of 188 R&D patents, of which 71 are invention patents. Applied for one R&D patent every 47 hours and one invention patent every 123 hours.
- The ratio of R&D expenses to revenue increased by 1.3% to 4.5%. The Group will maintain the ratio of R&D investment at no lower than 3%.

R&D Investments

- To enhance the performance, efficiency and safety of our products.
- To expand our current product portfolio by developing new products with cutting-edge technology.
- To upgrade production technologies and professional know-how and speed up migration to self-developed components.
Section Four

Corporate Development Strategies and Culture
Outlook for 2011 – Macro Environment

Opportunities

- Increasing mechanization
- Coal mine consolidation boosts demand for machinery
- Coal enterprises to receive benefit from rising coal prices
- Thin seam mining to boost demand
- Coal mine safety system to create market potential

Challenges

- Slowing GDP growth in China
- Tightening monetary policy
- Rising raw material costs
- Impact of disasters in Japan on world industries
- Slowing growth in coal mine output
Corporate Strategy – Product Line Expansion

Roadheaders
- Upgrade existing products and launched China’s largest 418KW roadheaders in March 2011 to meet market demand

CCMUs
- Continue to improve and upgrade the existing infrastructure of CCMUs to meet rising market demand

Underground Survival System
- The Group’s underground survival system is ahead of overseas counterparts in terms of design of the survival cabin, proactive survival principles and total survival solution. The survival cabin attracted a lot of attention from mining authorities and mines since launched in late 2010
Corporate Strategy – Capacity Expansion

First Stage (completed)

- The first factory block completed construction and was delivered for operation on 18 August 2010, significantly boosted the Group’s production capacity, improved its product quality and widened gross profit margin

Second Stage (in progress)

- Another 3 factory blocks will complete construction and commence operation before June 2011 to boost capacity further

Third Stage (end-2012)

- All of the 8 factory blocks will complete construction and commence operation by end-2012
Corporate Culture

Quality changes the world

All for the customers
All start with innovations

Help employees succeed

品質改變世界

一切為了客戶
一切源於創新

幫助員工成功
Questions and Answers
Appendix — Shareholder Structure

Domestic

- 14 individual shareholders

100%

Sany Heavy Equipment Investments Company Limited

 Overseas

- Sany Hongkong Group Limited

100%

72.3%

Sany Heavy Equipment International Holdings Company Limited (631.HK)

27.7%

Public

100%

Sany Heavy Equipment Co., Ltd

Domestic

Public

Sany Group Limited

100%

Sany Heavy Industry Co. Ltd (600031.SH)

43.62%

56.38%

Others
Appendix — Major Corporate Events

- **Jan04**  Sany Heavy Equipment was founded
- **Aug04**  Launched the first roadheader EBZ160C and tested in Shenyang Coal Industry Park in November
- **Dec05**  Launched EBZ200H, a hard rock roadheader with high cutting power
- **Aug06**  EBZ160C went into depths of 1,000 ft in Shaanxi and hit a new record
- **Nov07**  Launched coal mine concrete pump HBMD20/18-90S
- **Jul08**  Conducted production testing for ML340 continuous mining unit
- **Nov08**  Conducted testing for the first shuttle car ever made in China
- **Jun09**  Launched fully-automated combined coal mining unit and delivered to Shenhua with positive feedback
- **Nov09**  Sany Heavy Equipment International Holdings Co Ltd was listed on HKEx, stock code 0631
- **May10**  Launched China’s first plough coal unit to fill a vacuum in the domestic market
- **Dec10**  Launched China’s first coal mine underground survival system and total rescue solution