



Yongmao Holdings Limited

# SUSTAINABILITY REPORT 2021



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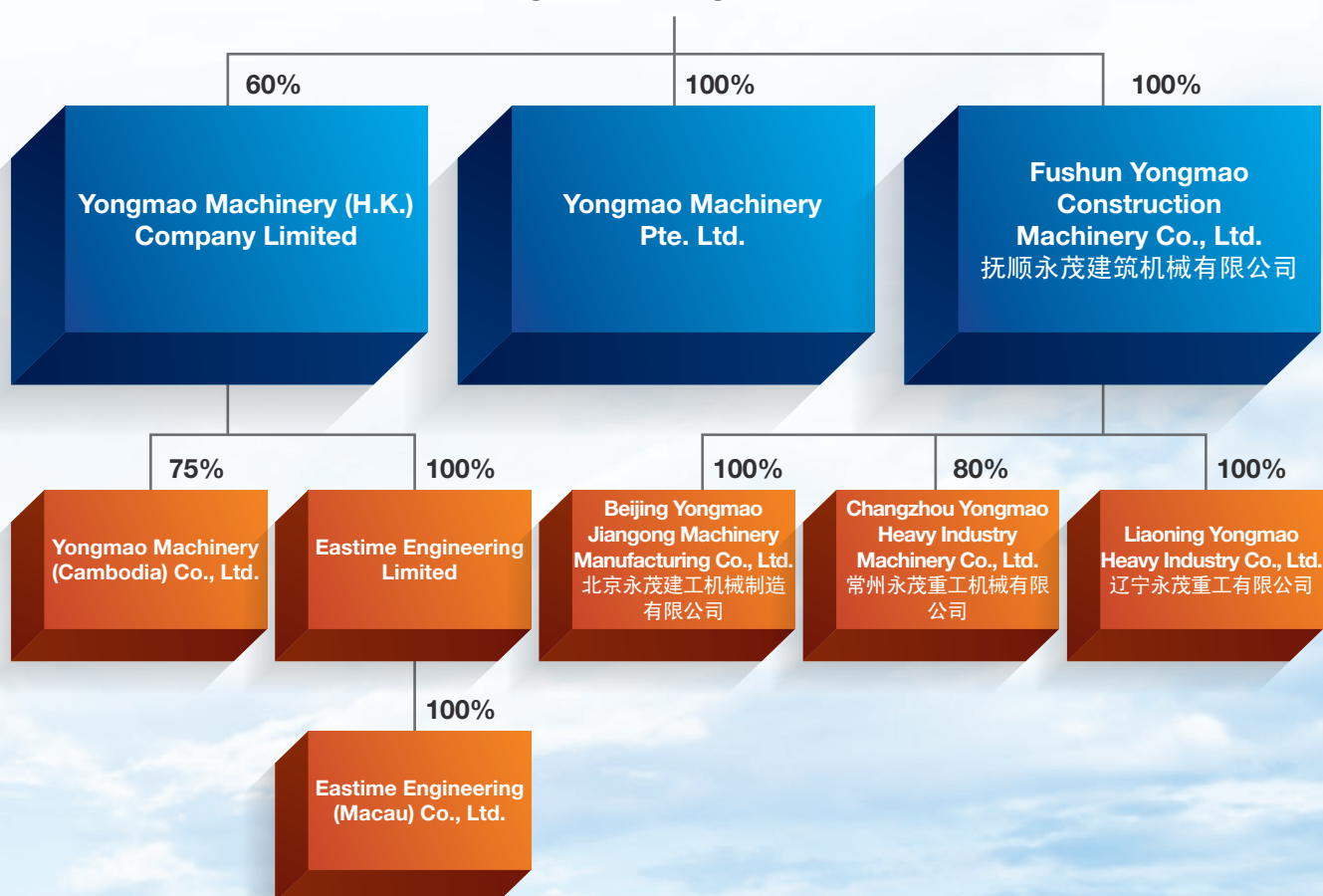
Yongmao Holdings Limited (“Yongmao” or the “Company”) and our subsidiaries (collectively known as the “Group”) have designed, developed and manufactured a wide range of tower cranes, components and accessories since 1992. The Group sells its products mainly to construction equipment distributors and equipment rental companies in overseas markets and in the People’s Republic of China (the “PRC”). Our tower cranes are now exported to over 80 countries around the world, including to the USA and Russia. With a stringent quality assurance system in place, we are generally able to deliver a tower crane within 30 to 90 days. Our tower cranes are classified into four main series, namely the ST series, Topless STT series, Luffing STL series and Derrick Q series.

The Group’s two production facilities are mainly located in the PRC, namely in Fushun City of Liaoning Province. During the year ended 31 March 2021 (“FY2021”), the Group has recorded strong rebounds of order value and revenue, with our large and mega size tower cranes gaining increased traction in international markets.

## CORPORATE STRUCTURE



Yongmao Holdings Limited





# ABOUT THE GROUP

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## VISION

We strive to be the leading provider for tower crane and construction machinery and to build a global presence through high-quality and innovative products and solutions.

## MISSION

### PRODUCTS AND SERVICES

Produce consistently high quality and reliable products and services through innovation and product development.

### SHAREHOLDERS

To have their interests in mind while making decisions and thereby enhancing economic value.

### MARKET

Promote our brand by expanding market presence to widen the geographical reach.

### EMPLOYEES

Provide our employees a safe and stable work environment with expanding opportunities for development and personal growth.



# ABOUT THIS REPORT

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This is the fourth Sustainability Report (the “report”) published by Yongmao. The Group discloses the policies, practices, targets and performance related to the material environmental, social and governance (“ESG”) topics that the Group has identified.

## REPORTING BOUNDARY

The report focuses on Yongmao’s operation of design, development, manufacture and sale of tower cranes, components and accessories between 1st April 2020 and 31st March 2021 (the “reporting year”, or FY2021). Similar to the Group’s previous sustainability reports, the reporting boundary for this report covers the Group’s two production facilities in Fushun City and the Beijing office in the PRC, as well as our Singapore office.

We have completed the relocation of our Beijing production facility to Fushun City in September 2019. The new production facility is located in close proximity to the Group’s existing factory in Fushun, with land and built-up area approximately 160,000 and 35,000 square metres respectively.

The Group plans to gradually expand the scope of its disclosures in the coming reporting years to our sales and business rental operations located in Hong Kong.

## REPORTING STANDARD

We have prepared this report in accordance with the “comply or explain” provision of the SGX-ST Listing Rules 711A and 711B on sustainability reporting, as well as the guidance set out in the Practice Note 7.6: Sustainability Reporting Guide (“PN 7.6”) issued by the SGX. It also takes reference from the sustainability reporting framework provided by Global Reporting Initiative (“GRI”), the GRI Standards (version 2016 and 2018). The disclosures in this report seek to achieve the GRI’s Reporting Principles for Defining Report Quality - accuracy, balance, clarity, comparability, reliability, and timeliness.

Combined with the five material factors selected for reporting, we have also prepared additional GRI topic-specific disclosures for incorporation into the report. This would allow readers to have a deeper understanding of our material issues through quantitative data. The GRI-SGX Content Index is available at the end of this report.

## REPORT FEEDBACK

We always value the opinion and feedback from our readers and diverse stakeholders. If you have any questions or suggestions regarding our sustainability report, please contact us through these channels:

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# CHAIRMAN'S MESSAGE

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**“This year, we have insofar promoted many sustainable business practices across our various material issues. In terms of our procurement practices, the Group has fostered the support for local procurement and used locally sourced supplies in our production facilities.”**

**Mr Sun Zhao Lin**  
(Executive Chairman)

As we look back on 2021, it is an extraordinary year and still without a doubt that COVID-19 continues to impact societies and industries around the world. The unprecedented pandemic has incurred profound impact on our stakeholders, local communities, business partners and suppliers since it began. As the world talks of a sustainable and green recovery amidst the gradual reopening of borders, we have seen over 100 countries committed to becoming carbon neutral by 2050. For China, a key market in which we operate in, its government commits to reach the carbon neutral goal by 2060. We are delighted to see the world accelerating climate action as we prepare for the 26th United Nations Climate Change Conference (COP26) by the end of this year.

At Yongmao, ever since we started on our sustainability journey, we are committed to bring about our best efforts in improving corporate environmental performance, mitigating material risks, and capturing new sustainability opportunities, while simultaneously responding to the demands of our important stakeholders. This year, we have insofar promoted many sustainable business practices across our various material issues. In terms of our procurement practices, the Group has fostered the support for local procurement and used locally sourced supplies in our production facilities. Encountering COVID-19 and to ensure a safe working environment for our people, we have reinforced our health and safety guidelines to prevent the pandemic spread with safe distancing measures under the supervision of dedicated health taskforces. In addition, adopting innovative

technologies and production methods to reduce environmental impacts and increase production efficiency will remain a critical area for Yongmao to focus on.

Despite the continued disruptions on business operations due to the pandemic, Yongmao is able to steer itself clear of difficult obstacles and achieve a robust financial rebound especially in the second half of this year. Even more so, we have posted a record high revenue and marked our first RMB1.0 billion breakthrough in revenue. This is an accomplishment attributable to our dedicated employees with an unrelenting company spirit to attain success in the face of immense uncertainties and the widespread pandemic.

With our new Fushan Factory 2 commencing production, we are optimistic about the market outlook and Yongmao's future. Likewise, we will continue to seize new sustainability opportunities, advance our established targets, and evaluate our strategic options to take on new challenges. As we mark our significant revenue milestone, it is crucial to remind ourselves that we have to remain as committed to our core values and sense of social responsibility.

**Mr Sun Zhao Lin**  
Executive Chairman  
Yongmao Holdings Limited  
August 2021

# SUSTAINABILITY RISKS AND OPPORTUNITIES

Our Board provides overall guidance and is responsible for the sustainability direction of the Group. In practice, our senior management and departmental heads work in tandem with the Board in implementing the Group's sustainability strategies and actions to ensure yearly sustainability targets can be achieved across our subsidiaries.

## SUSTAINABILITY GOVERNANCE

Yongmao's Board is accountable for the Group's overall business and sustainability direction, as well as long term value creation for the Group's shareholders and investors. The various Board Committees such as the Audit Committee, Nominating Committee and Remuneration Committee, are delegated by the Board to consider relevant material issues and inform the Board for comprehensive business and sustainability strategy decision-making.

## SUSTAINABILITY RISKS AND OPPORTUNITIES

Identifying and analyzing sustainability opportunities and risk is critical for the Group to make sound corporate decision-making. Through our risk management system and internal controls, we believe that identifying and appropriately managing risks related to sustainability topics helps us to be better prepared in tackling them effectively in the long run. The following table shows a myriad of sustainability risks and opportunities that have the potential to impact our long-term operations and strategy planning.

RISKS	OPPORTUNITIES AND RESPONSE
<b>Economic Risks</b> The COVID-19 pandemic continues to pose business impacts onto our operations across geographies in FY2021. Effects on global supply chains and operational efficiency continue to persist.	<b>Striving Ahead</b> Gradual reopening of the global economy differs in different parts of the world where we operate. Seizing new opportunities and mitigating foreseeable risks remain our core strategy to achieve new revenue streams and maintain existing market leadership.
<b>Occupational Health and Safety</b> In addition to the occupational health and safety risks that arise from the nature of the Group's business, the continuous spread of COVID-19, in particular the new virus variants, poses new health risks for our employees and business partners.	<b>Enforce Health and Safety Measures</b> The Group's dedicated health taskforces remain in place to supervise, monitor and review health and safety measures in accordance with health directives and local public health guidelines. We also maintain good relationships with suppliers of protective equipment and facemasks so that all personnel can be delivered with sufficient protective gear to remain safe within our premises.
<b>Supply Chain Management</b> Coupled with the constraints due to the pandemic lockdowns and business flow restrictions, rising steel prices and soft market conditions have disrupted our sales distribution, particularly in the first half of FY2021. These issues may arise again in the future and pose risks to our supply chain management.	<b>Strengthening Local Supply Chains</b> Yongmao continues to maintain a policy of supporting local procurement and make sure of locally-sourced materials in our production sites. This helps us to reduce production and sourcing risks as well as to support local suppliers.  In the second half of the year, the Group observes business and industry recovery throughout our supply chain where we were able to fill more orders and post record high revenue in FY2021.



# SUSTAINABILITY RISKS AND OPPORTUNITIES

## RISKS

### Environmental Risks

We face physical environmental risks arising from climate change. This includes extreme and intense weather events such as storm surges and flooding. The Group also faces transition risks that are resulted from changing environmental laws and regulations related but not limited to emissions, energy efficiency, water use, and waste disposal.

### Talent Retention

High turnover rates may be caused by market conditions and prevailing economic circumstances. Talent loss presents a constant risk to our operations where in particular some specialist roles take a lengthy time to fill and employees to properly train up to our high standards.

## OPPORTUNITIES AND RESPONSE

### Minimizing Environmental Impact

Yongmao is committed to minimizing environmental impacts and finding new and innovative ways to do so. Our Board and management personnel monitor the environmental impact of our operations and require product sites to report on related environmental data. In FY2021, we further implement smart solutions such as Solidworks/Computer-Aided Design (CAD) assist production and integrating production materials to ensure a higher operation efficiency while minimizing material wastage and faulty parts. We have also made further progress in ensuring internal company communications paperless.

### Retaining Talent Through Enriching Corporate Culture

The Group believes that embedding a positive and good corporate culture not only helps employees to pursue a meaningful purpose in their work, but also assist us in retaining them for the long run. In these difficult times, we pay closer attention to the physical and mental wellbeing of our staff, addition to providing relevant training to learn new skills and knowledge in enriching their professional careers.





# STAKEHOLDER ENGAGEMENT

Yongmao has continuously engaged with stakeholders through various channels and platforms in order to understand their diverse interests and concerns. The Group has identified our stakeholders as those who materially influence or are impacted by the Group's business. Constructive feedbacks and opinions from our stakeholders allow us to understand critical issues that need to be addressed as well as to conduct timely rectification measures.

In view of the social distancing concerns due to the ongoing pandemic, all stakeholder engagement activities were held in accordance with local regulations and health guidelines.

KEY STAKEHOLDER GROUPS		ENGAGEMENT PLATFORMS
Internal Stakeholders	Employees	<ul style="list-style-type: none"> <li>• Staff dialogue sessions and discussion groups</li> <li>• Training and development programmes</li> <li>• Volunteer work and charity events</li> <li>• Annual appreciation events and festival celebrations</li> </ul>
	Customers	<ul style="list-style-type: none"> <li>• Industry seminars, exhibitions and events</li> <li>• Company website</li> <li>• Company's social media platforms</li> <li>• Dedicated account managers and customer support teams</li> </ul>
External Stakeholders	Shareholders and investors	<ul style="list-style-type: none"> <li>• Annual report and sustainability report</li> <li>• Announcements and circulars</li> <li>• Company website</li> <li>• Annual General Meeting (AGM)</li> </ul>
	Business partners (including suppliers, professional groups, industrial associations, etc.)	<ul style="list-style-type: none"> <li>• Regular supplier visits and meetings</li> <li>• Events, trade shows and procurement fairs</li> <li>• Evaluation and monitoring mechanisms</li> </ul>
	Local communities	<ul style="list-style-type: none"> <li>• Volunteer work and charity events</li> <li>• Sponsorship and philanthropic foundations</li> </ul>
	Government and regulators	<ul style="list-style-type: none"> <li>• Participation in conferences, meetings and discussions</li> <li>• Site visits and regular checks</li> </ul>
	Financiers and Banks	<ul style="list-style-type: none"> <li>• Direct communication, meetings and discussions</li> <li>• Announcements and circulars</li> </ul>

## OUR RESPONSE TO ISSUES RAISED BY KEY STAKEHOLDERS

Throughout our regular stakeholder engagement process, we have identified key stakeholders and highlighted their areas of interest or concern. The table below outlines the Group's management team and the Board's responses.

KEY STAKEHOLDER	AREAS OF INTEREST OR CONCERN	THE GROUP'S RESPONSE
 Employees	<ul style="list-style-type: none"> <li>• Job security;</li> <li>• Employee health, safety and well-being;</li> <li>• Provision of training and development opportunities;</li> <li>• Work-life balance; and</li> <li>• Regular reviews of remuneration and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintains human resource management (HRM) procedures to provide guidance and support regarding employment practices; and</li> <li>• Maintains resource support, competitive compensation and leave, staff loan and mental health support.</li> </ul>

# STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDER	AREAS OF INTEREST OR CONCERN	THE GROUP'S RESPONSE
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Business continuity and timely delivery of products;</li> <li>• Design and workmanship;</li> <li>• Customer satisfaction and experience;</li> <li>• Quality products, services and after-sales support; and</li> <li>• Effective channels of communication with the Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a multimedia customer communication and feedback channel to deliver timely updates on the evolving business circumstances; and</li> <li>• Ensure staff responsiveness in after-sales and support services.</li> </ul>
 <p><b>Business partners</b></p>	<ul style="list-style-type: none"> <li>• Business continuity in terms of procurement agreements and partnerships;</li> <li>• Group financial stability and supply chain efficiency;</li> <li>• Responsive and open channels of communication with the Group.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a multimedia supplier communication and feedback channel to deliver timely updates on the evolving business circumstances.</li> <li>• Yongmao's directors and management team have been actively participating in the meeting of standard-setting process coordinated by regional or national professional groups and industrial associations<sup>1</sup>.</li> </ul>
 <p><b>Shareholders, investors and financiers</b></p>	<ul style="list-style-type: none"> <li>• Financial stability and performance;</li> <li>• Plans for long-term growth, strategy and geographical expansion;</li> <li>• Market diversification;</li> <li>• Enterprise risk management;</li> <li>• Adherence to good corporate governance; and</li> <li>• Timely dividend payout or repayments of loan principal and interest</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with all relevant listing rules and regulations;</li> <li>• Ensure regular and transparent communication on financial and non-financial information; and</li> <li>• Maintain open multimedia channels for shareholder communication and feedback</li> </ul>
 <p><b>Local communities</b></p>	<ul style="list-style-type: none"> <li>• Impacts of the Group's operations on the local community and environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen local employment and economic development;</li> <li>• Support local suppliers; and</li> <li>• Contribute to local charity or philanthropic causes, particularly in terms of education for low-income families.</li> </ul>
 <p><b>Government and regulators</b></p>	<ul style="list-style-type: none"> <li>• Compliance with applicable laws and regulations;</li> <li>• Contribution to national or local economic and social development; and</li> <li>• Impacts of the Group's operations on the local community and environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure compliance with all applicable laws and regulations; and</li> <li>• Ensure that all relevant employees are kept abreast of changes to statutory requirements.</li> </ul>

<sup>1</sup> Several key associations that the Group has been an active participating member of include: China Construction Machinery Industry Association (中国工程机械工业协会); China Construction Machinery Industry Association User Working Committee (中国工程机械工业协会用户工作委员会); China Construction Machinery Association Construction Crane Branch (中国工程机械工业协会建筑起重机械分会); China Construction Machinery Association Construction Mechanization Branch (中国工程机械工业协会施工机械分会); China Electric Power Construction Association of large machinery and equipment (中国电力建设企业协会大型机械装备协作网); National Crane Standardization Technical Committee Tower Crane Sub-Technical Committee (全国起重机械标准化技术委员会塔式起重机分技术委员会); Shanghai Building Construction magazine committee (上海建筑施工杂志委员会); Fushun City Federation of Industry and Commerce (抚顺市工商联会).

# IDENTIFYING MATERIAL FACTORS

Yongmao continues to focus on the five key material environmental, social and governance (“ESG”) factors that we identified as the most significant to our Group’s business operations through regular internal and external stakeholder engagement, and dialogue with key management personnel.

<b>ECONOMIC PERFORMANCE</b>	Delivering value to our stakeholders amidst a recovering economy
<b>PROCUREMENT PRACTICES</b>	Adapting to new changes in procurement practices and an evolving supply chain landscape
<b>ANTI-CORRUPTION</b>	Consistent efforts to implement anti-corruption and illegal business practices remain paramount
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	Industry occupational health and safety measures are as critical as Company’s health policies designed to tackle COVID-19
<b>MATERIALS</b>	Integrating production materials seamlessly and arranging recycling initiatives to abate environmental impacts

## BOUNDARIES OF MATERIAL FACTORS

The five identified material topics impact our key stakeholders differently. All topics are defined as material within<sup>2</sup> and outside<sup>3</sup> of the Group. We will continue to monitor and review any significant boundary changes. The table below summarizes which stakeholders are impacted by individual material topic:

Material ESG Topic	Relevant Section	Employees	Business partners	Customers	Government/regulators	Local communities	Shareholders/investors	Financiers
Economic Performance	Striving Forward	●	●		●	●	●	●
Procurement Practices	Strengthening Responsible Operations		●			●		
Anti-Corruption		●	●	●	●		●	●
Occupational Health and Safety	Enhancing Employment and Workplace Safety	●	●	●	●	●	●	●
Materials	Environmental Stewardship	●	●	●	●	●		●

<sup>2</sup> The boundary for impacts within the Group aligns with the reporting boundary.

<sup>3</sup> The boundary for impacts outside the Group takes reference from the key external stakeholders identified for the reporting year.



# STRIVING FORWARD

Despite the challenging circumstances that continue to persist from this year's beginning, the Group has managed to attain the first RMB1.0 billion mark in revenue, indicating a 6.8% year-on-year rise. In tandem with this growth in revenue, the Group's gross profit grew 2.5% year-on-year to RMB255.0 million in FY2021. However, our average gross profit margin has reduced slightly down to 24.8% due to lower average selling price and higher production overheads compounded by an increase in steel prices in 2H FY2021.

The Group is proud to have supplied more of our high-quality cranes to over 80 countries and regions, as well as contributed to a slew of remarkable constructions such as the Shanghai North Bund Project, Taiping Mountain Nuclear Power Station Project, and the Zvezda Shipyard in Russia.

The table below outline our progress in achieving our previous targets:

TARGET(S) SET IN FY2020	PROGRESS IN FY2021
Achieve positive cash flow generated from operating activities.	In Progress to achieve target. In FY2021, our cash flow used in operating activities was RMB31.9million. In FY2022, we will conduct measures to increase the collection of receivables in order to achieve the goal of positive cash flow from operating activities.

## ECONOMIC PERFORMANCE OUTLOOK

Looking ahead, we believe that we can remain highly competitive in our key markets, especially in markets where Yongmao is already the market leader. With strong government support and easing of pandemic restrictions, we are optimistic that supply chains can soon return to normality while our clients and partners can attain speedy business recovery. Reinforced by our commercial resilience, we continue to strive forward and accept new challenges.

MATERIAL TOPIC	TARGET(S) FOR FY2022
Economic Performance	Achieve positive cash flow generated from operating activities.

# STRENGTHENING RESPONSIBLE OPERATIONS

The Group considers responsible operations to be an integral part of our business practices and corporate social responsibility. As always, we keep strengthening responsible operations throughout our value chain so that we stay as a trustworthy business in the eyes of our commercial partners and stakeholders.

## PROCUREMENT PRACTICES

The Group maintains strict control over our materials and equipment procurement, and tender management procedures. The Procurement Management Team is led by a general manager and has various heads of the procurement, production, sales and R&D departments as its members. The team is responsible for the following aspects of procurement:

### RESPONSIBILITIES OF THE PROCUREMENT MANAGEMENT TEAM

- The validation and approval of procurement plans and tendering projects
- The examination and approval of procurement tendering methods and evaluation methods
- Determining the bid evaluation team and the participation of relevant staff
- Granting the final confirmation of successful bidders

The Group has a Procurement Product Quality Policy, which governs the resources acquired and used in our procurement processes, in place to ensure a high standard in relevant procedures. Under our responsible procurement practices, bidders are required to submit information on technical standards, specifications, quality requirements, supply methods and delivery times of the materials when submitting their bids. The Group also requires its suppliers to have an ISO9001 quality system certification or other equivalent qualifications.

### KEY HIGHLIGHTS OF HOW WE ENSURE FAIR AND COMPETITIVE BIDDING IN TENDERS

- Procurement Management Team first defines the composition of the members in the Bid Evaluation Team in accordance with predefined policy terms
- Bid Evaluation Team members are forbidden to have any conflict of interests with the bidders or projects
- Interference with the process and results of the Bid Evaluation Team is strictly prohibited
- Stringent Code of Conduct whereby illegal bidding provisions such as engaging in bribery, extortion, or exchange of benefits, are to be banned and investigated if found. The Group reserves the right to report any suspected criminal involvement in bidding-related activities to the relevant authorities.

We have placed emphasis on contracting local suppliers whenever possible. Compared to the previous year, we have increased our proportion of using local suppliers. The below table demonstrates the Group's procurement data and suppliers' breakdown.

The table below shows the breakdown of procurement-related data across Yongmao's production facilities in Fushun City. Procurement-related data from Yongmao's Singapore operations have not been included as Yongmao Singapore acts as an agent to sell products manufactured by the PRC-based production facilities and therefore does not have a significant procurement footprint external to the Group.

Location	Fushun City	
	Factory 1	Factory 2
Supplier type	Dealer, manufacturer, raw materials producer, wholesaler, freight and transportation provider, and sub-contractor	Raw materials producer
Total number of suppliers	675	143
Proportion of local suppliers	58%	66%
Geographical definition of "local"	Within Liaoning Province	Within Liaoning Province

# STRENGTHENING RESPONSIBLE OPERATIONS

MATERIAL TOPIC	TARGET(S) SET IN FY2020	PROGRESS IN FY2021
Procurement Practices	Increase the proportion of the total procurement budget spent on local suppliers or subcontractors to at least 40% (for manufacturing entities) by guiding local vendors in continuously improving their manufacturing competencies and product quality.	Target has been achieved. In 2020, 76 of the 145 qualified suppliers are from local provinces, accounting for 52%, and the total purchase amount has reached more than 40%.
	Continue to apply the rating mechanism to manage new suppliers while strengthening the evaluation of the existing suppliers' compliance and standards, thereby further refining the rating mechanism and encouraging all suppliers to raise their standards holistically.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) SET IN FY2022
Procurement Practices	Increase the proportion of the total procurement budget spent on local suppliers or subcontractors to at least 50% (for manufacturing entities) by guiding local vendors in continuously improving their manufacturing competencies and product quality.
	Implement the GBT19001-2016 quality management system requirements, continue to implement the rating mechanism to manage new suppliers. At the same time, we continue to strengthen the comprehensive evaluation of the capabilities and levels of the existing suppliers in our qualified list. We aim to further refine the evaluation mechanisms, and encourage suppliers to improve their supply capabilities.

## ANTI-CORRUPTION

Yongmao treasures values such as trustworthiness, integrity and fairness when we conduct our business across geographies. All forms of corruption are prohibited and the Group does not tolerate behavior such as extortion, fraud, money laundering and bribery. Through clear written documents like the Integrity Declaration by Managerial Personnel and the Agreement on Administrative Integrity, we expressly enforce a zero-tolerance policy towards indecent and illegal business practices related to corruption.

By signing the Integrity Declaration by Managerial Personnel, our senior and middle managerial staff pledge to abide by the following code of conduct:

HIGHLIGHTS FROM THE INTEGRITY DECLARATION BY MANAGERIAL PERSONNEL
<ul style="list-style-type: none"> <li>• <b>Staff should not use corporate funds to pay for personal expenses;</b></li> <li>• <b>Staff should not use insider information, such as access to information on funds, technology, prices and customer resources to derive personal benefits;</b></li> <li>• <b>Staff should not accept any gifts that can influence their business judgment, including but not limited to travel, fitness and entertainment arrangements;</b></li> <li>• <b>Nepotism is strictly prohibited. Staff should not use their positions to seek any form of benefits for their children, spouse, relatives, etc.</b></li> </ul>

In order to ensure that the relationship with all of the Group's business partners is in compliance with relevant laws and regulations, the Group also requires our partners to sign the Agreement on Administrative Integrity. Furthermore, we hold regular anti-corruption related information and training sessions for our employees so as to keep abreast the latest national and local laws and regulations related to anti-corruption.



# STRENGTHENING RESPONSIBLE OPERATIONS

## REPORTING ON SUSPECTED CASES

As the Group takes any suspected cases of improper business practices and corruption seriously, we have set up a designated hotline or email for individuals to report to us or related business partners. Our relevant personnel would follow up with investigation and refer suspected cases to local authorities if deemed necessary.

	Internal stakeholders who have been informed about anti-corruption policies		Internal stakeholders who have received anti-corruption training	
	Number	Percentage	Number	Percentage
<b>Directors<sup>4</sup></b>	7	100%	7	100%
<b>Senior Management</b>	17	100%	17	100%
<b>Middle Management</b>	79	100%	79	100%
<b>Entry-level/General Staff</b>	940	100%	336	35.7%

The Group has received no incidents of corruption within this reporting cycle. In the coming year, Yongmao aims to strengthen our dedicated anti-corruption policies within our Group. Combined with new anti-corruption targets for FY2022, we believe that all of our employees shall benefit from enriched anti-corruption guidelines and training.

MATERIAL TOPIC	TARGET(S) SET IN FY2020	PROGRESS IN FY2021
<b>Anti-Corruption</b>	Strengthen the communication of anti-corruption policies to ensure that these policies are observed throughout the Group's operations.	Target has been achieved.
	Raise employees' awareness of the importance of anti-corruption as a non-negotiable and essential part of responsible business operations, rather than merely a compliance measure, as a way of cultivating a good corporate culture.	Target has been achieved.

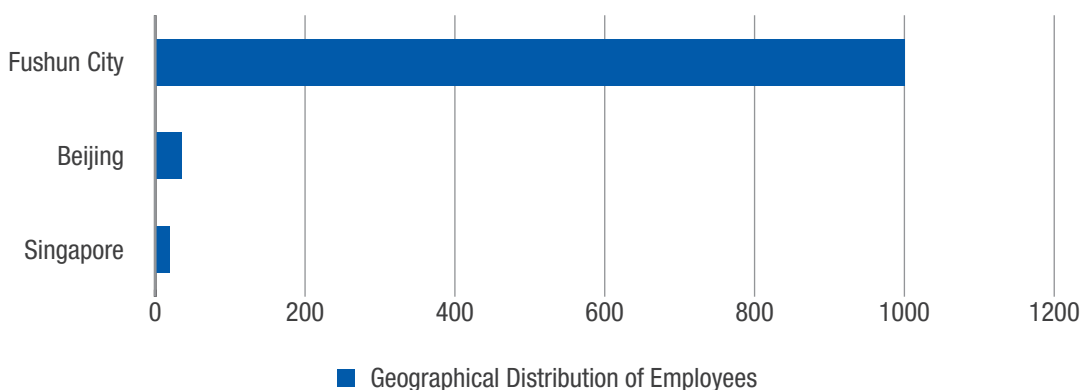
*MATERIAL TOPIC	TARGET(S) SET IN FY2022
<b>Anti-Corruption</b>	Anti-corruption policy Group employees should not only stay in compliance with a "slogan". Integrity and self-discipline in the daily performance appraisal is to become the core assessment items for senior management, and middle and general level employees.
	Not only should anti-corruption be regarded as a non-negotiable and indispensable part of responsible business operations, but also integrity and self-discipline should be the norms in all daily work and management tasks. A way to establish our good corporate culture of "Heaven rewards diligence and humanity".
	At the beginning of each year, the Party Committee of the Group issued the "Notice of Honesty and Self-discipline Work" and required all Group employees to learn and understand it.

<sup>4</sup> Includes both executive (6) and non-executive directors (5).

# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

Promotion of diversity, bettering job prospects and strengthening workplace safety have always been Yongmao's commitment to our valued employees. As of this reporting year, the Group has employed a total of 1038 people in our Beijing and Fushun production facilities in the PRC and our Singapore office. Most of our staff, over 96%, are located in Factory 1 and 2 within Fushun City in Liaoning Province.

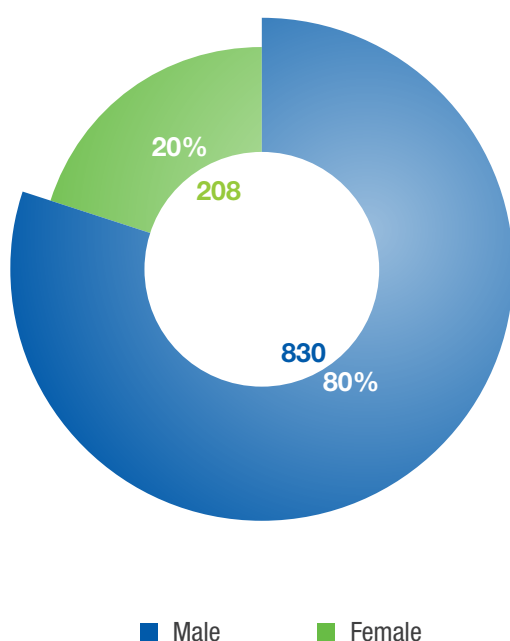
## GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES



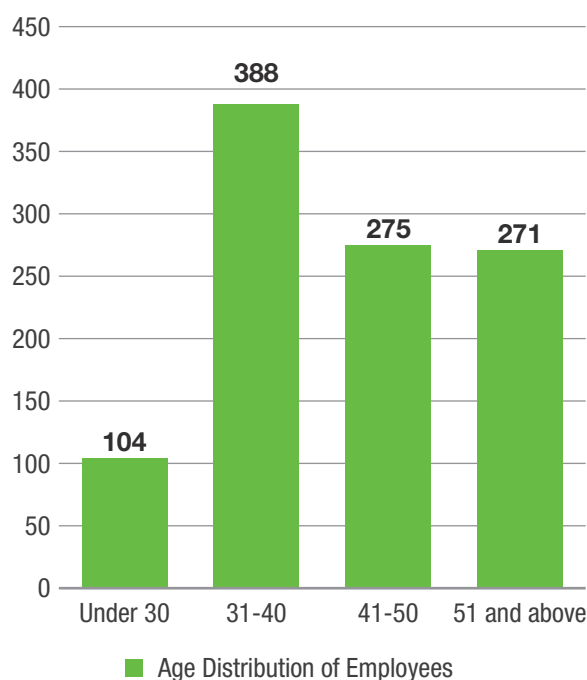
As of FY2021, all of our employees are working full-time. Furthermore, they are all on permanent contracts except one employee who is hired as a temporary staff.

The Group is a promoter of gender equality and age diversity in our industry. Additionally, all staff in our Group have the right to enjoy maternity leave regardless of age, gender and seniority. Over 32 employees have taken maternity leave in FY2021. The following charts indicate the gender and age distribution of our entire workforce for this reporting year:

## GENDER DISTRIBUTION OF EMPLOYEES



## AGE DISTRIBUTION OF EMPLOYEES



# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

## OCCUPATIONAL HEALTH AND SAFETY (“OH&S”)

During our business operations and manufacturing processes, occupational health and safety is an important task which must be addressed seriously. In this section, we outline our general OH&S measures and specific policies in handling COVID-19.

## OH&S TRAINING AND SAFETY MANAGEMENT SYSTEM

Our Safety Management System outlines safety guidelines that assist our departmental managers to implement occupational health and safety procedures in order to a safe environment for employees to work in. In line with local regulations, the Safety Management System is reviewed regularly by management and revised when it is necessary to improve certain safety procedures.

The Group offers a variety of safety training programmes conducted by internal and external experts for our employees, including fresh hires, management-level personnel and employees who engage in special lines of work. To ensure everyone understands the latest OH&S requirements, we require employees to take an annual examination on health and safety with test results logged in their profiles.

The Group’s management also plays a key role in implementing and overseeing the Group’s Safety Management System through a clearly defined set of responsibilities.

POSITION	RESPONSIBILITIES
<b>Chairman and General Manager</b>	<ul style="list-style-type: none"> <li>Continuously improve the Safety Management System</li> <li>Formulate and enhance safety production regulations and operating procedures</li> <li>Organise and implement safety education and training programmes</li> <li>Identify and mitigate work-related health and safety risks</li> <li>Ensure the timely remediation and review of work-related incidents</li> <li>Prepare emergency response plans for work-related accidents</li> </ul>
<b>Deputy General Manager</b>	<ul style="list-style-type: none"> <li>Maintain the Group’s safety management team that is equipped with safety and health officers. The number of full-time safety and health officers must make up at least 0.2% of the total number of employees.</li> <li>Maintain and implement the Group’s safety reward and punishment system</li> <li>Set the company’s annual safety performance target</li> </ul>

In the table, we show the number of fatalities and injuries resulted from various causations within the Group’s operational boundaries:

Location	Disease-related fatalities	Work-related fatalities	High-consequence work-related injuries	Recordable work-related injuries
<b>Singapore</b>	0	0	0	0
<b>Beijing City</b>	0	0	0	0
<b>Fushun City</b>	0	0	3	16



# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

## SPECIAL MEASURES IN DEALING WITH COVID-19

In FY2021, Yongmao continues to enforce relevant sanitation measures and safe distancing policies throughout our premises and production sites. Our dedicated PRC and Singapore health taskforces work alongside our Prevention and Control Office, which we established last year, to oversee pandemic prevention and control measures.

### HIGHLIGHTS OF OUR SPECIAL COVID-19 MEASURES ARE AS BELOW:

- **Mandatory of wearing protective masks and equipment in the workplace at all times**
- **Safe distancing measures are enforced with various signage around premises**
- **Offices and facilities are cleaned and disinfected regularly with adequate ventilation**
- **Minimizing physical meetings and make use of virtual conferences or calls**
- **Temperature screenings for individuals entering premises with security guards tasked with registering visitor vehicles and personnel**

MATERIAL TOPIC	TARGET(S) SET IN FY2020	PROGRESS IN FY2021
<b>Occupational Health and Safety</b>	Improve the working environment of employees and reduce the amount of intensive labour by improving intelligent manufacturing processes.	Target has been achieved.
	Normalise the provision of occupational health and safety training to all employees, expand the scope of the training, and strengthen employees' awareness of their own health and safety.	Target has been achieved.
	Monitor the health of employees daily and control the rate of cardiovascular and cerebrovascular diseases among employees.	Target has been achieved. According to different positions and occupational health hazards, the occupational health of all employees and two annual physical examinations of employees are carried out to achieve full coverage and comprehensive health protection.
	Continue to control the rate of work-related deaths or accidents through improvements in equipment, working environment and process operations to eliminate physical safety hazards.	Target has been achieved.

# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

We are committed to maintain the highest level of health and safety standards with appropriate measures and policies in place to deter occupational hazards. The Group also continues to implement measures that adhere to local authorities in terms of combating the COVID-19 pandemic.

MATERIAL TOPIC	TARGET(S) SET IN FY2022
Occupational Health and Safety	Improve the working environment of employees and reduce the amount of intensive labour by improving intelligent manufacturing processes.
	According to the job position and nature, combined with the types of occupational health hazards, we will conduct targeted occupational health training and establish a medical file database for all employees.
	Monitor the health of employees daily and control the rate of cardiovascular and cerebrovascular diseases among employees. Also to implement annual medical and physical examinations for employees.
	Strictly control the occurrence of accidents through scientific safety management methods and a complete safety management system. According to the work responsibilities and division of labor, we aim to find potential safety hazards and deficiencies, promptly rectify and focus on prevention, and normalize and institutionalize safety management procedures.

# ENVIRONMENTAL STEWARDSHIP

The Group recognizes that safeguarding the nature environment is an essential attribute of a socially-responsible company, and an important element within ESG.

## MATERIALS

Throughout our routine operations and production process, the Group generates waste materials such as steel material offcuts and iron filings. We also collect and recycle waste materials at designated recycling points as part of our recycling measures. In terms of recycling manufacturing materials, remaining parts of the steel material offcuts used for manufacturing the counterweight of our tower cranes are gathered for recycling. To strengthen our efforts, we are integrating different product materials to ensure better overall utilization rates.

The Group is consistently enforcing our policy in dealing with various production wastes. We have dispensed waste materials, such as iron filings and carton boxes, sold them to qualified waste treatment vendors contracted by the Group through competitive bidding processes. In order to standardize the entire process, our Waste Management Department is responsible to supervise the arrangement, monitoring and processing of waste materials.

The following table shows the amount of steel used as production input materials in both of our factories in Fushun City:

Location	Fushun City	
	Factory 1	Factory 2
Material type	Raw materials	Raw materials
Category	Renewable materials	Renewable materials
Material	Steel	Steel
Weight (tonnes)	41,998	17,779

## ENVIRONMENTAL PERFORMANCE

TARGET(S) SET IN FY2020	PROGRESS IN FY2021
Reduce electronic and manufacturing waste by standardising processes and products, increasing the generality or modularity of components, reducing remanufacturing, etc.	In progress to achieve target. Our ready-made product materials are being integrated to reduce the types of material specifications and we are striving to increase the utilization rate of materials.
Continue to promote the use of steel instead of concrete precast components.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) FOR FY2022
Materials	Continue to promote the use of steel instead of concrete precast components. Continue to transition to an intelligent manufacturing process. Through the introduction of smart and modern equipment, we aim to better utilize materials and increase employee efficiency in the meanwhile.



DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
<b>GRI 102: General Disclosures</b>				
<b>Organisational Profile</b>				
102-1	Name of the organization	-	1	
102-2	Activities, brands, products, and services	-	1	
102-3	Location of headquarters	-	1	
102-4	Location of operations	-	1	
102-5	Ownership and legal form	-	1	
102-6	Markets served	-	1	
102-7	Scale of the organization		1	
102-8	Information on employees and other workers	-	5-6	
102-9	Supply chain	-	11	
102-10	Significant changes to the organization and its supply chain	-	1	
102-11	Precautionary Principle or approach	-	3	
102-12	External initiatives	-	3	
102-13	Membership of associations	-	8	
<b>Strategy</b>				
102-14	Statement from senior decision-maker	LR711B-1e	4	
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	5-6	
<b>Ethics and Integrity</b>				
102-16	Values, principles, standards, and norms of behaviour	-	2	
<b>Governance</b>				
102-18	Governance structure	PN7.6-3.1	5	
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	7	
102-29	Identifying and managing economic, environmental, and social impacts	PN7.6-3.3	9	
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	-	7-8	
102-41	Collective bargaining agreements	-	N/A	Unavailable Information
102-42	Identifying and selecting stakeholders	-	7-8	
102-43	Approach to stakeholder engagement	-	7-8	
102-44	Key topics and concerns raised	-	7-8	

# GRI-SGX

## CONTENT INDEX

DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
<b>Reporting Practices</b>				
102-46	Defining report content and topic boundaries	-	3	
102-47	List of material topics	-	9	
102-50	Reporting period	-	3	
102-52	Reporting cycle	-	3	
102-53	Contact point for questions regarding the report	-	3	
102-54	Claims of reporting in accordance with the GRI Standards	LR711B-1d	3	This report was prepared with reference to the GRI Standards
102-55	GRI content index		19-20	
102-56	External assurance	PN7.6-3.8	N/A	Not available, in review
<b>GRI 201: Economic Performance</b>				
103	Management approach disclosures	LR711B-1 b&c	10	
201-1	Direct economic value generated and distributed	-	10	
<b>GRI 204: Procurement Practices</b>				
103	Management approach disclosures	LR711B-1 b&c	11-12	
204-1	Proportion of spending on local suppliers	-	11-12	
<b>GRI 205: Anti-corruption</b>				
103	Management approach disclosures	LR711B-1 b&c	12-13	
205-2	Communication and training about anti-corruption policies and procedures	-	12-13	
205-3	Confirmed incidents of corruption and actions taken	-	12-13	
<b>GRI 301: Materials</b>				
103	Management approach disclosures	LR711B-1 b&c	18	
301-1	Materials used by weight or volume	-	18	
301-2	Recycled input materials used	-	18	
<b>GRI 403: Occupational Health and Safety</b>				
103	Management approach disclosures	LR711B-1 b&c	14-17	
403-1	Occupational health and safety management system	-	14-17	
403-2	Hazard identification, risk assessment, and incident investigation	-	14-17	
403-3	Occupational health services	-	15	
403-9	Work-related injuries	-	15	



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