



YONGMAO HOLDINGS LIMITED

SUSTAINABILITY REPORT 2022



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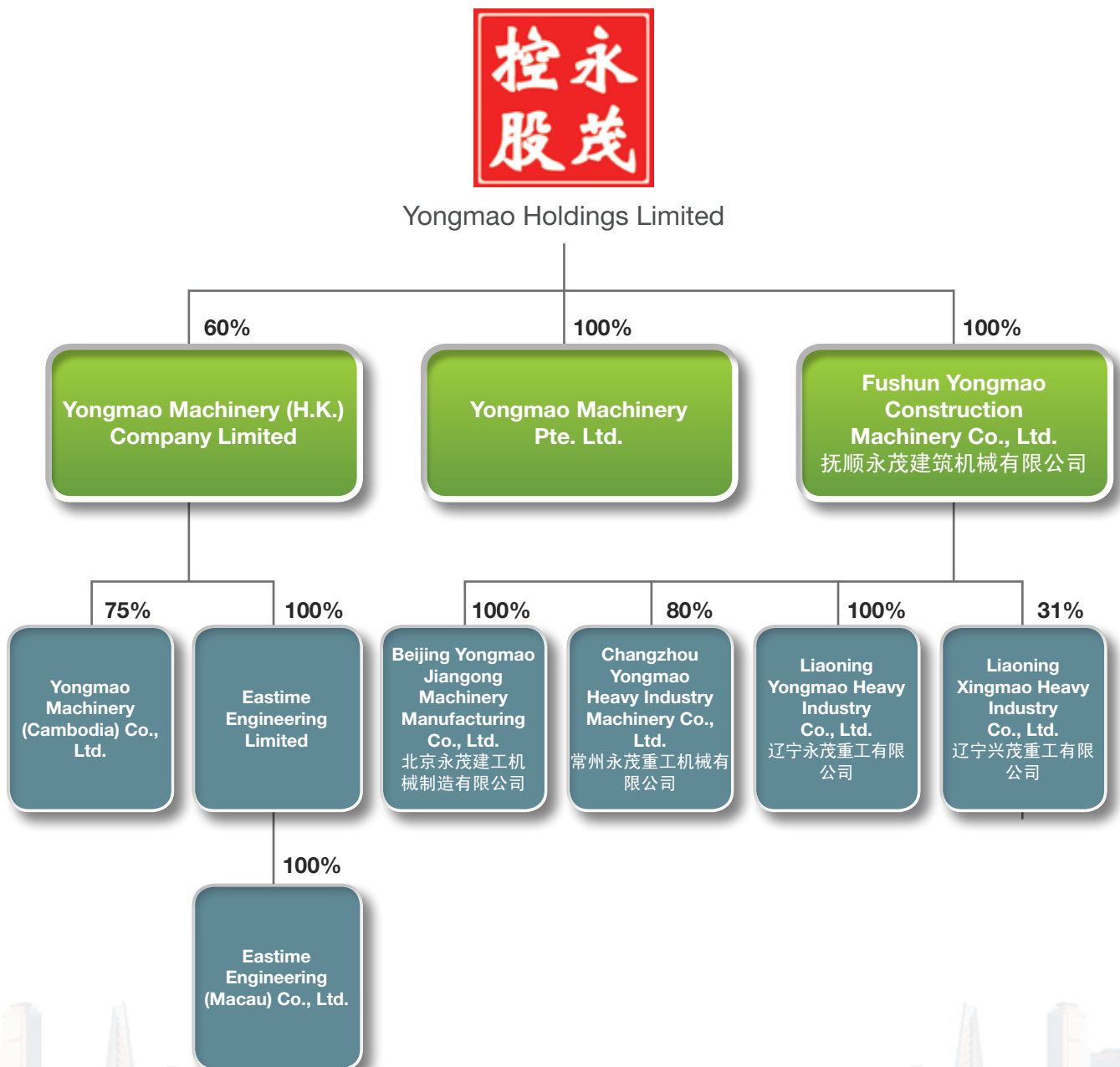
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Yongmao Holdings Limited (“Yongmao” or the “Company”) and our subsidiaries (collectively known as the “Group” or “we”) have designed, developed and manufactured a wide range of tower cranes, components and accessories since 1992. The Group’s headquarters is located in Singapore. 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. 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.

CORPORATE STRUCTURE



ABOUT THE GROUP

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

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

REPORTING BOUNDARY

As compared to previous sustainability reporting, the Group has included our sales and rental business operations located in Hong Kong and Macau in this report.

Hence, this report covers the Group’s operation of design, development, manufacture and sale of tower cranes, components and accessories, rental and services of tower cranes for the year ended 31 March 2022 (“FY2022”). 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 offices in Singapore, Hong Kong and Macau.

REPORTING STANDARD

This report adheres to the Singapore Exchange (“SGX”) Listing Rule 711A on preparing an annual sustainability report, which describes our sustainability practices with references to the primary components set out in Listing Rule 711B on a “comply or explain” basis, 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 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 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 this report, please contact us through these channels:

Address: 81 Ubi Avenue 4, #09-01 UB. One Singapore 408830

Email: investor@yongmaoholdings.com

Tel: (65) 6636 3456

Fax: (65) 6636 2960

CHAIRMAN'S MESSAGE



Mr Sun Zhao Lin
(Executive Chairman)

The Board of Directors (the “Board”) is pleased to present this report to provide an overview of the Group’s commitment and approach towards sustainability through its operations and business practices in the industry. The Board believes this report serves as a good platform to communicate with its stakeholders on the Group’s sustainability performance. The Board believes sustainability is the key for the Group to achieve continuous success. Being the Group’s long-term strategic approach, the Board is responsible for overseeing the performance of the Group by incorporating the concept of sustainability into its business operations. The Sustainability Working Group, formed by the Group’s senior management, works closely with the Board to establish the Group’s sustainability strategy and monitor the Group’s performance. The Board plays a significant role in identifying sustainability factors that are material to the Group’s business, and the feedback from stakeholders also help in the process of sustainability reporting.

Since the beginning of our journey toward sustainability, we have been committed to making our best efforts in order to enhance sustainability and meet the expectations of our stakeholders. As the impact of the coronavirus disease 2019 (“COVID-19”) pandemic has been lessened compared to the most serious level in our major markets, our business activities were attaining recovery in FY2022. For the prevention and control the COVID-19 pandemic, we continued to comply with the laws and regulations in relation to public health and response to health and safety concerns through the dedicated health task forces. We also maintained an adequate supply of protective equipment for all personnel. In terms of procurement practices, we maintained a high local procurement rate in support of local suppliers in FY2022. Protecting the environment remained one of the top issues for the Group.

“ For PRC, a key market in which we operate in, its government commits to reach carbon neutrality by 2060. This report marks our first disclosure of climate-related risk management approach with reference to the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. ”

Looking ahead, we will continue to invest in equipment and technological upgrades to strive for energy and material efficiency. By staying up-to-date with our equipment and work processes, we are also able to ensure our workers’ safety, improve the work efficiency for our staff and incentivise improvements in performance quality, which by extension will maintain our market competitiveness.

As a global challenge, climate change has a far-reaching impact on economic and social development. An array of actions has been taken by different entities to tackle climate change. We have seen over 100 countries committed to becoming carbon neutral by 2050. For PRC, a key market in which we operate in, its government commits to reach carbon neutrality by 2060. This report marks our first disclosure of climate-related risk management approach with reference to the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. While we have made progress in climate-related disclosures, such as reporting on our Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions in this report, we will continue to develop risk management frameworks to strengthen our climate resilience.

Challenges such as high commodity prices, inflation, high interest rates and disruptions to the international trade and supply chains is threatening the global economies. Nonetheless, we will continue to seize new sustainability opportunities, advance our established targets, and evaluate our strategies to take on new challenges. It is crucial to remind ourselves that we have to remain as committed to our core values and sense of social responsibility.

Sun Zhao Lin
Executive Chairman
August 2022

SUSTAINABILITY RISKS AND OPPORTUNITIES

The 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 strive to achieve the yearly sustainability targets across our subsidiaries.

SUSTAINABILITY GOVERNANCE

The 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 Board plays a supervisory role in collecting data, drafting and reviewing the report. The Group has established the Sustainability Working Group to strive to improve the management of sustainability issues. The Sustainability Working Group is delegated by the Board to consider relevant material issues and inform the Board for comprehensive business and sustainability strategy decision-making. Its members span across different business departments. They are responsible for collecting and analyzing the relevant data, giving suggestions to the Board on sustainability issues and reviewing the sustainability practices across the Group's different departments.

SUSTAINABILITY RISKS AND OPPORTUNITIES

Identifying and analyzing sustainability opportunities and risks 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 RESPONSES
<p>Economic Risks: Supply chain disruptions, volatile energy prices and rising interest rates, coupled with the COVID-19 restrictions continue in part of the PRC, poses business impacts onto our operations across geographies.</p>	<p>Striving Ahead: Other than the PRC's zero covid policy, our other major markets had largely kept the COVID-19 pandemic under control and business activities have been returning to almost regular levels. Seizing new opportunities and mitigating foreseeable risks remain our core strategy to achieve new revenue streams and maintain existing market leadership.</p>
<p>Occupational Health and Safety: 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, may pose new health risks for our employees and business partners.</p>	<p>Enforce Health and Safety Measures: The Group's dedicated health task forces 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.</p>
<p>Supply Chain Management: Two years into the pandemic, the global supply chain continues to sputter and break down created enormous pressure on land and sea transportation. In additions, COVID-19 restrictions continue in parts of the PRC. Besides causing delays in getting goods to customers, the cost of delivering the goods surged.</p>	<p>Strengthening Local Supply Chains: The Group 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.</p>

SUSTAINABILITY RISKS AND OPPORTUNITIES

RISKS

Physical Risks from Climate Change:

We face physical environmental risks arising from climate change. This includes extreme and intense weather events such as storm flooding, heat wave and droughts surges.

Transition Risks from Climate Change:

The Group faces transition risks that are resulted from changing environmental laws and regulations related to including but not limited to emissions, energy efficiency, water use, and waste disposal. The Group expects that the relevant laws and regulations will become more stringent. For example, local governments may adopt more aggressive policies and measures to limit GHG emissions. As a result, the Group may be exposed to legal risks, a type of transition risks, and may have to incur higher operating costs to comply with regulatory changes.

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 RESPONSES

Minimizing Environmental Impact:

The Group 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, including material used and GHG emissions. We have implemented smart solutions such as Solidworks/Computer-Aided Design (“CAD”) assist production and integrating production materials to ensure a higher operational efficiency while minimizing material wastage and faulty parts. We have also made further progress in ensuring internal company communications paperless.

Responding to Climate Change:

The Group continuously monitors any changes in laws or regulations. In addition, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing GHG emissions. As the Group goes beyond compliance to strive to improve the environmental performance of its operations, the Group can quickly adapt to the more stringent regulations that may arise.

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. Retention of quality and key employees contribute to an organisation’s productivity and overall performance. 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

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

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

STAKEHOLDER ENGAGEMENT

KEY STAKEHOLDERS	AREAS OF INTEREST OR CONCERN	THE GROUP'S RESPONSES
 <p>Customers</p>	<ul style="list-style-type: none"> • Business continuity and timely delivery of products; • Design and workmanship; • Customer satisfaction and experience; • Quality products, services and after-sales support; and • Effective channels of communication with the Group. 	<ul style="list-style-type: none"> • Maintain a multimedia customer communication and feedback channel to deliver timely updates on the evolving business circumstances; and • Ensure staff responsiveness in after-sales and support services.
 <p>Business partners</p>	<ul style="list-style-type: none"> • Business continuity in terms of procurement agreements and partnerships; • Group financial stability and supply chain efficiency; and • Responsive and open channels of communication with the Group. 	<ul style="list-style-type: none"> • Maintain a multimedia supplier communication and feedback channel to deliver timely updates on the evolving business circumstances; • Our Directors and management team have been actively participating in the meeting of standard-setting process coordinated by regional or national professional groups and industrial associations¹.
 <p>Shareholders, investors and financiers</p>	<ul style="list-style-type: none"> • Financial stability and performance; • Plans for long-term growth, strategy and geographical expansion; • Market diversification; • Enterprise risk management; • Adherence to good corporate governance; and • Timely dividend payout or repayments of loan principal and interest. 	<ul style="list-style-type: none"> • Comply with all relevant listing rules and regulations; • Ensure regular and transparent communication on financial and nonfinancial information; and • Maintain open multimedia channels for shareholder communication and feedback.
 <p>Local communities</p>	<ul style="list-style-type: none"> • Impacts of the Group's operations on the local community and environment. 	<ul style="list-style-type: none"> • Strengthen local employment and economic development; • Support local suppliers; and • Contribute to local charity or philanthropic causes, particularly in terms of education for low-income families.
 <p>Government and regulators</p>	<ul style="list-style-type: none"> • Compliance with applicable laws and regulations; • Contribution to national or local economic and social development; and • Impacts of the Group's operations on the local community and environment. 	<ul style="list-style-type: none"> • Ensure compliance with all applicable laws and regulations; and • Ensure that all relevant employees are kept abreast of changes to statutory requirements.

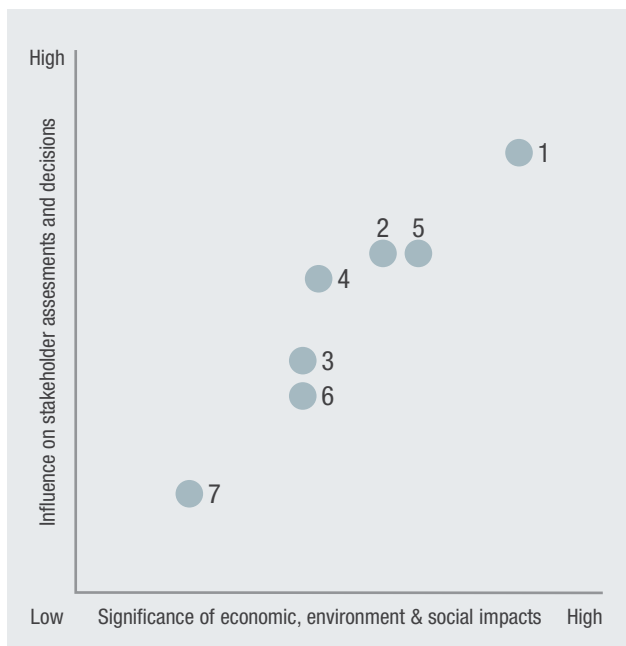
¹ Several key associations that the Group has been an active participating member of include: China Construction Machinery Industry Association (中国工程机械工业协会); China Construction Machinery Industry Association User Working Committee (中国工程机械工业协会用户工作委员会); China Construction Machinery Association Construction 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 Mechanisation Branch (中国工程机械工业协会施工机械化分会); 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 Standardisation 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

MATERIALITY ASSESSMENT

The Group focuses on the seven key material 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.

MATERIALITY MATRIX



1 ECONOMIC PERFORMANCE	Delivering value to our stakeholders amidst a recovering economy
2 PROCUREMENT PRACTICES	Adapting to new changes in procurement practices and an evolving supply chain landscape
3 ANTI-CORRUPTION	Consistent efforts to implement anti-corruption and illegal business practices remain paramount
4 OCCUPATIONAL HEALTH AND SAFETY	Industry occupational health and safety measures are as critical as the Group's health policies designed to tackle COVID-19
5 MATERIALS	Integrating production materials seamlessly and arranging recycling initiatives to abate environmental impacts
6 EMISSIONS	Managing the discharge of substances from a source into the atmosphere to address the environmental dimension of sustainability concerns
7 CLIMATE CHANGE	Identifying climate-related risks and opportunities to mitigate and adapt to climate change

BOUNDARIES OF MATERIAL FACTORS

The seven identified material topics impact our key stakeholders differently. All topics are defined as material within² and outside³ of the Group. We will continue to monitor and review any significant boundary changes. The table below summarises which stakeholders are impacted by individual material topic:

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

² The boundary for impacts within the Group aligns with the reporting boundary.

³ The boundary for impacts outside the Group takes reference from the key external stakeholders identified for FY2022.

STRIVING FORWARD

Despite the challenging circumstances that continue to persist, the Group has managed to attain RMB1,111.3 million in revenue, indicating an 8.1% year-on-year rise. In tandem with this growth in revenue, the Group's gross profit grew by 20.6% year-on-year to RMB307.5 million in FY2022. Our average gross profit margin increased from 24.8% in the year ended 31 March 2021 ("FY2021") to 27.7% in FY2022, largely due to higher proportions of large and mega size tower cranes and the luffing series of higher sales margin that were sold during the period under review, as well as higher rental income.

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 green and renewable energy constructions such as the 31MW wind power project in Hannan, Tianjin Binhai New Area, Dalian Waste Incineration Power Plant Project and Dubai Waste-to-Energy plant in the United Arab Emirates during FY2022.

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

MATERIAL TOPIC	TARGET(S) SET IN FY2021	PROGRESS IN FY2022
Economic Performance	Achieve positive cash flow generated from operating activities.	Target has been achieved. In FY2022, our cash flow generated from operating activities was approximately RMB81.6 million.

ECONOMIC PERFORMANCE OUTLOOK

Looking ahead, we believe that we can remain highly competitive in our key markets, especially in markets with strong government support. Having said that, we are aware that in addition to the ongoing pandemic, the global economy remains uncertain and volatile in light of geopolitical tensions sparked by the war between Russia and Ukraine as well as the hike in interest rates, which may lead to a global recession. Reinforced by our commercial resilience, we continue to strive forward and accept new challenges.

MATERIAL TOPIC	TARGET(S) FOR THE YEAR ENDED 31 MARCH 2023 ("FY2023")
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 research and development 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 management 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; and
- 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 FY2021, 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 the Group's production facilities in Fushun City and the rental and servicing of tower cranes business operations in Hong Kong and Macau. Procurement-related data from the Group's Singapore operations have not been included as the relevant operations act as a reseller to sell products manufactured by the PRC-based production facilities and therefore do not have a significant procurement footprint external to the Group.

Location	Fushun City		Hong Kong and Macau
	Factory 1	Factory 2	Offices
Supplier type	Dealer, manufacturer, raw materials producer, wholesaler, freight and transportation provider, and sub-contractor	Raw materials producer	Dealer, freight and transportation provider, and sub-contractor (Exclude tower crane and spare parts purchased from related subsidiary)
Total number of suppliers	682	167	57
Proportion of local suppliers	61%	72%	89%
Geographical definition of "local"	Within Liaoning Province	Within Liaoning Province	Within Hong Kong and Macau

STRENGTHENING RESPONSIBLE OPERATIONS

MATERIAL TOPIC	TARGET(S) SET IN FY2021	PROGRESS 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.	Target has been achieved. In FY2022, approximately 65% of qualified suppliers are from local provinces, and the total purchase amount has reached approximately 64%.
	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.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) FOR FY2023
Procurement Practices	Optimise the overall supply capacity of suppliers, review the qualifications of suppliers every year, and require suppliers to provide supporting documents of their qualifications for the internal review of the management.
	Strictly control the quality of the incoming raw materials, actively assist the relevant departments to properly solve the quality problems that may occur during the use of the raw materials, actively cooperate with the after-sales service personnel, and fully support the development of the Group.
	Collect information on innovative products and upgraded products launched by suppliers to meet the potentially increasing demand for our tower cranes, continue to be innovative and ensure sustainable development.

ANTI-CORRUPTION

The Group 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 (管理人员廉洁自律承诺书) and the Agreement on Administrative Integrity (廉政协议), 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

- Staff should not use corporate funds to pay for personal expenses;
- Staff should not use company's insider information such as funds, securities, technology, prices, bidding documents and customer resources that are accessible or controlled to derive personal benefits;
- Staff should not accept any gifts that can influence their business judgment, including but not limited to travel, fitness and entertainment arrangements; and
- Nepotism is strictly prohibited. Staff should not use their positions to seek any form of benefits for their children, spouse, relatives, etc.

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 and 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
Directors⁴	7	100%	7	100%
Senior Management	18	100%	18	100%
Middle Management	79	100%	79	100%
Entry-level/General Staff	1,016	100%	31	3%

The Group has received no incidents of corruption within FY2022. In FY2023, the Group aims to strengthen our dedicated anti-corruption policies within our Group. Combined with new anti-corruption targets for FY2023, we believe that all of our employees shall benefit from enriched anti-corruption guidelines and training.

MATERIAL TOPIC	TARGET(S) SET IN FY2021	PROGRESS IN FY2022
Anti-corruption	Anti-corruption policy states that the Group's 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.	Target has been achieved.
	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".	Target has been achieved.
	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.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) FOR FY2023
Anti-corruption	Promote anti-corruption behavior to create clean, fair and impartial internal and external environment, raise the self-control capacity of the staff and build a supervision system for anti-corruption while having zero tolerance for corrupt practices. Conduct stringent investigation and punishment if we discover corrupt behavior.

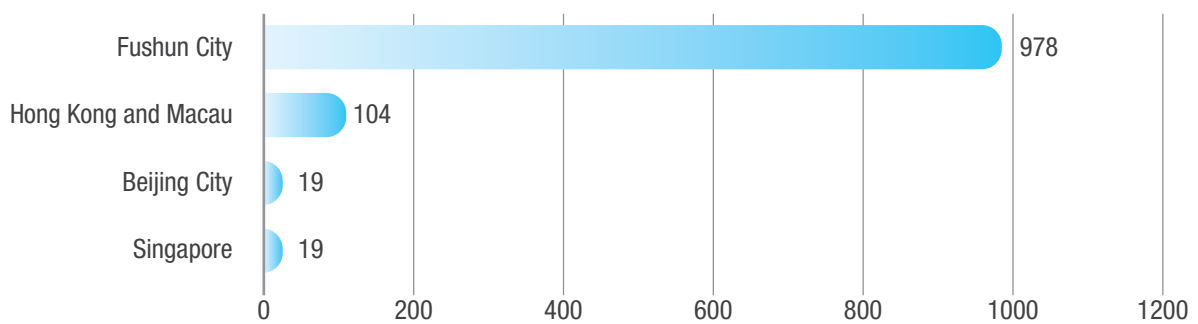
⁴ Includes 3 Executive Directors and 4 Non-Executive Directors.

ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

Promotion of diversity, bettering job prospects and strengthening workplace safety have always been our commitment to our valued employees. As of 31 March 2022, the Group employed a total of 1,120 people in Beijing City, Fushun City, Singapore, Hong Kong and Macau. Most of our staff, over 87%, were located in Factory 1 and 2 within Fushun City of Liaoning Province in the PRC. As of 31 March 2022, all of the Group’s employees were full-time employees under permanent contract. The Group is a promoter of gender equality and age diversity in our industry. Additionally, all staff in the Group have the right to enjoy maternity leave regardless of age, gender and seniority. 8 employees took parental leave in FY2022.

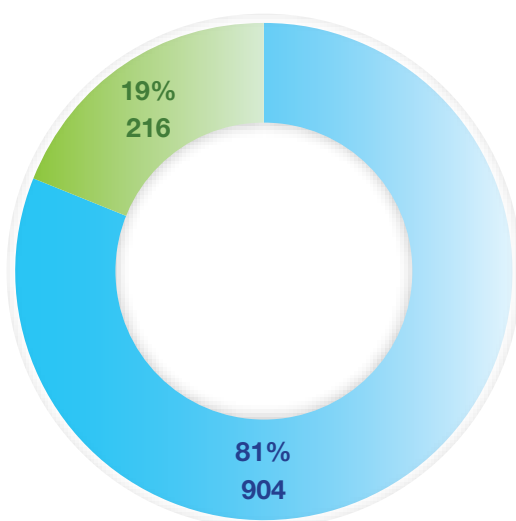
The following charts indicate the geographical, gender and age distribution of our entire workforce as of 31 March 2022:

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES



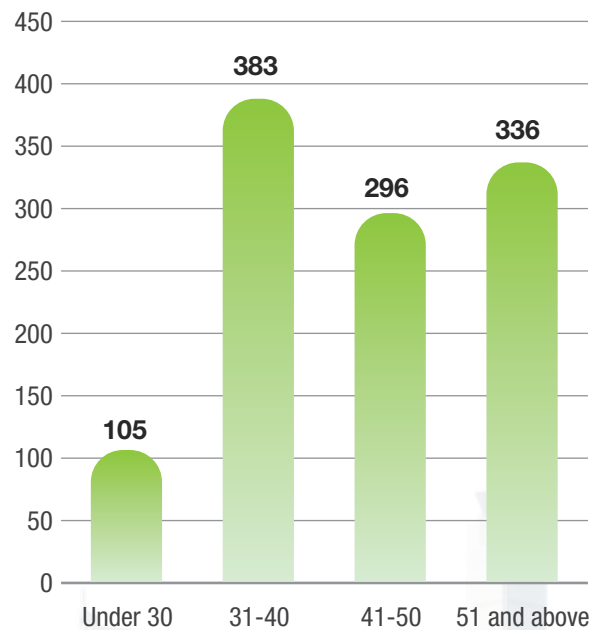
■ Geographical Distribution of Employees

GENDER DISTRIBUTION OF EMPLOYEES



■ Male ■ Female

AGE DISTRIBUTION OF EMPLOYEES



■ Age Distribution of Employees

ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

OCCUPATIONAL HEALTH AND SAFETY

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 occupational health and safety measures and specific policies in handling COVID-19.

OCCUPATIONAL HEALTH AND SAFETY 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 maintain a safe environment for employees to work in. We have formulated our Safety Management System covering all employees in accordance with laws and regulations including but not limited to the Workplace Safety and Health Act of Singapore, the Production Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases. The Group strongly encourages its employees to provide comments or suggestions on the Safety Management System. The Safety Management System is reviewed regularly by management and will be updated where appropriate to keep in line with the requirements of the applicable laws and regulations relating to health and safety.

The Group offers a variety of safety training programs 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 occupational health and safety 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
Chairman and General Manager	<ul style="list-style-type: none"> Continuously improve the Safety Management System Formulate and enhance safety production regulations and operating procedures Organise and implement safety education and training programs Identify and mitigate work-related health and safety risks Ensure the timely remediation and review of work-related incidents Prepare emergency response plans for work-related accidents
Deputy General Manager	<ul style="list-style-type: none"> 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 Maintain and implement the Group's safety reward and punishment system Set the company's annual safety performance target

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

Locations	Disease-related fatalities	Work-related fatalities	High-consequence work-related injuries	Recordable work-related injuries
Singapore	-	-	-	-
Beijing City	-	-	-	-
Fushun City	-	-	-	11
Hong Kong and Macau	-	-	-	1

ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

SPECIAL MEASURES IN DEALING WITH COVID-19

In FY2022, the Group continued to enforce relevant sanitation measures and safe distancing policies throughout our premises and production sites. Our dedicated PRC and Singapore health task forces work alongside our Prevention and Control Office 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 FY2021	PROGRESS IN FY2022
Occupational Health and Safety	Improve the working environment of employees and reduce the amount of intensive labor by improving intelligent manufacturing processes.	Target has been achieved.
	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.	Target has been achieved.
	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.	Target has been achieved. According to different positions and occupational health hazards, the occupational health monitoring and annual medical and physical examinations of employees are carried out to achieve full coverage and comprehensive health protection.
	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 normalise and institutionalise safety management procedures.	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) FOR FY2023
Occupational Health and Safety	Maintain zero work-related fatalities.
	Maintain zero high-consequence work-related injuries.
	Maintain zero cases of recordable work-related ill health.
	According to the job position and nature, combined with the types of occupational health hazards, we will conduct occupational health training and establish a medical file database for 100% of our employees.
	Monitor the health of employees daily and control the rate of cardiovascular and cerebrovascular diseases among employees. Implement annual medical and physical examinations for employees.



ENVIRONMENTAL STEWARDSHIP

The Group recognises that safeguarding the nature environment is an essential attribute of company which actively fulfills corporate social responsibility, 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 utilisation 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 standardise 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 the Group's factories in Fushun City in FY2022:

Location	Fushun City	
	Factory 1	Factory 2
Material type	Raw materials	Raw materials
Category	Renewable materials	Renewable materials
Material	Steel	Steel
Weight (tonnes)	32,380	14,989

ENVIRONMENTAL PERFORMANCE

MATERIAL TOPIC	TARGET(S) SET IN FY2021	PROGRESS IN FY2022
Materials	Continue to promote the use of steel instead of concrete precast components.	Target has been achieved.
	Continue to transition to an intelligent manufacturing process. Through the introduction of smart and modern equipment, we aim to better utilise materials and increase employee efficiency in the meanwhile.	In progress to achieve target. The raw materials of our ready-made products are being integrated to reduce the variation of material specifications and we are striving to increase the utilisation rate of materials.

MATERIAL TOPIC	TARGET(S) FOR FY2023
Materials	Continue to promote the standardisation of raw materials. We aim to reduce the waste of raw materials by using raw materials with the same specifications where possible.

EMISSIONS

Realizing the business nature of the Group incurs emissions, we strive to minimise our environmental impacts in our operations. We aim at reducing our emissions by introducing various practices and initiatives, while increasing our efficiency and lowering costs. We have implemented related environmental policies and initiatives, including but not limited to those listed below, to reduce the Group's emissions:

- Conduct regular checks on our vehicles to ensure that they comply with environmental regulations as well as monitor our diesel consumption;
- Educate employees to turn off engines for idling vehicles;
- Explore energy efficient technologies to implement in operations;
- Use technology to monitor and control energy usage, for example, consumption of diesel for vehicle use;
- Turn off unnecessary electrical appliances in a timely manner; and
- Promote effective environmental management among employees.

Our GHG emissions consist of direct (Scope 1) GHG emissions, including the GHG emissions mainly from fuel consumption for vehicle use, and energy indirect (Scope 2) GHG emissions, including the GHG emissions mainly from the Group's consumption of electricity from external sources. The GHG emissions data is presented in terms of tonnes of carbon dioxide equivalent ("tCO₂e"). In FY2022, the Group's total GHG emissions were approximately 6,249.69 tCO₂e, which consists of approximately 1,040.18 tCO₂e of direct (Scope 1) GHG emissions and approximately 5,209.51 tCO₂e of energy indirect (Scope 2) GHG emissions. In FY2022, the Group's total GHG emissions intensity was approximately 5.58 tCO₂e/employee.

The table below sets out the GHG emissions generated from the Group's production facilities in Fushun City and the rental and servicing of tower cranes business operations in Hong Kong and Macau in FY2022. GHG emissions-related data from the Group's operations in Singapore have not been included as the relevant operations do not generate significant amount of GHG emissions.

Indicators ⁵	Unit	FY2022
Direct (Scope 1) GHG emissions	tCO ₂ e	1,040.18
Energy indirect (Scope 2) GHG emissions	tCO ₂ e	5,209.51
Total GHG emissions	tCO ₂ e	6,249.69
Total GHG emissions intensity⁶	tCO ₂ e/employee	5.58

MATERIAL TOPIC	TARGET(S) FOR FY2023
Emissions	Maintain or reduce the total GHG emissions intensity in FY2023, using 5.58 tCO ₂ e/employee in FY2022 as the baseline.

⁵ GHG emissions data are calculated based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Exchanges and Clearing Limited, "Global Warming Potential Values" from the IPCC Fifth Assessment Report, the "Baseline Emission Factors for Regional Power Grids in China for 2019 Emission Reduction Projects" published by Ministry of Ecology and Environment of the PRC and "2021 Sustainability Report" published by CLP Holdings Limited.

⁶ As of 31 March 2022, the Group's total number of employees within the reporting boundary was 1,120.

ENVIRONMENTAL STEWARDSHIP

CLIMATE CHANGE

The Group recognises the importance of developing a strategy and risk management framework that can help enhance the Group's climate resilience. We acknowledge that TCFD provides recommendations regarding disclosure of climate-related financial information. TCFD has four overarching elements, including governance, strategy, risk management and metrics and targets, to assess the impact of key climate-related risks and opportunities. While we have adopted certain areas of TCFD's recommendations, such as setting metrics and targets, we will continue to strengthen our disclosure with reference to TCFD.

Governance

The Board has oversight of the Group's sustainability in the formulation of its strategy. The Board approves the report which provides comprehensive disclosures, including disclosures on the Group's climate-related risk and opportunities and its responding actions to enhance climate resilience.

The Sustainability Working Group reports to the Board on sustainability matters, including climate-related matters, and are responsible for developing metrics and targets so as to manage sustainability objectives and monitor the overall sustainability performance. In addition, the Sustainability Working Group drives the implementation of the sustainability objectives in the Group's operations and advises the Board on the material sustainability matters.

Strategy

We have strengthened our understanding of risk, including physical risks and transition risks, and opportunities affecting our business. After the identification of climate-related risks and opportunities over the short, medium and long term, we have evaluated the climate-related issues which have impacted, and those which may impact us, and planned for actions to manage them.

Information on the climate-related risks identified by the Group and the corresponding measures is set out in the section headed "SUSTAINABILITY RISKS AND OPPORTUNITIES". The Group has adopted a series of measures against the possible physical risks and transition risks from climate change.

With the increased awareness of climate change, our stakeholders tend to prefer products and services that are less damaging to the climate. As a result, the transition to a low-carbon business model can bring opportunities. With the adoption of environmentally friendly practices in the Group's operations, the Group may be able to seize more business opportunities from business customers who recognise the Group's environmental initiatives, such as integrating different product materials to ensure better overall utilisation rates.

Risk Management

The Sustainability Working Group was established to drive the Group's sustainability performance and develop sustainability strategy, including our climate risk management. We will continue to review our climate-related risks and carry out the corresponding actions to manage the risks.

Recognizing that climate-related risks, along with other ESG risks, affect our businesses, we will refine our enterprise risk management framework to include ESG risks and climate-related risk as part of the internal control activities.

Metrics and Targets

We have measured and disclosed our Scope 1 and Scope 2 GHG emissions in this report. GHG emissions data are calculated based on widely recognised standards.

We have committed to an emissions reduction target to strive to mitigate our GHG emissions. In FY2022, we have set a target of maintaining or reducing the total GHG emissions intensity in FY2023, using 5.58 tCO₂e/employee in FY2022 as the baseline.

MATERIAL TOPIC	TARGET(S) FOR FY2023
Climate Change	Continue to monitor any changes in laws or regulations relating to including but not limited emissions, energy efficiency, water use, and waste disposal.

DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
GRI 102: General Disclosures 2016				
Organisational Profile				
102-1	Name of the organisation	-	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 organisation		1, 14	
102-8	Information on employees and other workers	-	14	
102-9	Supply chain	-	11	
102-10	Significant changes to the organisation and its supply chain	-	1	
102-11	Precautionary Principle or approach	-	4	
102-12	External initiatives	-	3	
102-13	Membership of associations	-	8	
Strategy				
102-14	Statement from senior decision-maker	LR711B-1e	4	
102-15	Key impacts, risks, and opportunities	PN7.6-3.3	5-6	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behaviour	-	2	
Governance				
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	
Stakeholder Engagement				
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 engagements	-	7-8	
102-44	Key topics and concerns raised	-	7-8	

GRI-SGX

CONTENT INDEX

DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
Reporting Practices				
102-46	Defining report content and topic boundaries	-	3	
102-47	List of material topics	LR711B-1a	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		21-23	
102-56	External assurance	PN7.6-3.8	N/A	Not available, internal review
GRI 201: Economic Performance 2016				
103	Management approach disclosures	LR711B-1 b&c	10	
201-1	Direct economic value generated and distributed	-	10	
GRI 204: Procurement Practices 2016				
103	Management approach disclosures	LR711B-1 b&c	11-12	
204-1	Proportion of spending on local suppliers	-	11-12	
GRI 205: Anti-corruption 2016				
103	Management approach disclosures	LR711B-1 b&c	12-13	
205-2	Communication and training about anti-corruption policies and procedures	-	13	
205-3	Confirmed incidents of corruption and actions taken	-	13	
GRI 301: Materials 2016				
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	

DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
GRI 305: Emissions 2016				
103	Management approach disclosures	LR711B-1 aa, b&c	19	
305-1	Direct (Scope 1) GHG emissions	-	19	
305-2	Energy indirect (Scope 2) GHG emissions	-	19	
305-4	GHG emissions intensity	-	19	
GRI 403: Occupational Health and Safety 2018				
103	Management approach disclosures	LR711B-1 b&c	15-17	
403-1	Occupational health and safety management system	-	15-17	
403-2	Hazard identification, risk assessment, and incident investigation	-	15-17	
403-3	Occupational health services	-	15-17	
403-4	Worker participation, consultation, and communication on occupational health and safety	-	15-16	
403-5	Worker training on occupational health and safety	-	15	
403-6	Promotion of worker health	-	15-17	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	-	15	
403-9	Work-related injuries	-	15	



Yongmao Holdings Limited

(Incorporated in the Republic of Singapore on 3 August 2005)
(Company Registration No: 200510649K)

81 Ubi Avenue 4, #09-01 UB. One
Singapore 408830
Tel: (65) 6636 3456
Fax: (65) 6636 2960
Email: investor@yongmaoholdings.com
Website: www.yongmaoholdings.com