
APPENDIX B – SUMMARY SHEET FOR RENEWAL OF SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

Yongmao Holdings Limited (the “**Company**”) together with its subsidiaries (collectively the “**Group**”) is seeking approval from the Shareholders at the Annual General Meeting (“**AGM**”) to be held on 29 July 2024 for the renewal of the Shareholders’ Mandate to authorise the Group to enter into various Interested Person Transactions in compliance with Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

2. GENERAL

We anticipate that our Group would, in the ordinary course of business, enters into transactions with persons who are considered “Interested Persons” as defined in Chapter 9 of the Listing Manual of SGX-ST. It is likely that such transactions will occur with some degree of frequency and could arise at any time, and from time to time. Such transactions include, but are not limited to, the categories of transactions described below.

Chapter 9 of the Listing Manual of SGX-ST applies to transactions entered or to be entered into by an entity at risk with a party that is an interested person of the listed company. Save for transactions which are excluded under Chapter 9 of the Listing Manual of SGX-ST, an immediate announcement and (if applicable) shareholders’ approval would be required in respect of a transaction with interested persons if the value of that transaction is equal to or exceeds certain financial thresholds.

Under the SGX-ST’s Listing Manual:

- (a) an “entity at risk” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (b) an “interested person” means a director, chief executive officer or controlling shareholder of the listed company or an associate of any such director, chief executive officer or controlling shareholder;
- (c) an “associate” means:

in relation to an interested person who is a director, chief executive officer, substantial or controlling shareholder includes:

- (i) an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling and parent) of such director, chief executive officer, substantial or controlling shareholder;
- (ii) the trustees of any trust of which the director or his immediate family, the chief executive officer or his immediate family, substantial or controlling shareholder or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object;
- (iii) any company in which the director and his immediate family, the chief executive officer and his immediate family, substantial or controlling shareholder and his immediate family together has an interest (directly or indirectly) of 30% or more; and

- (iv) where a substantial shareholder or a controlling shareholder which is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) An “associated company” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group;
- (e) An “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
- (f) A “controlling shareholder” means a person who holds (directly or indirectly) 15% or more of the nominal amount of all voting shares in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder or in fact exercises control over a company; and
- (g) An “interested person transaction” means a transaction between an entity at risk and an interested person.

Pursuant to Rule 920(2) of the Listing Manual of SGX-ST, the Company may treat a general mandate as having been obtained from the Shareholders (“**Shareholders’ Mandate**”) for the Company to enter into certain categories of interested person transactions with the classes of interested person set out below, if the information required by Rule 920(1)(b) is included in the Prospectus. Rule 920(1)(b) of the Listing Manual of SGX-ST requires the following information to be disclosed:

- (i) the names of the interested persons with whom the entity at risk will be transacting;
- (ii) the nature of the transactions contemplated under the mandate;
- (iii) the rationale for, and benefit to, the entity at risk;
- (iv) the methods or procedures for determining transaction prices;
- (v) an independent financial adviser’s opinion on whether the methods or procedures in (iv) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the listed company and its minority shareholders;
- (vi) an opinion from the Audit Committee if it takes a different view to the independent financial adviser;
- (vii) a statement from the issuer that it will obtain a fresh mandate from shareholders if the methods or procedures in (iv) become inappropriate; and
- (viii) a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction.

The Shareholders’ Mandate will be effective from the date of the passing of the resolution to be proposed at the AGM and will continue to be in force until the next AGM. We will seek the approval of our Shareholders for a renewal of the Shareholders’ Mandate at each subsequent AGM of the Company.

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, interested persons will abstain, and have undertaken to ensure that their associates will abstain from voting on resolutions approving interested person transactions involving themselves and the Group. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by shareholders who are unrelated to such interested persons or their associates.

Rule 905 and Rule 906 of the Listing Manual do not apply to any transaction which has a value that is below S\$100,000 with an interested person and therefore transactions below S\$100,000 need not be covered under the Shareholders' Mandate.

3. CLASSES OF INTERESTED PERSONS

The Shareholders' Mandate will apply to transactions between the Group and the following persons ("**Interested Persons**"):

- (a) Mr Sun Zhao Lin, Ms Tian Ruo Nan and Mr Sun Tian (the "**Sun Family Members**") and their associates (other than the Company), including Fushun Yongmao Industry and Trade Co., Ltd ("**FYIT**") and their respective subsidiaries or associated companies, if any; and
- (b) Tat Hong Holdings Ltd and its subsidiaries and associated companies (the "**Tat Hong Group**").

Transactions with interested persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the provisions of Chapter 9 and/or any other applicable provisions of the Listing Manual of SGX-ST.

4. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The following transactions (the value of which is S\$100,000 or more) with the Interested Persons (the "**Interested Person Transactions**") are in connection with the provision to, or the obtaining from, these Interested Persons of products and services which are recurrent transactions of a revenue or trading nature or which are necessary for the day-to-day operations of the Group:

- (i) the sale of products (including the sale of tower cranes and tower crane accessories to companies within the Tat Hong Group) and the provision of services; and
- (ii) the purchase of products and services (including the purchases of consumables from FYIT).

5. RATIONALE FOR AND BENEFITS OF THE SHAREHOLDERS' MANDATE

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Company to obtain the Shareholders' Mandate to enter into the Interested Person Transactions, provided that all such transactions are carried out on normal commercial terms. The Shareholders' Mandate (if approved and renewed on an annual basis) will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions with interested persons arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising its corporate objectives and adversely affecting its business opportunities.

The Interested Person Transactions are entered into or, are to be entered into, by the Group in the ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Interested Persons after the listing of the Company on the SGX-ST. Disclosure will be made where required under the prevailing listing rules, in the Company's annual report and financial results on the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the Shareholders' Mandate is in force.

6. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

The Audit Committee has reviewed and approved the following internal control procedures that will apply to Interested Person Transactions. These procedures are implemented with a view to ensuring that Interested Person Transactions are undertaken on normal commercial terms and/or on an arm's length basis; that is, the transactions are transacted on terms not more favourable to the Interested Persons than if they were transacted with an unrelated third party, and are not prejudicial to the interests of the Company and the minority Shareholders.

The Company shall monitor transactions with Interested Persons entered into by the Group and categorise these transactions as follows:

- (a) any transaction, whose value is less than 3% of the latest audited net tangible assets of the Group will be reviewed and approved by a non-interested Executive Director. In the event that all the Executive Directors have an interest, whether directly or indirectly, in the transaction, it will be reviewed and approved by a non-interested and Non-Executive Director; and
- (b) any transaction, whose value is equal to or exceeds 3% of the latest audited net tangible assets of the Group will be reviewed and approved by at least one member of our Audit Committee.

For the purpose of the above review, where applicable, when supplying products or services to an Interested Person, the sale price or fee, and the terms, of at least two successful sales or supplies of a similar nature to non-Interested Persons within the last three months will be used for comparison. The sale price or fee for the supply of goods or services shall not be lower than the lowest sale price or fee of such other transaction(s) (of a similar nature) with non-Interested Persons.

Similarly, where applicable, when purchasing items from or engaging the services of an Interested Person, at least two successful purchases or quotations for the purchase or provision of same or similar items or services from non-Interested Persons within the last three months will be used (where available) for comparison. The purchase price or fee shall not be higher than the most competitive price, fee or quote of such other transaction(s) (of a similar nature) with non-Interested Persons. In determining the most competitive price or fee, non-price factors, including but not limited to quality, delivery time, and track record will be taken into account.

In the event that it is not possible for appropriate information (for comparative purposes) to be obtained, a Director (with no interest, direct or indirect, in the Interested Person Transactions) will determine whether the price, fees and/or the other terms offered by or to the Interested Persons are fair and reasonable, and approve such Interested Person Transactions. In so determining, such Director will consider whether the price, fees and/or other terms is in accordance with usual business practices and pricing policies and consistent with the usual margins and/or terms to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken at an arm's length and on normal commercial terms.

For all on-going and future Interested Person Transactions in respect of the renting of properties, appropriate steps will be taken with a view to ensuring that the rent is commensurate with the prevailing market rates, including adopting measures such as making enquiries with landlords of similar property and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rate of similar property in terms of size and location, based on the results of the relevant enquiries.

The Company will maintain a register of Interested Persons. This register will be updated regularly and will be sent to the Chief Financial Officer of the Group. The purpose of this register is to enable the Chief Financial Officer to identify the Interested Persons so as to facilitate the recording of all Interested Person Transactions excluding those below S\$100,000.

The Company will also maintain a register of transactions carried out with Interested Persons including those pursuant to the Shareholders' Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into). This register of transactions shall be reviewed by the Audit Committee on a quarterly basis.

In addition, the Group's internal audit plan will incorporate a review of the transactions entered into in the relevant financial year pursuant to the Shareholders' Mandate. The internal auditor, if any, shall be required to review such transactions and report directly to the Audit Committee on them. In the event that the Company does not have any internal auditor, the Company's external auditor will be required to review such transactions and report directly to the Audit Committee. Such internal audit plan is subject to the approval of the Audit Committee and the Board.

In the event that our Chief Executive Officer, a member of the Board or a member of the Audit Committee (where applicable) is interested in any Interested Person Transactions, he/she will abstain from any decision making by the Audit Committee or the Board in respect of that transaction.

If during the quarterly reviews, the Audit Committee is of the view that the internal control procedures as stated above are not sufficient to ensure that the Interested Person Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders, the Company will obtain a fresh mandate from Shareholders based on new guidelines and review procedures with interested persons. All Interested Person Transactions shall be reviewed and approved by at least one member of the Audit Committee prior to entry while a fresh mandate is being sought from Shareholders. In the event that a member of the Audit Committee is interested in any of the Interested Person Transactions, that member will abstain from reviewing that particular transaction.

The Audit Committee will also review transactions with interested persons on a quarterly basis with a view to ensuring that the prevailing rules of the SGX-ST (in particular, Chapter 9) are complied with. Our Audit Committee and our Board shall have the overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within the Group as they deem appropriate.

7. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company has reviewed the terms of the Shareholders' Mandate. Having considered, *inter-alia*, the categories, rationale and benefits, and guidelines on review procedures for the Interested Person Transactions, the Audit Committee confirms that (i) the review procedures for determining the prices of Interested Person Transactions have not changed since approval for the Shareholders' Mandate was last given; and (ii) the review procedures set out in the Shareholders' Mandate are sufficient to ensure that the Interested Person Transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. However, should the Audit Committee subsequently find that the existing procedures require material changes and are no longer relevant, the Audit Committee will recommend to the Board that a Shareholders' meeting be convened for Shareholders' approval in respect of a fresh mandate.

8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders of the Company in the issued share capital of the Company as at 19 June 2024 are set out below:

	Direct Interest		Indirect Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Sun Zhao Lin ⁽²⁾	–	–	50,942,870	57.40
Tian Ruo Nan ⁽²⁾	66,600	0.08	50,942,870	57.40
Ng San Tiong ⁽³⁾	–	–	21,253,153	23.95
Sun Tian ⁽⁴⁾	841,900	0.95	–	–
Hoon Chee Wai	–	–	–	–
Steve Lai Mun Fook	–	–	–	–
Soh Chun Bin	–	–	–	–
Substantial Shareholders (other than Directors)				
Sun & Tian Investment Pte. Ltd.	50,942,870	57.40	–	–
Tat Hong Holdings Ltd	21,253,153	23.95	–	–
THSC Investments Pte. Ltd. ⁽⁵⁾	–	–	21,253,153	23.95
TH60 Investments Pte. Ltd. ⁽⁶⁾	–	–	21,253,153	23.95
Chwee Cheng & Sons Pte Ltd ⁽⁶⁾	–	–	21,253,153	23.95
Ng Sun Ho Tony ⁽³⁾	–	–	21,253,153	23.95
Ng San Wee David ⁽³⁾	–	–	21,253,153	23.95
Ng Sun Giam Roger ⁽³⁾	–	–	21,253,153	23.95
Augusta Investments Zero Pte. Ltd. ⁽⁷⁾	–	–	21,253,153	23.95
Augusta AB Holdco Pte. Ltd. ⁽⁷⁾	–	–	21,253,153	23.95
Augusta Fundco Pte. Ltd. ⁽⁷⁾	–	–	21,253,153	23.95
Augusta Fund 1, LP ⁽⁸⁾	–	–	21,253,153	23.95
Augusta GP Pte. Ltd. ⁽⁸⁾	–	–	21,253,153	23.95
Affirma Capital Managers (Singapore) Pte. Ltd. ⁽⁸⁾	–	–	21,253,153	23.95
Affirma Capital (Singapore) Pte. Ltd. ⁽⁹⁾	–	–	21,253,153	23.95
Affirma Capital Limited ⁽⁹⁾	–	–	21,253,153	23.95

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 88,749,997 Shares (excluding treasury shares and subsidiary holdings) as at 19 June 2024.
- (2) Mr Sun Zhao Lin and Ms Tian Ruo Nan are deemed to be interested in the shares of the Company by virtue of the shares held by Sun & Tian Investment Pte. Ltd.. Mr Sun Zhao Lin and Ms Tian Ruo Nan are directors and substantial shareholders of Sun & Tian Investment Pte. Ltd..
- (3) Pursuant to the terms of a trust deed dated 29 July 1997 (as amended) (the “Trust Deed”), Mr Ng San Tiong Roland and his brothers, Messrs Ng Sun Ho Tony, Ng San Wee David and Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust (collectively, the “Trustees”) constituted under the Trust Deed and which owns approximately 38.33% of Chwee Cheng & Sons Pte Ltd (“CCSPL”). As Trustees, each Trustee has a deemed interest in the shares of CCSPL held by Chwee Cheng Trust and accordingly, is deemed to be interested in the shares of the Company held by Tat Hong Holdings Ltd (“THH”).
- (4) Mr Sun Tian is the son of Mr Sun Zhao Lin and Ms Tian Ruo Nan.
- (5) THSC Investments Pte. Ltd. (“THSC”) owns 100% interest in THH. Accordingly, THSC is deemed to be interested in the shares of the Company held by THH.

- (6) TH60 Investments Pte. Ltd. (“**TH60**”) owns approximately 70.8% interest in THSC, which in turn is wholly owned by CCSPL. Accordingly, each of TH60 and CCSPL is deemed to be interested in the shares of the Company held by THH.
- (7) Augusta Investments Zero Pte. Ltd. (“**Augusta Investments Zero**”), which owns approximately 29.2% interest in THSC, is wholly owned by Augusta AB Holdco Pte. Ltd. (“**Augusta AB**”), which in turn is wholly owned by Augusta Fundco Pte. Ltd. (“**Augusta Fundco**”). Accordingly, each of Augusta Investments Zero, Augusta AB and Augusta Fundco is deemed interested in the shares of the Company held by THH.
- (8) Augusta Fund 1, LP owns 100% interest in Augusta Fundco. Augusta GP Pte. Ltd. (“**Augusta GP**”) is the general partner of Augusta Fund 1, LP. and Affirma Capital Managers (Singapore) Pte. Ltd. (“**Affirma Capital Managers**”) is the fund manager of Augusta Fund 1, LP. Accordingly, Augusta Fund 1, LP acts on the directions of Augusta GP and Affirma Capital Managers. As a result, each of Augusta Fund 1, LP, Augusta GP and Augusta Capital Managers is deemed interested in the shares of the Company held by THH.
- (9) Affirma Capital (Singapore) Pte. Ltd. (“**Affirma Singapore**”) owns 100% interest in each of Affirma Capital Managers and Augusta GP and in turn, Affirma Capital Limited (“**Affirma Capital**”) owns 100% interest in Affirma Singapore. Accordingly, each of Affirma Singapore and Affirma Capital is deemed interested in the shares of the Company held by THH.

9. ABSTENTION FROM VOTING

- (i) Mr Sun Zhao Lin, Ms Tian Ruo Nan, Mr Sun Tian and Tat Hong Holdings Ltd, and their respective associates, being the Interested Persons will abstain from voting on Resolution 8.
- (ii) Mr Ng San Tiong who hold directorship and executive position in Tat Hong Group, and their respective associates will abstain from voting on Resolution 8.

10. DIRECTORS’ RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders’ Mandate are Mr Hoon Chee Wai, Dr Steve Lai Mun Fook and Mr Soh Chun Bin (the “**Independent Directors**”). The Independent Directors are of the opinion that the entry into the Interested Person Transactions by the Group in the ordinary course of its business will enhance the efficiency of the Group and are in the best interests of the Company.

For the reasons set out in paragraph 5 of the Appendix, the Independent Directors recommend that Shareholders vote in favour of Resolution 8, being the Ordinary Resolution relating to the proposed renewal of the Shareholders’ Mandate for Interested Person Transactions at this AGM.

11. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept responsibility for the accuracy of the information given herein and confirm; having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed herein are fair and accurate and that there are no material facts the omission of which would make any statement herein misleading.

12. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his/her behalf, he/she should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 81 Ubi Avenue 4, #09-01 UB. One, Singapore 408830 not less than forty-eight (48) hours before the time appointed for the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him/her from attending and voting at the AGM if he/she so wishes.

13. SGX-ST

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made in this Appendix.