



Yongmao Holdings Limited

2020

SUSTAINABILITY REPORT



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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.

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. Sold mainly to construction equipment distributors and equipment rental companies in overseas markets and to construction companies and equipment rental companies in the People’s Republic of China (the “PRC”), our tower cranes are now exported to over 70 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 production facilities are mainly located in the PRC. During the year ended 31 March 2020 (“FY2020”), the Group also completed the relocation of our Beijing production facility to Fushun City. The new production facility stands in close proximity to our existing manufacturing facility.

As of the end of FY2020, the Group employed a total of 1,036 employees in our Beijing and Fushun subsidiaries in the PRC and our Singapore office. The Group’s revenue rose 8.7% year-on-year to RMB962.4 million in FY2020. In tandem with this revenue growth, the Group’s gross profit grew 4.3% year-on-year to RMB248.8 million in FY2020.

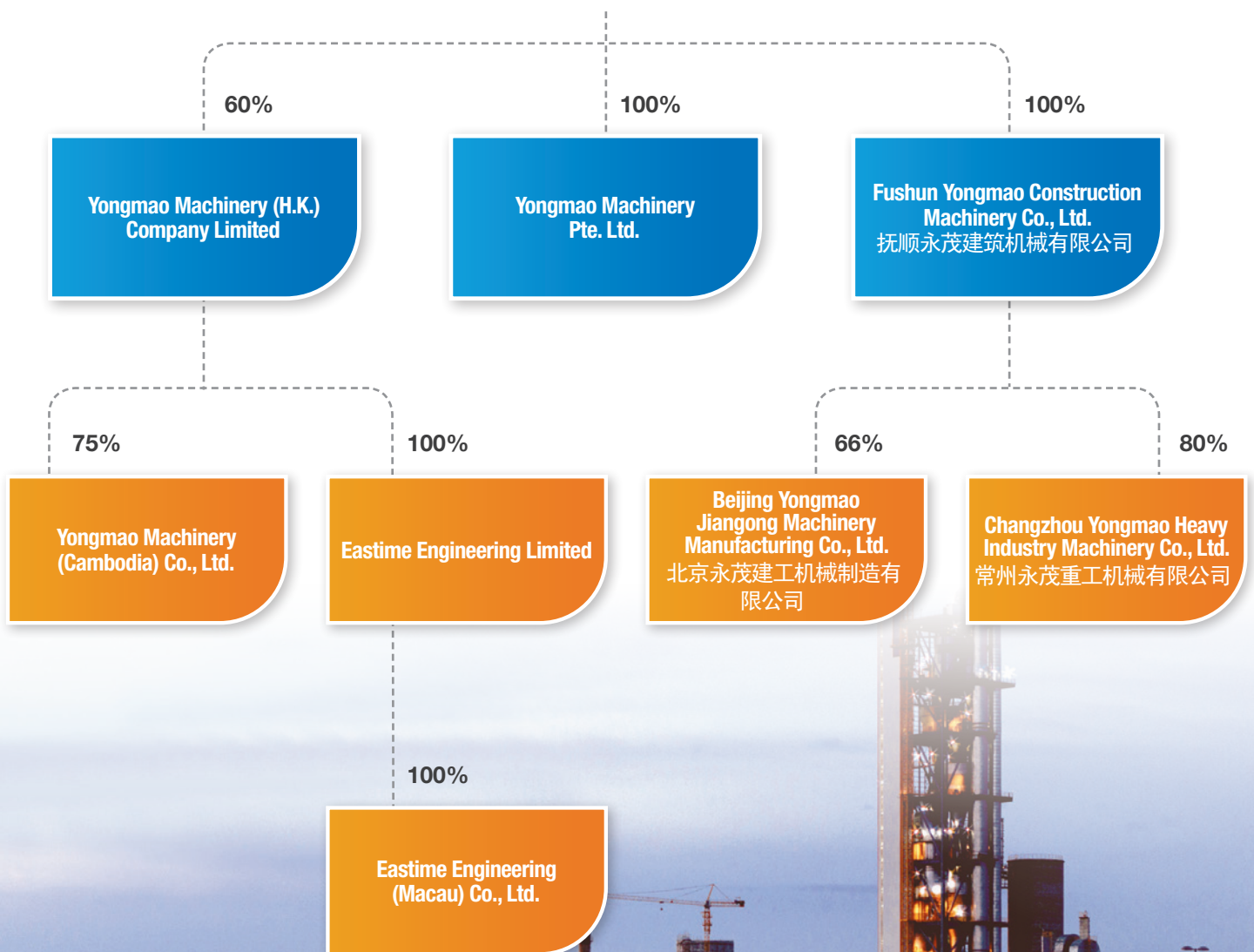


Corporate Structure

as at 31 March 2020



Yongmao Holdings Limited



About this Report

This is the third Sustainability Report (the “report”) published by Yongmao. As with the first two reports, this report discloses the policies, practices, targets and performance of the Group related to the material environmental, social and governance (“ESG”) topics that the Group has identified. The report aims to enable all stakeholders to understand the Group’s sustainability progress and goals.

REPORTING BOUNDARY

The report focuses on Yongmao’s operation of design, development, manufacture and sale of tower cranes, components and accessories between April 2019 and March 2020 (the “reporting year”, or FY2020). Similar to the Group’s second sustainability report, the reporting boundary for this report covers the Group’s production facilities in Beijing and Fushun in the PRC, as well as our Singapore office.

The Group 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. Disclosures from the Beijing City are therefore reflective of operational data up until September 2019, while disclosures from the new Fushun manufacturing facility constitute data from September 2019. In the next reporting year, data from the two Fushun facilities will be collectively disclosed.

While the report does not fully cover the Group’s operations (such as the sales and rental business operations in Hong Kong), Yongmao plans to gradually expand the scope of its disclosures in the coming reporting years.

REPORTING STANDARD

The report is prepared in accordance with the “comply or explain” provision of the SGX-ST Listing Rules 711 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. The five reporting components prescribed by the SGX-ST Listing Rules 711B (“LR 711B”) underpin the key structure of this report. 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.

To ensure quality and impartial reporting, Yongmao commissioned an external consulting company to engage our stakeholders and compile the report. In line with the material topics confirmed during the stakeholder engagement process, selected topic-specific disclosures are included for enhanced reporting. The GRI-SGX Content Index is available at the end of this report.

OPINION AND FEEDBACK

Yongmao values the opinion of our stakeholders on how we can continuously improve our sustainability performance. If you have any questions or suggestions regarding the content of the report, please contact the following channels:

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



“ In response to the pandemic, the Group has deepened our focus on occupational health and safety. To ensure a safe working environment, the Group has established dedicated task forces to oversee and enforce health and safety measures in accordance with local directives and best practices. ”

Mr Sun Zhao Lin
(Executive Chairman)

The extensive and unprecedented global impact of the COVID-19 pandemic has emphasised the sustainability imperative in many ways. For one, the outbreak has made clear the interconnectedness of diverse stakeholder groups, such as our employees, customers, suppliers and local communities. It has also underscored the importance of understanding and responding to material social risks and opportunities among these stakeholder groups.

In response to the pandemic, the Group has deepened our focus on occupational health and safety. To ensure a safe working environment, the Group has established dedicated task forces to oversee and enforce health and safety measures in accordance with local directives and best practices. As the Group prepares for the next phase of COVID-19 with the gradual reopening of the global economy, we remain vigilant about operating safely in this new normal. This goes beyond restarting business to include seizing opportunities that may arise in this new environment to catalyse change internally and holistically.

In other aspects of social responsibility, the Group also continues to support available means of local procurement and adopt locally-sourced materials in our production process. This not only enables us to reduce the business impacts arising from the global lockdown, but also allows us to support local stakeholder groups during this difficult time to the best of our ability.

Furthermore, the Group recognises that even amid the COVID-19 pandemic, other crises loom. Climate change continues to pose a significant threat to the world, with 2019 marking the end of the hottest decade ever recorded. To this end, the Group continues to pay great attention to climate risks and impacts, and seeks to systematically reduce our environmental footprint using the latest technology and cutting-edge production methods.

With these challenges and opportunities in sight, the Group will continue to scale and advance our sustainability goals across our businesses, as we bring the Group to greater heights.

Mr Sun Zhao Lin
Executive Chairman
Yongmao Holdings Limited
October 2020

Sustainability Risks and Opportunities

The Group recognises the importance of sound corporate governance and has assigned the Board the responsibility of determining Yongmao's material topics and overseeing the integration of sustainability into the Group's overall strategy. The Board in turn works closely with key managers to mitigate arising risks and to ensure that the Group achieves its yearly sustainability targets.

SUSTAINABILITY GOVERNANCE

The Board oversees the integration of sustainability issues into the Group's broader strategy formulation for long-term value creation. By working closely with key management, the Board ensures that Yongmao achieves our sustainability objectives and addresses arising issues in a timely manner.

The Board continues to delegate the responsibility of providing independent oversight of various functions to select Board Committees, including the Audit Committee, Nominating Committee and Remuneration Committee. These Board Committees table material sustainability issues for consideration by the Board to inform decision-making. During the reporting year, the Group's Audit Committee held four internal meetings, with all executive directors and most non-executive directors of the Board in attendance.

SUSTAINABILITY RISKS AND OPPORTUNITIES

The Board provides oversight and guidance on the Group's sustainability risks to safeguard the interests of our shareholders, enhance our performance, and address the concerns of other stakeholder groups. The Board does so by ensuring that the Group maintains a sound risk management system and internal controls in its operations. From this vantage point, the Board provides guidance to Management in determining the nature and extent of the risks that the Group should undertake.

With the increasing imperative for sustainability, the Group recognises the management of sustainability risks as an integral part of its long-term performance. The Group, with the support of external consultants, has identified some material sustainability risks and opportunities that have the potential to impact our operations and strategic planning.

RISK

OPPORTUNITIES AND RESPONSE

Economic Risks

The unprecedented global lockdown due to the COVID-19 pandemic has adversely affected the Group's operations and the business outlook for FY2020 and beyond.

Staying Resilient

The gradual reopening of the global economy presents an opportunity for the Group to adapt our businesses to the new normal. This goes beyond restarting business to include seizing opportunities that may arise to catalyse change internally and holistically. To this end, continuous innovation and adaptation remain at the heart of the Group's strategy and business operations.

Occupational Health and Safety

In addition to the occupational health and safety risks that arise from the nature of the Group's business, the outbreak of COVID-19 poses new health risks for our employees.

Stringent Health and Safety Measures

In response to the pandemic, the Group has established dedicated task forces to oversee and enforce sound health and safety measures in accordance with local directives and best practices. These include the introduction of temperature checks, safe distancing measures and contact tracing.

Sustainability Risks and Opportunities

RISK

Supply Chain Management

The pandemic has led to the closure of country borders, creating unprecedented risks for procurement and product distribution. Stringent health and safety measures have also imposed new constraints for the local movement of supplies and products.

Environmental Risks

Physical climate risks, such as more frequent and intense extreme weather events, arising from climate change can impact the Group's operations and service delivery. The Group also faces other forms of environment-related risks, such as more stringent local environmental compliance laws relating to energy and water use, materials and emissions, among others.

Talent Retention

Talent loss and a high turnover rate may have negative impacts on the stability, morale and creativity of the Group's staff. The economic slump also poses risks to our workforce as the Group has had to exercise cost discipline amid dampened growth.

OPPORTUNITIES AND RESPONSE

Strengthening Local Supply Chains

The Group continues to support available means of local procurement and adopt locally-sourced materials in our production process. This not only enables us to reduce the business impacts arising from the global lockdown, but also allows us to support local stakeholder groups during this difficult time to the best of our ability.

Innovating to Manage Environmental Impact

The Group continues to strictly monitor the environmental impact of our operations in accordance with the latest national policies and anticipated changes. In line with our commitment to innovation, the Group also continues to explore new ways of optimising the utilisation rate of steel, which strengthens both our environmental and economic performance. Such a synergy represents opportunities for the Group to grow sustainably.

Enhancing Corporate Culture

In addition to the current training that the Group provides our employees to support their career advancement, the Group pays close attention to the mental and physical health of our employees, and has equipped our department heads with the skills and knowledge to appropriately engage with our employees according to their needs.



STAKEHOLDER ENGAGEMENT

The Group has continuously engaged with our stakeholders through multiple channels in order to understand their diverse interests and needs. We identify our stakeholders as those who materially influence or are affected by the Group's business. Inputs from our stakeholders enable the Group to prioritise and respond to arising concerns in a dynamic manner, and we believe this to be key to achieving business sustainability.

In view of the pandemic, all stakeholder engagement activities were held in accordance with local regulations and guidelines.

KEY STAKEHOLDER GROUPS

ENGAGEMENT PLATFORMS

Internal Stakeholders

Employees

- Staff dialogue sessions
- Training and development programmes
- Volunteer work and charity events
- Annual appreciation events and festival celebrations

External Stakeholders

Customers

- Industry seminars, exhibitions and events
- Company website
- Company's social media platforms
- Dedicated customer support teams

Shareholders and investors

- Annual report and sustainability report
- Announcements and circulars
- Company website
- Annual General Meeting (AGM)

Business partners (including suppliers, professional groups, industrial associations, etc.)

- Regular supplier visits and meetings
- Events, trade shows and procurement fairs
- Evaluation and monitoring mechanisms

Local communities

- Volunteer work and charity events
- Sponsorship and philanthropic foundations

Government and regulators

- Participation in conferences, meetings and discussions
- Site visits and checks

Financiers

- Direct communication, meetings and discussions
- Announcements and circulars

RESPONDING TO STAKEHOLDER CONCERNS

Through active communication with different stakeholder groups, the Group has identified certain areas of interest and concerns of key stakeholder groups. 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

- Job security;
- Employee health, safety and well-being;
- Provision of training and development opportunities;
- Work-life balance; and
- Regular reviews of remuneration and benefits.

- Maintains human resource management (HRM) procedures to provide guidance and support regarding employment practices; and
- Maintains resource support, compensation and time-off, financial subsidies, and mental health support.

Sustainability Risks and Opportunities



Customers

- 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.

- Maintain a multimedia customer communication and feedback channel to deliver timely updates on the evolving business circumstances; and
- Ensure staff responsiveness for after-sales and support services.



Business partners

- Business continuity in terms of procurement agreements and partnerships; and
- Responsive and fair channels of communication with the Group.

- Maintain a multimedia supplier communication and feedback channel to deliver timely updates on the evolving business circumstances; and
- 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 associations¹.



Shareholders, investors and financiers

- 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.

- Comply with relevant listing rules and regulations;
- Ensure regular and transparent communication on financial and non-financial information; and
- Maintain open multimedia channels for shareholder communication and feedback.



Local communities

- Impacts of the Group's operations on the local community and environment.

- 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.



Government and regulators

- 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.

- 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 Mechanization 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 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).

Identifying Material Factors

IDENTIFYING MATERIAL FACTORS

Drawing on insights from regular stakeholder engagement and management interviews, the Group has decided to maintain a focus on the following material environmental, social and governance (“ESG”) topics.

ECONOMIC PERFORMANCE	Owing to the COVID-19 pandemic, the importance of maintaining economic performance to deliver value to our stakeholders has been emphasised.
PROCUREMENT PRACTICES	In light of the pandemic and global lockdown, the Group’s procurement practices have to adapt to a new business environment.
ANTI-CORRUPTION	Corruption remains an obstacle to sustainable economic and social development around the world, and has considerable impacts on social justice.
OCCUPATIONAL HEALTH AND SAFETY	The Group has to dynamically respond to the new occupational health and safety risks posed by the pandemic to ensure the health and well-being of our employees.
MATERIALS	Due to the nature of the Group’s business, the selection and handling of raw materials is critical in reducing our impact on the environment.

BOUNDARIES OF MATERIAL FACTORS

The impact of each material topic may extend beyond Yongmao or the Group’s business operations and thus requires careful consideration. The table below summarises where impacts occur for each material factor. All topics are defined as material within² and outside³ of the Group. The Group will continue monitoring any significant change in the boundaries of each material topic.

Material ESG Topic	Relevant Section	Employees	Business partners	Customers	Government/regulators	Local communities	Shareholders/investors	Financiers
Economic Performance	Staying Resilient	●	●		●	●	●	●
Procurement Practices	Practicing Responsible Operations		●			●		
Anti-Corruption		●	●	●	●		●	●
Materials	Protecting the Environment	●	●	●		●		●
Occupational Health and Safety	Enhancing Employment and Workplace Safety	●	●	●	●	●	●	●

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 the reporting year.

Staying Resilient

STAYING RESILIENT

The Group views strong economic performance as one that not only reflects positive growth, but also delivers value to our internal and external stakeholders.

OVERVIEW OF ECONOMIC PERFORMANCE

Despite industry headwinds from the COVID-19 pandemic, the Group's revenue rose 8.7% year-on-year to RMB962.4 million in FY2020, marking a record high for the Group. In tandem with this growth in revenue, the Group's gross profit grew 4.3% year-on-year to RMB248.8 million in FY2020.

On the other hand, owing to higher production overhead costs absorption incurred during the relocation of our Beijing factory, as well as the implementation of government-mandated COVID-19 measures at our project worksites and production facilities, gross profit margin dipped by 1.1 percentage points to 25.9% in FY2020. Consequently, net profit attributable to equity holders of the Company decreased 2.8% year-on-year to RMB59.7 million in FY2020.

Continuous innovation remains at the heart of the Group's strategy and business operations. In FY2019, our extensive research and development (R&D) brought about successes such as the STT3930, our top-of-the-line tower crane model. For the upcoming year, we will continue to prepare new quality products for release, such the STL1045 luffing tower crane and STT1530 flat top tower crane.

In light of the pandemic, the Group has also exercised greater cost discipline to control our capital risk and ensure the smooth resumption of our business activities. To this end, all departments under the Group are subject to special regulations regarding expenditures since February 2020, including the centralisation of payment-related measures and the tightening of related approvals by the Group's management.

ECONOMIC PERFORMANCE

TARGET(S) SET IN FY2019	PROGRESS IN FY2020
Achieve positive cash flow generated from operating activities.	Target has been achieved.

ECONOMIC OUTLOOK

The unprecedented COVID-19 pandemic has disrupted global supply chains and resulted in a highly uncertain business environment. While many countries have started to gradually loosen their containment measures and pockets of demand are appearing in the PRC, the situation is still evolving.

Owing to these circumstances, the Group expects growth prospects for 2020 to be dampened, with the financial performance of the Group for the first half of FY2021 to be comparably lower than the corresponding period in FY2020. The Group also remains cautious and will continue to exercise cost discipline and be vigilant in responding to changes.

MATERIAL TOPIC	TARGET(S) FOR FY2021
Economic Performance	Achieve positive cash flow generated from operating activities.

Practicing Responsible Operations

PRACTICING RESPONSIBLE OPERATIONS

Ensuring responsible operations is an integral part of the Group's social responsibilities and extends throughout our value chain. To this end, the Group continues to maintain a range of practices that uphold the values of integrity, fairness and responsible partnership.

PROCUREMENT PRACTICES

The Group's Procurement Management Team, which manages equipment (materials) procurement and tenders, oversees the management and strengthening of the Group's procurement practices. 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:

- 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 its relevant staff; and
- Granting the final confirmation of successful bidders.

Under the Group's 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.

To ensure fairness in the bidding process, the Procurement Management Team first determines the composition of the members in the Bid Evaluation Team in accordance with predefined policy terms. For instance, professional and technical staff shall constitute at least two-thirds of the Bid Evaluation Team. The Bid Evaluation Team should also not include any personnel with conflicts of interest, and any interference with the process and results of the bid evaluation is strictly prohibited.

Yongmao's procurement policy also stipulates a code of conduct for the employees. Employees or external bidders violating bidding provisions or engaging in bribery or illegitimate exchanges of benefits may incur fines or the termination of business contracts. The Group will conduct internal investigations and reserves the right to report any suspected criminal involvement in bidding-related activities to the relevant authorities.

The table below shows the breakdown of procurement-related data across Yongmao's production facilities in Beijing and Fushun. 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 thus does not have a significant procurement footprint external to the Group.

Location	Beijing City (until Sep 2019)	Fushun City	
		Existing production facility	New production facility (from Sep 2019)
Supplier type	Manufacturer, dealer, and freight and transportation provider, and sub-contractor	Dealer, manufacturer, raw materials producer, wholesaler, freight and transportation provider, and sub-contractor	Raw materials producer
Total number of suppliers	179	498	36
Proportion of procurement budget spent on local suppliers	4%	43%	77%
Total number of local suppliers	65	276	29
Geographical definition of "local"	Within Beijing City	Within Fushun City	Within Fushun City

Practicing Responsible Operations

ANTI-CORRUPTION

The Group conducts business with integrity and fairness. The Group does not tolerate any form of corruption, including bribery, extortion, fraud and money laundering. The Group communicates our anti-corruption policies and zero-tolerance of improper business practices through written documents such as the Integrity Declaration by Managerial Personnel and the Agreement on Administrative Integrity.

The Integrity Declaration by Managerial Personnel is signed by the Group's management-level staff to affirm their strict adherence to the principle of integrity while discharging their relevant duties. By signing the declaration, managerial staff pledge to abide by the following code of conduct:

- Staff should not accept any gifts that can influence their business judgment, including but not limited to travel and entertainment arrangements;
- Staff should not use insider information, such as access to information on funds, technology, prices and customer resources to derive personal benefits;
- Staff should not use corporate funds to pay for personal expenses;
- 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. If any law or regulation is violated, or improper business conduct is observed, individuals may report their concerns to the Group or the relevant business partners through a designated hotline or email.

	Internal stakeholders who have been informed about anti-corruption policies		Internal stakeholders who have received anti-corruption training	
	Number	Percentage	Number	Percentage
Directors ⁴	11	100%	11	100%
Senior Management	16	100%	16	100%
Middle Management	60	100%	60	100%
Entry-level/General Staff	954	100%	27	2.8%

⁴ Includes both executive (6) and non-executive directors (5) of the holding company and the subsidiary companies.

Practicing Responsible Operations

In the reporting year, there were no confirmed incidents of corruption.

MATERIAL TOPIC	TARGET(S) SET IN FY2019	PROGRESS IN FY2020
Procurement Practices	Increase the proportion of the total procurement budget spent on local suppliers or local subcontractors to at least 40% (for manufacturing entities), in order to promote local economic development.	In progress; Yongmao is in the midst of increasing the proportion of our total procurement budget spent on local suppliers or subcontractors, but has faced some obstacles in identifying suitable vendors who can meet Yongmao's high product standards.
	Continue to apply a rating mechanism to new suppliers and suspend business relationships with underperforming suppliers (i.e. suppliers who do not pass the rating mechanism) for at least two years.	Target has been achieved.
Anti-Corruption	Communicate anti-corruption policies to 100% of employees.	Target has been achieved.
	Provide anti-corruption training to an increased coverage of employees responsible for different types of operating activities.	In progress; while Yongmao has successfully provided anti-corruption training to our directors, senior management and middle management, we will continue to work on extending this training to our office and administrative general staff in the coming years.

FUTURE PROSPECTS

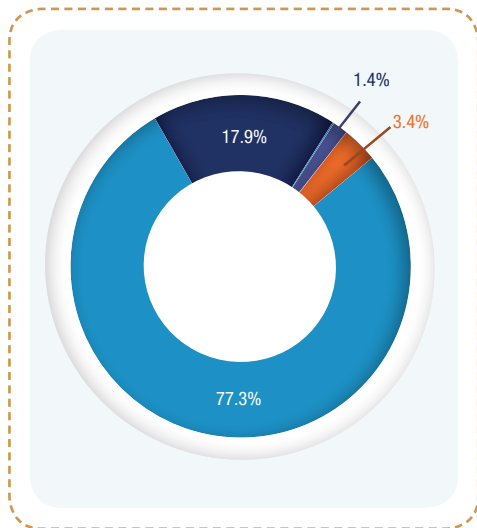
Moving forward, the Groups aims to strengthen its procurement and anti-corruption practices in the following ways.

MATERIAL TOPIC	TARGET(S) FOR 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.
	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.
Anti-Corruption	Strengthen the communication of anti-corruption policies to ensure that these policies are observed throughout the Group's operations.
	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.
	Extend anti-corruption training to our office and administrative general staff.

Enhancing Employment and Workplace Safety

ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

The Group is committed to promoting diversity in our workforce, providing a healthy and safe working environment, and supporting continuous employee development. As at the end of FY2020, the Group employed a total of 1,036 employees in our Beijing and Fushun subsidiaries in the PRC and our Singapore office.

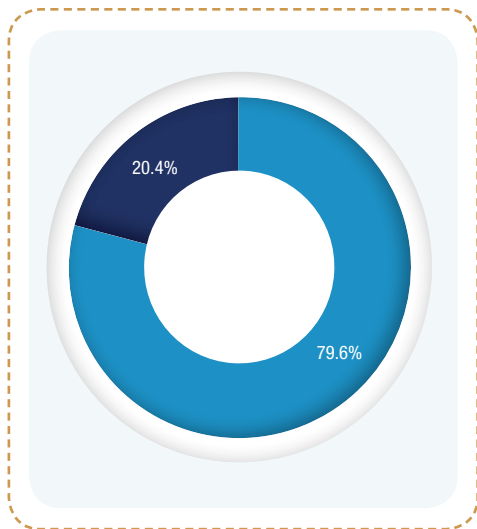


Regional distribution of employees

Of the 1,036 the Group employed, all were full-time employees. 1,035 were hired as permanent staff, while only 1 was hired through a temporary contract.

The Group advocates gender equality and age diversity across all levels of seniority. The following figures represent the gender and age distribution of our workforce for FY2020.

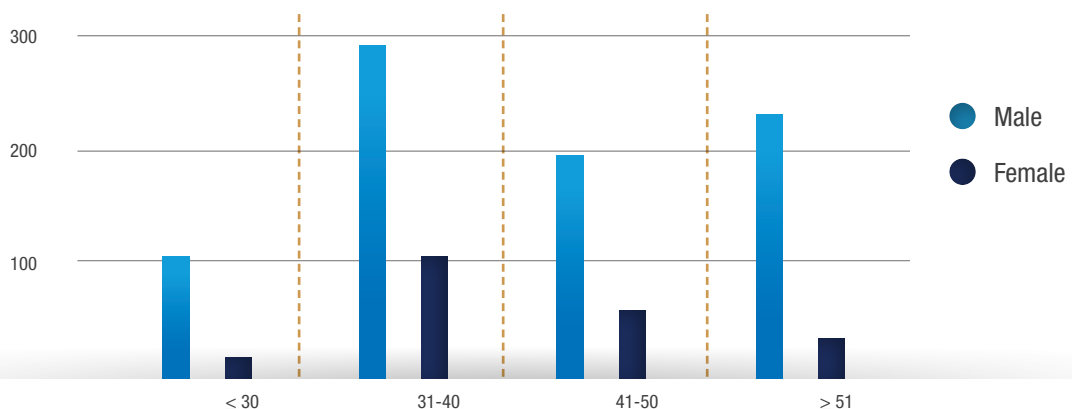
- Fushun City
- Fushun City (relocated)
- Singapore
- Beijing City



Gender distribution of employees

- Male
- Female

Age distribution of employees



Occupational Health and Safety

OCCUPATIONAL HEALTH AND SAFETY

In response to the COVID-19 pandemic, the Group has deepened our focus on occupational health and safety. To ensure a safe working environment, the Group has established dedicated task forces in Singapore and the PRC to develop health and safety measures in accordance with evolving local directives and best practices. The Group has also established a Prevention and Control Office to oversee and enforce pandemic prevention and control measures.

Some examples of these newly instituted measures include mandating the wearing of protective masks and other protective equipment in the workplace at all times, observance of safe distancing measures and adherence to medical testing and quarantine directives if an employee has travelled to medium- or high-risk areas or is suspected of contracting COVID-19. Office premises and production sites are also disinfected regularly and adequate ventilation is ensured. In addition, physical meetings have been minimised, with virtual meetings becoming the default mode of communication.

The Group has also set out additional responsibilities for selected departments to execute in line with our pandemic prevention and control measures. For instance, the Human Resource Department is tasked with reporting a summary of employees' temperatures daily to the Prevention and Control Office and enforcing safe distancing measures, while security guards are responsible for registering foreign vehicles and personnel, as well as conducting temperature screenings, before they enter the Group's office or production premises.

In addition to the new COVID-19 containment measures, the Group continues to maintain our Safety Management System, which guides departments and production lines across our business operations in implementing occupational health and safety measures. The policies included under the Safety Management System have similarly been formulated in accordance with local laws and regulations.

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 programmes 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

Occupational Health and Safety

The Group also regularly provides a range of safety training programmes for our employees, including fresh hires, management-level personnel and employees who engage in special lines of work. The Group's employees take an annual safety education examination and the test results are recorded in their employee profiles.

The table below shows the breakdown of disease- or work-related incidents that occurred during the reporting year.

Location	Disease-related fatalities	Work-related fatalities	High-consequence work-related injuries	Recordable work-related injuries
Singapore	0	0	0	0
Beijing City (until Sep 2019)	0	0	0	0
Fushun City	0	0	0	5
Fushun City (from Sep 2019)	0	0	0	0

MATERIAL TOPIC	TARGET(S) SET IN FY2019	PROGRESS IN FY2020
Occupational Health and Safety	Establish occupational health and safety systems and include 100% of employees under these systems	Target has been achieved.
	Provide occupational health and safety training to 100% of employees	Target has been achieved.
	Provide additional medical services to 80% of employees	Target has been achieved; medical insurance has been provided for all employees and employees undergo annual physical examinations to prevent and detect various work-related diseases early.
	Control the rate of work-related deaths or accidents	Target has been achieved.

Protecting the Environment

MOVING FORWARD

As the Group prepares for the next phase of COVID-19 with the gradual reopening of the global economy, we remain vigilant about operating safely to ensure the health and well-being of our employees.

MATERIAL TOPIC	TARGET(S) FOR FY2021
Occupational Health and Safety	Improve the working environment of employees and reduce the amount of intensive labour by improving intelligent manufacturing processes.
	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.
	Monitor the health of employees daily and control the rate of cardiovascular and cerebrovascular diseases among employees.
	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.

PROTECTING THE ENVIRONMENT

The Group recognises that economic performance is intrinsically linked to the health of the environment and therefore strives to minimise our impact on the environment. Yongmao's Procurement Product Quality Agreement, which governs the resources acquired and used in our procurement processes, represents one such effort to safeguard the environment.

MATERIALS

Due to the nature of our operations, the Group generates waste materials such as steel material offcut and iron filings during the production process. To maximise the utilisation rate of raw materials and reduce waste, the Group collects waste materials at designated recycling bins for recycling. Part of the steel material offcuts are used for manufacturing the counterweight of our tower cranes, while the remaining materials are disposed for recycling.

The Group has a policy in place setting forth the proper procedures to handle production waste. All waste materials, such as iron filings and carton boxes, are dispensed and sold to qualified waste treatment vendors contracted by the Group through competitive bidding processes. The Waste Management Department of the Group is responsible for overseeing the coordination, approval and processing of waste materials.

Location	Beijing City (until Sep 2019)	Fushun City	
		Existing production facility	New production facility (from Sep 2019)
Input Materials			
Material type	Raw materials	Raw materials	Raw materials
Category	Renewable materials	Renewable materials	Renewable materials
Material	Steel	Steel	Steel
Weight (tonnes)	2,625	36,010	1,266

Environmental Performance

ENVIRONMENTAL PERFORMANCE

TARGET(S) SET IN FY2019	PROGRESS IN FY2020
Select reusable materials during the design and assembly phase.	In progress; Yongmao is in the midst of integrate ready-made materials into the production process to reduce material specifications and improve material utilisation.
Increase the use of recyclable materials for precast components.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) FOR FY2021
Materials	Reduce electronic and manufacturing waste by standardising processes and products, increasing the generality or modularity of components, reducing remanufacturing, etc.
	Continue to promote the use of steel instead of concrete precast components.

GRI-SGX Content Index

DISCLOSURE	DESCRIPTION	SGX	PAGE	REMARKS
GRI 102: General Disclosures 2016				
Organisational Profile				
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	-	1-2	
102-6	Markets served	-	1	
102-7	Scale of the organization	-	1	
102-8	Information on employees and other workers	-	1, 15	
102-9	Supply chain	-	11	
102-10	Significant changes to the organization and its supply chain	-	1	
102-11	Precautionary Principle or approach	-	5-6	
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, 8	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behaviour	-	1	
Governance				
102-18	Governance structure	PN7.6-3.1	5	
102-21	Consulting stakeholders on economic, environmental, and social topics	PN7.6-3.7	7-8	
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	-	-	Information unavailable
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
Reporting Practices				
102-46	Defining report content and topic boundaries	-	3, 9	
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	-	In 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	
204-1	Proportion of spending on local suppliers	-	11	
GRI 205: Anti-corruption 2016				
103	Management approach disclosures	LR711B-1 b&c	12	
205-2	Communication and training about anti-corruption policies and procedures	-	12	
205-3	Confirmed incidents of corruption and actions taken	-	13	
GRI 301: Materials 2016				
103	Management approach disclosures	LR711B-1 b&c	17	
301-1	Materials used by weight or volume	-	17	
GRI 403: Occupational Health and Safety 2018				
103	Management approach disclosures	LR711B-1 b&c	15-16	
403-1	Occupational health and safety management system	-	15-16	
403-2	Hazard identification, risk assessment, and incident investigation	-	15-16	
403-3	Occupational health services	-	15-16	
403-9	Work-related injuries	-	15-16	



Yongmao Holdings Limited

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