

YONGMAO HOLDINGS LIMITED
(Company Registration No. 200510649K)
(Incorporated in the Republic of Singapore)

UPDATE ON LITIGATION

The Board of Directors (the “**Board**”) of Yongmao Holdings Limited (the “**Company**”) refers to the Company’s announcement dated 10 February 2021 (“**Previous Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the Previous Announcement.

As set out in the previous announcement, the Company and its wholly-owned subsidiary, Yongmao Machinery Pte. Ltd. (“**YMM**”), had, on 8 February 2021 been served with a Writ of Summons and Statement of Claim (the “**Writ**”) filed by CMNT Investment Pty Ltd (“**CMNT**”), an Australian company, in the Supreme Court of Queensland (the “**Suit**”). The Suit is in relation to an industrial incident that occurred in October 2018 involving a tower crane that YMM had sold to CMNT in July 2016.

The Company and YMM had filed our defence on 18 March 2021 denying the claim. On 16 March 2022, CMNT filed an amended statement of claim. The Company has filed amended defence in reply, denying the claim.

A mediation was held on 29 July 2022 and adjournment was supposed to be held on 12 August 2022. Prior to the adjournment date, CMNT unilaterally gave notice and terminated the mediation.

CMNT subsequently issued a proceeding against Fushun Yongmao Construction Machinery Co., Ltd. (“**FSYM**”), a wholly owned subsidiary of YMH, incorporated in the People’s Republic of China.

CMNT has agreed to discontinue the claim against YMH. A release and discharge agreement was signed on 13 September 2022. CMNT has also filed a further amended statement of claim, which introduces new causes of action against YMM and claims:

- a) Damages in the sum of AUD\$3,227,459.46; and
- b) Interest, costs and any other order which the court deems appropriate.

YMM will continue to take legal advice from Carter Newell Lawyers, an Australian law firm, in relation to the Suit and intend to vigorously defend the claims made by CMNT in the Suit.

The Company will provide further updates as and when there are any material developments.

Shareholders are advised to exercise caution when dealing in the securities of the Company. If in doubt, about the action that they should take, shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
15 September 2022