



YONGMAO HOLDINGS LIMITED



**RESILIENT TOWARDS  
OUR FUTURE**  
SUSTAINABILITY REPORT 2024



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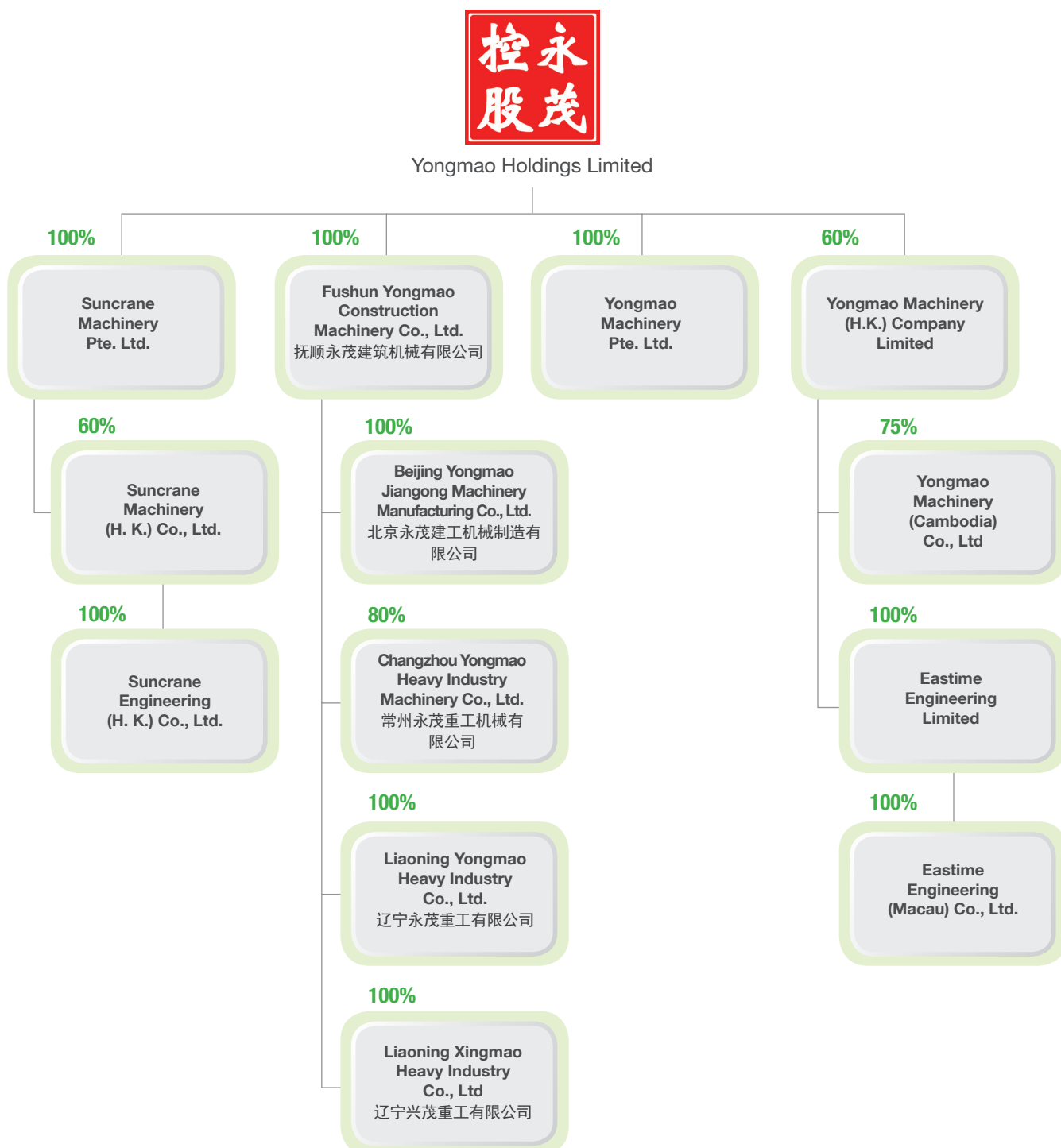


# ABOUT THE GROUP

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. 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 80 countries and regions 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/STF series and Derrick Q series.

The Group’s two production facilities are located in the PRC, namely Fushun City, Liaoning Province.

## CORPORATE STRUCTURE



# ABOUT THE GROUP

## VISION

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

## MISSIONS

### PRODUCTS AND SERVICES

Produce high-quality and reliable products and services consistently 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 with a safe and stable work environment with expanding opportunities for development and personal growth.



# ABOUT THIS REPORT

This is the seventh annual Sustainability Report (the “**report**”) published by Yongmao on 31 July 2024. The Group discloses the policies, practices, targets and performance related to the material economic and environmental, social and governance (“**ESG**”) issues that are relevant to the Group.

## REPORTING BOUNDARY

This report covers the Group’s operation of design, development, manufacture and sale of tower cranes, components and accessories, as well as the rental and services of tower cranes for the year ended 31 March 2024 (“**FY2024**”), which is consistent with the scope of the annual report. The reporting boundary for this report includes all entities of the Group that have a material impact on the environment and society, namely two production facilities in Fushun and the office in Beijing in the PRC, as well as its offices in Singapore, Hong Kong, Macau and Cambodia.

## 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 references the applicable version of the sustainability reporting framework provided by Global Reporting Initiative (“**GRI Standards**”). The GRI Standards were chosen because they offer a widely recognised and respected benchmark for sustainability reporting, which provides organisations with a comprehensive and structured framework to report on their sustainability practices, policies, and performance. The disclosures in this report aim to achieve the GRI’s reporting principles, which define report quality based on criteria such as accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. The GRI-SGX Content Index is available at the end of this report.

## INTERNAL REVIEW AND EXTERNAL ASSURANCE

Internal review and external assurance are essential to impart higher credibility to the sustainability reports and relevant data collection procedures. The sustainability reporting process and this report have undergone an internal review by the Group’s engaged internal auditors and have been reviewed and approved by the Board (“**Board**”) of Directors (“**Directors**”). While we have not sought external assurance for this report, we will consider seeking and adopting it in the future to further enhance the credibility and transparency of our sustainability reporting.

## REPORT FEEDBACK

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

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# CHAIRMAN'S MESSAGE



**Active participation in major green energy projects strengthens our brand recognition and consolidates our position as a leader in providing specialised solutions for critical energy infrastructure.**

On behalf of the Board, I am pleased to present this report, which highlights the Group's commitment and approach to sustainability within our industry. We view this report as a vital platform to engage with stakeholders and communicate our progress on sustainability, a key driver of our long-term success.

The Board recognises that integrating sustainability into our core business practices is crucial for the Group's long-term growth and development. Since embarking on this journey, we have consistently strived to enhance our sustainability performance and meet stakeholder expectations. To further embed these principles within our corporate culture and create lasting value for stakeholders, we are committed to strengthening sustainability governance and risk management across all operations. In FY2024, we have enhanced our climate-related disclosures, with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). This will allow our stakeholders to gain a comprehensive understanding of the Group's responses to the urgent need for efforts to combat climate change.

## **NAVIGATING CHALLENGES, SEIZING OPPORTUNITIES**

We acknowledge global economic challenges such as high commodity prices, inflation, and supply chain disruptions. Despite these headwinds, we remain steadfast in pursuing sustainability opportunities, advancing established targets, and evaluating strategies to address these challenges. Throughout this journey, adhering to our core values and social responsibility remains paramount.

The world's dramatic shift to a clean energy landscape presents a significant sustainability opportunity for the Group. Motivated by environmental concerns, energy security and international climate commitments, countries such as China are rapidly adopting renewable energy sources like solar, wind and hydropower. The Group strives to align with this clean energy shift by supporting sustainable energy infrastructure. The Group

has established a strong reputation as a trusted supplier of tower cranes crucial for wind turbine power plants, where crane performance and capacity are critical. Our commitment to delivering reliable equipment has solidified our leadership in this sector. Looking ahead, we are intensifying our focus on these sectors, leveraging our expertise and expanding our market presence. Active participation in major green energy projects strengthens our brand recognition and consolidates our position as a leader in providing specialised solutions for critical energy infrastructure.

## **SUSTAINABILITY GOVERNANCE**

The Board, accountable for the Group's overall business and sustainability direction, prioritises creating long-term value for shareholders and investors. We exercise strong oversight in this area, including managing material sustainability matters, monitoring progress towards targets, and approving disclosures in sustainability reports.

The Sustainability Working Group, comprised of senior management from various business departments, executes sustainability initiatives under the Board's delegation. Their responsibilities include identifying material issues, analysing data, reviewing sustainability practices across departments, evaluating performance towards targets and preparing sustainability reports. Regular reporting to the Board facilitates informed decision-making on sustainability matters.

In closing, I would like to express my gratitude to my fellow Directors, the management team and all employees for their contributions to the Group's sustainable development. I would also like to thank all stakeholders for their prolonged care and support. In the future, the Group will remain committed to continuous improvement in product quality and sustainability performance. This unwavering commitment ensures we continue to deliver greater value to our stakeholders.

## **SUN ZHAO LIN**

Executive Chairman

July 2024



# 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 feedback and opinions from our stakeholders allow us to understand critical issues that need to be addressed as well as to conduct timely rectification measures.







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



# STAKEHOLDER ENGAGEMENT

## 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's and the Board's responses.

KEY STAKEHOLDERS	AREAS OF INTEREST OR CONCERN	THE GROUP'S RESPONSES
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Job security;</li> <li>Employee health, safety and well-being;</li> <li>Provision of training and development opportunities;</li> <li>Work-life balance; and</li> <li>Regular reviews of remuneration and benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Maintains human resource management (“HRM”) procedures to provide guidance and support regarding employment practices; and</li> <li>Maintains resource support, competitive compensation and leave, staff loan and mental health support.</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Business continuity and timely delivery of products;</li> <li>Design and workmanship;</li> <li>Customer satisfaction and experience;</li> <li>Quality products, services and after-sales support; and</li> <li>Effective channels of communication within the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a multimedia customer communication and feedback channel to deliver timely updates on the evolving business circumstances; and</li> <li>Ensure staff responsiveness in after-sales and support services.</li> </ul>
<b>Shareholders, investors and financiers</b> 	<ul style="list-style-type: none"> <li>Financial stability and performance;</li> <li>Plans for long-term growth, strategy and geographical expansion;</li> <li>Market diversification;</li> <li>Enterprise risk management;</li> <li>Adherence to good corporate governance; and</li> <li>Timely dividend payout or repayments of loan principal and interest.</li> </ul>	<ul style="list-style-type: none"> <li>Comply with all relevant listing rules and regulations;</li> <li>Ensure regular and transparent communication on financial and non-financial information; and</li> <li>Maintain open multimedia channels for shareholder communication and feedback.</li> </ul>
<b>Business partners</b> 	<ul style="list-style-type: none"> <li>Business continuity in terms of procurement agreements and partnerships;</li> <li>Group financial stability and supply chain efficiency; and</li> <li>Responsive and open channels of communication with the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a multimedia supplier communication and feedback channel to deliver timely updates on the evolving business circumstances; and</li> <li>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 associations<sup>1</sup>.</li> </ul>
<b>Local communities</b> 	<ul style="list-style-type: none"> <li>Impacts of the Group's operations on the local community and environment.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen local employment and economic development;</li> <li>Support local suppliers; and</li> <li>Contribute to local charity or philanthropic causes, particularly in terms of education for low-income families.</li> </ul>
<b>Government and regulators</b> 	<ul style="list-style-type: none"> <li>Compliance with applicable laws and regulations;</li> <li>Contribution to national or local economic and social development; and</li> <li>Impacts of the Group's operations on the local community and environment.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with all applicable laws and regulations; and</li> <li>Ensure that all relevant employees are kept abreast of changes to statutory requirements.</li> </ul>

<sup>1</sup> Several key associations that the Group has been an active participating member of include: China Construction Machinery Industry Association (中国工程机械工业协会); China Construction Machinery Industry Association User Working Committee (中国工程机械工业协会用户工作委员会); China Construction Machinery Association Construction Crane Branch (中国工程机械工业协会建筑起重机械分会); China Construction Machinery Association Construction 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 Federation of Industry and Commerce (抚顺市工商联会).



# IDENTIFYING MATERIAL FACTORS

## MATERIALITY ASSESSMENT

The Group has maintained regular internal and external stakeholder engagement to gain insights into the views and expectations of stakeholders on the Group's sustainability issues. Based on their feedback and industry benchmarks, a list of material topics relevant to the Group's business has been identified. Key management personnel of the Group have been invited to participate in the materiality survey and prioritise the topics based on the significance of the impact that the Group's business activities can have on the economy, environment and people, including human rights. The list below presents the results of the materiality assessment process.

IMPACT	MATERIAL TOPICS	RELEVANCE TO THE GROUP'S BUSINESS
High	PROCUREMENT PRACTICES	Adapting to new changes in procurement practices and an evolving supply chain landscape.
	MATERIALS AND WASTES	Integrating production materials seamlessly and arranging recycling initiatives to abate environmental impacts.
	RESOURCES CONSUMPTION AND EMISSIONS	Managing the utilisation of resources and controlling the discharge of substances into the atmosphere to address environmental sustainability concerns.
Medium	ECONOMIC PERFORMANCE	Delivering value to our stakeholders given the economic uncertainties.
	WORKFORCE DIVERSITY AND TALENT RETENTION	Maintaining a diverse workforce and retaining skilled and experienced employees to ensure productivity and long-term growth.
	OCCUPATIONAL HEALTH AND SAFETY	Upholding high standards of occupational health and safety measures to ensure the well-being and safety of employees.
Moderate	ANTI-CORRUPTION	Combating corruption and illegal business practices to ensure high ethical standards and integrity.
	CLIMATE CHANGE	Identifying, assessing and managing climate-related risks and opportunities to mitigate, as well as adapt to climate change.



# IDENTIFYING MATERIAL FACTORS

## BOUNDARIES OF MATERIAL FACTORS

The identified material topics impact our key stakeholders differently. All topics are defined as material within and outside of the Group. We will continue to monitor and review any significant boundary changes. The table below summarises the material topics that different stakeholders are affected with.

Relevant Sections	Material ESG Topics	Employees	Customers	Business partners	Shareholders/ investors	Financiers	Local communities	Government/ regulators
Striving Forward	Economic Performance	●		●	●	●	●	●
Strengthening Responsible Operations	Procurement Practices		●	●			●	
	Anti- corruption	●		●	●	●		●
Enhancing Employment and Workplace Safety	Work Diversity and Talent Retention	●	●				●	●
	Occupational Health and Safety	●		●				●
Environmental Stewardship	Materials and Wastes							
	Resources Consumption and Emissions	●	●	●	●	●	●	●
	Climate Change							

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

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



The Group considers economic performance to be a critical factor and is committed to achieving sustainable economic growth and providing desirable returns to our shareholders. By prioritising financial sustainability, we can ensure that we continue to create long-term value for our stakeholders and maintain a strong position in the market.

Compared to the revenue recorded in the financial year ended 31 March 2023 (“FY2023”), the Group’s revenue decreased by 13.6% from RMB 915.7 million in FY2023 to RMB 790.8 million in FY2024. In line with the decrease in revenue, gross profit also saw a decrease of 9.9% from RMB 254.0 million recorded in FY2023 to RMB 228.9 million in FY2024. Meanwhile, the average gross profit margin inched up marginally from 27.7% in FY2023 to 28.9% in FY2024. This was largely due to a higher sales proportion of luffing tower cranes, together with a higher proportion of rental income, in turn generating a higher sales margin.

Considering the economic risks identified in the table below, we are well-prepared to manage risks and seize opportunities in a rapidly evolving business environment.

MATERIAL TOPIC	RISK(S) IDENTIFIED	OPPORTUNIT(IES) AND RESPONSE
<b>Economic Performance</b>	FY2024 presented a complex operating environment. Our global operations navigated challenges including supply chain disruptions, inflation and cost pressures, volatile energy prices and global economic uncertainties.	Business activities have largely returned to normal following the easing of disease prevention restrictions. Our primary strategy now revolves around seizing emerging opportunities and proactively managing potential risks to establish new revenue streams and uphold our current market leadership position.

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

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
<b>Economic Performance</b>	Achieve positive cash flow generated from operating activities.	Target has been achieved. In FY2024, our net cash generated from operating activities was approximately RMB 7.4 million.

### ECONOMIC PERFORMANCE OUTLOOK

Looking ahead, we remain confident in our ability to compete effectively in our key markets, particularly those with supportive government policies. However, we acknowledge the ongoing uncertainties in the global economy, including geopolitical tensions and rising fuel prices, which could potentially lead to a recession. Our focus remains on strengthening our commercial resilience to navigate these challenges. We are committed to continued growth and are actively exploring new opportunities to ensure long-term success.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
<b>Economic Performance</b>	<b>Short<sup>4</sup> term</b> Achieve positive cash flow generated from operating activities.
	<b>Medium<sup>5</sup> to long<sup>6</sup> term</b> Improve or maintain our financial position subject to market conditions.

<sup>4</sup> Relevant short term time horizon refers to a timeframe of less than or equal to 1 year. All the time horizons mentioned in this report are consistent with those used for the Group’s strategic planning and financial reporting.

<sup>5</sup> Relevant medium term time horizon refers to a timeframe of above 1 year and less than or equal to 5 years.

<sup>6</sup> Relevant long term time horizon refers to a timeframe of more than 5 years.

# 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

Recognising the importance of suppliers as an external resource for the survival and development of the enterprise, the Group maintains strict control over our materials and equipment procurement and tender management procedures. The Procurement Management Team is led by the Chief Executive Officer 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:

- 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; and
- Granting the final confirmation of successful bidders.

To enhance procurement management, optimise procurement channels, and increase transparency and efficiency, the Group has established the Procurement and Tendering Management Procedures by Quality and Price Comparison (物资采购比质比价招标投标管理办法), as well as Qualification Requirements for Outsourced and External Manufacturers (外包、外协厂家资质合作条件要求). These policies ensure that the procurement process is well-defined and adheres to high standards of quality. As part of our responsible procurement practices, bidders are required to provide detailed information on technical standards, specifications, quality requirements, supply methods and delivery times for the materials they are bidding on. The Procurement Management Team is responsible for selecting the members of the Bid Evaluation Team in accordance with predefined policy terms. This guarantees that the Bid Evaluation Team members are objectively selected and free from any potential conflicts of interest with bidders or projects. To maintain the integrity of the bidding process, the Group strictly prohibits any interference with the process and results of the Bid Evaluation Team. Additionally, the Group enforces a stringent code of conduct that prohibit illegal bidding practices, including bribery, extortion, or exchange of benefits. Any violations will be thoroughly investigated, and the Group reserves the right to report any suspected criminal involvement in bidding-related activities to the relevant authorities.

To ensure mutual benefits and the quality of suppliers, the Group requires its suppliers to sign the Outsourcing Quality Agreement (承揽质量协议) and Procurement Framework Agreement (采购框架协议). These agreements outline the terms and conditions that the supplier must adhere to in order to provide products that meet the Group's needs and quality standards. The Group also requires suppliers to hold an ISO9001 quality management system certification or equivalent qualifications. If there are any quality problems with the products, suppliers are required to provide replenishment, replacement, or return of the products as requested.





# STRENGTHENING RESPONSIBLE OPERATIONS

The following table outlines the supply chain risks that are relevant to the Group and the corresponding management responses.

MATERIAL TOPIC	RISK(S) IDENTIFIED	OPPORTUNIT(IES) AND RESPONSE
<b>Procurement Practices</b>	Factors such as geopolitical tensions, economic conditions, and environmental regulations significantly influenced procurement practices. Geopolitical conflicts have disrupted global supply chains and changed cost structures, while rising inflation and economic uncertainties have affected budgeting and financial planning. Furthermore, stricter environmental regulations have compelled organisations to adjust the sourcing strategies to meet sustainability and compliance requirements.	The Group has implemented several measures to mitigate supply chain risks: <ol style="list-style-type: none"> <li>1. The Group places a strong emphasis on developing suppliers in multiple regions, with a particular focus on local suppliers within the province and city. To ensure a steady supply chain during the pandemic, the Group continues to monitor the production and delivery of suppliers.</li> <li>2. To maintain stable and highly competitive prices, the Group has increased efforts to maintain strategic suppliers and establish long-term cooperative relationships with them.</li> <li>3. To avoid supply chain disruptions, the Group has developed emergency procurement plans, including maintaining safety stocks for essential materials with long production cycles. The Procurement Management Team works closely with marketing, planning and other departments to obtain forecasting plans, extend procurement cycles and respond to emergencies caused by incidents such as supplier shutdowns and logistics disruptions. The Group also utilises online office systems and implements work-from-home arrangements, if necessary, to ensure work continuity.</li> </ol>

We are committed to supporting the local economy and reducing carbon emissions. We prioritise working with local suppliers whenever possible and have maintained a consistent proportion of local suppliers. The following table shows the breakdown of procurement-related data across the Group's operations across various regions. The table does not feature any data for the Cambodia operation because its procurement activities are insignificant.

LOCATIONS	SINGAPORE		BEIJING		FUSHUN				HONG KONG AND MACAU	
	FY2024	FY2023	FY2024	FY2023	FACTORY 1		FACTORY 2		FY2024	FY2023
REPORTING PERIOD	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
<b>Supplier type</b>	Dealer, freight and transportation provider, and sub-contractor (Exclude tower crane and spare parts purchased from related subsidiary)		Dealer, manufacturer, raw materials producer, wholesaler, freight and transportation provider, and sub-contractor (Exclude tower crane and spare parts purchased from related subsidiary)						Dealer, freight and transportation provider, and sub-contractor (Exclude tower crane and spare parts purchased from related subsidiary)	
<b>Total number of suppliers</b>	8	7	2	64	311	341	83	107	61	59
<b>Proportion of spending on local suppliers</b>	95%	20%	100%	-	35%	53%	46%	56%	92%	97%
<b>Geographical definition of "local"</b>	Singapore		Beijing		Liaoning Province		Liaoning Province		Hong Kong and Macau	

# STRENGTHENING RESPONSIBLE OPERATIONS

The following tables outline the Group's targets and commitment to the continuous improvement of procurement practices.

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
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.	We have successfully achieved our target by conducting a comprehensive review of 139 suppliers for the operations in Fushun. The results indicate that 87 suppliers, including 13 raw material suppliers, have been classified as A-level, reflecting a high level of quality and consistency in the supply chain. 50 suppliers have been classified as B-level and 2 suppliers have been classified as C-level, and we will work with them to improve their performance and ensure the overall stability of our supply chain.
	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.	We have successfully achieved our target by carefully selecting well-known domestic steel mills for our raw material procurement, which enables us to maintain control over the quality of raw materials at the source. Our long-term partnerships with several steel mills have helped us to establish a reliable supply chain. To ensure the quality of raw materials, we verify that the material and furnace batch numbers correspond to the cargo. Upon arrival, the raw materials undergo immediate inspection and testing, and strict quality control measures are implemented at the factories to prevent any substandard raw materials from entering the production process.
	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.	Target has been achieved. We have acquired new suppliers with innovative and upgraded products to meet the rising demand for our tower cranes.
	Ensure that all new suppliers are screened and selected on the basis of environmental and social criteria.	Achieved.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
Procurement Practices	<b>Short term</b> 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.
	<b>Short term</b> 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.
	<b>Short to medium term</b> 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.
	<b>Long term</b> Ensure that all new suppliers are screened and selected on the basis of environmental and social criteria.



# STRENGTHENING RESPONSIBLE OPERATIONS

## 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 behaviour 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:

- 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 people including their children, spouse, relatives.

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.

LOCATIONS		TOTAL		SINGAPORE	BEIJING	FUSHUN	HONG KONG, MACAU AND CAMBODIA
REPORTING PERIOD		FY2024	FY2023	FY2024	FY2024	FY2024	FY2024
<b>Number of internal stakeholders who have been informed about anti- corruption policies (Percentage)</b>	Directors <sup>7</sup>	7 (100%)	7 (100%)	5 (100%)	-	2 (100%)	-
	Senior management	24 (100%)	20 (100%)	1 (100%)	2 (100%)	13 (100%)	8 (100%)
	Middle management	79 (100%)	82 (100%)	2 (100%)	4 (100%)	61 (100%)	12 (100%)
	Entry-level/ General staff	953 (100%)	994 (100%)	13 (100%)	9 (100%)	839 (100%)	93 (100%)
<b>Number of internal stakeholders who have received anti- corruption training (Percentage)</b>	Directors	7 (100%)	7 (100%)	5 (100%)	-	2 (100%)	-
	Senior management	24 (100%)	20 (100%)	1 (100%)	2 (100%)	13 (100%)	8 (100%)
	Middle management	79 (100%)	82 (100%)	2 (100%)	4 (100%)	61 (100%)	12 (100%)
	Entry-level/ General staff	12 (1%)	30 (3%)	-	2 (22%)	10 (1%)	-

<sup>7</sup> Includes 3 Executive Directors and 4 Non-Executive Directors.

# 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. During FY2024, the Group has no incidents of corruption cases (FY2023: no incidents).

The following tables outline the Group's targets and commitment to the continuous improvement of anti-corruption practices.

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
Anti-corruption	Promote anti-corruption behaviour, raise the self-control capacity of the staff, build a supervision system for anti-corruption while having zero-tolerance for corrupt practices, as well as conduct stringent investigation and punishment if we discover corrupt behaviour.	The Group has successfully achieved its target of zero incidents of corruption by implementing several measures: <ol style="list-style-type: none"> <li>The Group issues a notice on "clean and self-discipline work" at the beginning of every year to ensure that all employees are aware of the expectations of ethical behaviour and promote it throughout the organisation.</li> <li>The Group promotes integrity building and anti-corruption efforts, maintains a zero-tolerance policy towards corruption, and thoroughly investigates and punishes any instance of corrupt behaviour to create an atmosphere where such behaviour is not tolerated or accepted. The Group also provides education and training on correct worldviews and life philosophies, instilling a strong belief in serving the enterprise wholeheartedly to resist various temptations in society and achieve a state of mind where employees choose not to engage in corrupt behaviour.</li> </ol>
	Provide not less than 1 hour of average anti-corruption training to employees.	Target was not achieved. The Group will look into cater of anti-corruption training based on levels of exposure to potential corruption risks within their specific job functions.
	Achieve zero incidents of corruption cases.	Achieved.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
Anti-corruption	<b>Short to medium term</b> Promote anti-corruption behaviour, raise the self-control capacity of the staff, build a supervision system for anti-corruption while having zero-tolerance for corrupt practices, as well as conduct stringent investigation and punishment if we discover corrupt behaviour.
	<b>Short to long term</b> Achieve zero incidents of corruption cases.



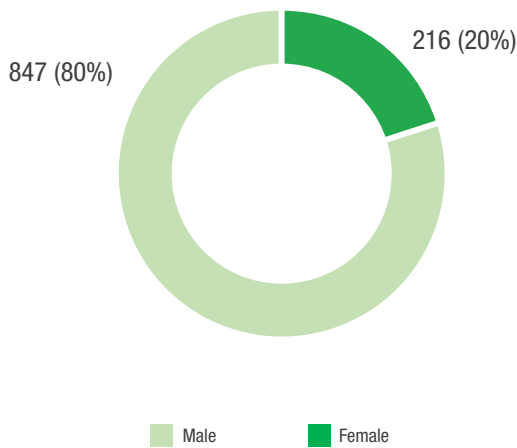
# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

Promoting diversity, improving job prospects and strengthening workplace safety have always been our commitment to our valued employees. We firmly believe that by fostering a safe, inclusive, and supportive work environment, our employees can thrive both personally and professionally, which translates into high-quality work and exceptional customer service.

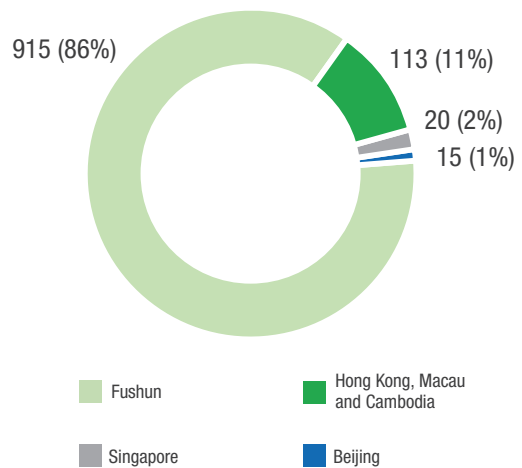
## WORKFORCE DIVERSITY AND TALENT RETENTION

As at 31 March 2024, the Group had a total of 1,063 employees within the reporting boundary, including 4 male part-time employees based in Singapore and 1 male part-time employee based in Fushun (As at 31 March 2023: 1,104 employees, including 4 male part-time employees based in Singapore). Over 86% of our employees were located in Fushun of Liaoning Province in the PRC. The Group is committed to creating a diverse, inclusive and collaborative workplace culture and maintaining workplaces that are free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. During FY2024, there were no incidents of discrimination reported (FY2023: no incidents). The following charts illustrate the distribution of our entire workforce.

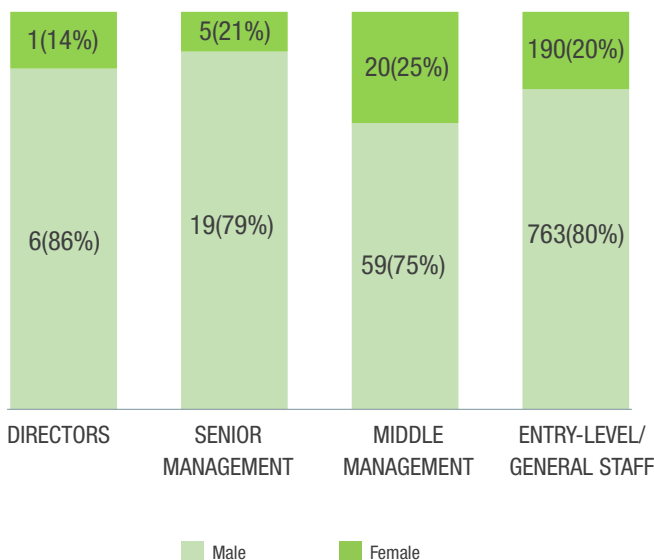
**WORKFORCE BY GENDER**



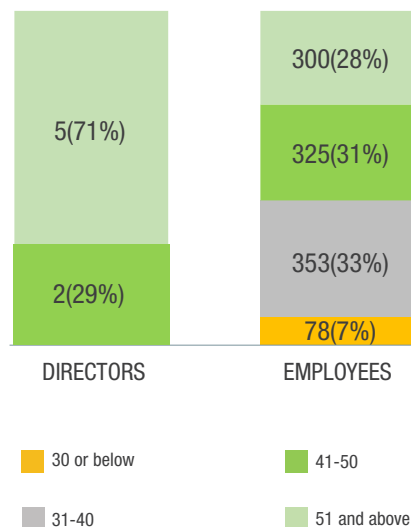
**WORKFORCE BY LOCATION**



**WORKFORCE BY CATEGORY AND GENDER**



**WORKFORCE BY CATEGORY AND AGE GROUP**



## ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

The Group believes employees are the most valuable resource and play a critical role in the overall success of the Group. We prioritise the welfare of all our employees by offering a range of employee benefits such as life insurance, healthcare, disability and invalidity coverage, retirement provision and parental leave. To improve the retention rate of employees and mitigate the corresponding risks, the Group has implemented the following measures.

MATERIAL TOPIC	RISK(S) IDENTIFIED	OPPORTUNIT(IES) AND RESPONSE
<b>Workforce Diversity and Talent Retention</b>	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.	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.

The Group provides training to employees in topics including corporate management, operational skills, safety management, product quality, research and development, marketing and team execution. A total of 15,014.33 hours of training was undertaken by the Group's employees in FY2024, detailed of which are given below.

INDICATORS		AVERAGE TRAINING HOURS (HOURS)	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS
REPORTING PERIOD		FY2024	
<b>By gender</b>	Male	14.48	100%
	Female	13.20	100%
<b>By employee category</b>	Directors <sup>8</sup>	-	100%
	Senior management	8.04	100%
	Middle management	12.54	100%
	Entry-level/ General staff	14.51	100%

The following tables outline the Group's targets and commitment to workforce diversity and talent retention.

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
<b>Workforce Diversity and Talent Retention</b>	Introduce talents at all levels based on the employment needs to enhance the overall quality and ability of the team.	The Group has established a comprehensive recruitment process to identify and hire qualified personnel across all levels in FY2024. The Group's process ensures a fair and objective selection of candidates, focusing on finding talents who align with our company culture and possess the necessary skills and experience to contribute to our success.
	Long-term: Using FY2023 as the baseline, reduce the average age of the Group's employees by the financial year ending 31 March 2028 ("FY2028") to alleviate the aging trend of the workforce.	Target was not achieved. Given that our factories are located in a more remote city, the local workforce is generally older and more experienced, which may be less appealing to younger generations who favour larger cities. We will review the feasibility of our targets in light of these conditions.
	Long-term: Using FY2023 as the baseline, increase the proportion of employees with doctoral, master's and certified qualifications by FY2028 to construct a diverse personnel composition.	On track. We will continue to invest in employee development to attract and retain talents with high qualifications.

<sup>8</sup> Non-executive Directors and non-executive independent Directors are not included in career development reviews.



# ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
<b>Workforce Diversity and Talent Retention</b>	<b>Short term</b> Introduce talents at all levels based on the employment needs to enhance the overall quality and ability of the team.
	<b>Short to medium term</b> Increase the proportion of female employees in non-frontline production positions such as R&D and customer service.
	<b>Medium term</b> Using FY2024 as the baseline, increase the proportion of employees with doctoral, master's and certified qualifications by FY2028 to construct a diverse personnel composition.
	<b>Long term</b> Maintain staff turnover rate below 10% subject to market conditions.

## OCCUPATIONAL HEALTH AND 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. In this section, we outline our general occupational health and safety measures.

### Occupational Health and Safety Training and Safety Management System

The Group's operations in Fushun have established an Operational Manual for the Safety and Environmental Department (安全环保部作业文件) to implement a safety management system that complies with laws and regulations, including but not limited to 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 manual defines the roles and responsibilities of departmental managers and provides procedures for identifying and managing workplace hazards, preparing safety equipment and conducting safety inspections and training. The system, as stated in the manual, aims to guarantee a secure working environment for all employees and contractors within the factories. We have also implemented various guidelines that address different potential safety hazards, such as Safety Management System for Hazardous Chemicals (危化品安全管理制度) and Notice Regarding Precautions for Winter Production Safety (关于冬季安全生产注意事项的通知).

In order to reduce and control the occurrence of accidents and ensure safe and smooth production, we have also implemented a Safety Production Reward and Punishment System (安全生产奖惩制度). This system strictly monitors the number of production safety accidents and cost control indicators to ensure they remain within the annual target. Punishments for safety production accidents are given to the responsible parties based on the direct economic losses caused by the accidents, while awards are given to manufacturing facilities that excel in safety management.

Although the Group does not operate production facilities in certain locations, it still prioritise health and safety by strictly adhering to local laws and regulations. For example, in Singapore, we have established a safety management system under the bizSAFE program, which is fully supported by the Ministry of Manpower.

To ensure compliance with applicable laws and regulations related to health and safety, all work activities and processes at all workplaces covered under the Workplace Safety and Health Act have undergone comprehensive risk assessments. We value the results of these assessments and actively seek employee feedback to continuously improve our safety management systems.

To ensure the safety management systems remain effective and up-to-date, the Group's management plays a key role in implementing and overseeing the Group's safety management systems through a clearly defined set of responsibilities.

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

## ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

The Group continuously enforces the following health and safety measures to minimise occupational health and safety risks due to its business nature.

MATERIAL TOPIC	RISK(S) IDENTIFIED	OPPORTUNIT(IES) AND RESPONSE
<b>Occupational Health And Safety</b>	The Group's tower crane manufacturing business involves several occupational health and safety risks, such as working at heights and heavy lifting.	The Group's dedicated health work team remain in place to supervise, monitor and review health and safety measures in accordance with health directives and local public health guidelines. In addition to providing adequate protective equipment for all personnel, we have also invited third-party organisations with relevant qualifications to conduct environmental monitoring of our workplace, including exhaust gas, wastewater, noise, etc., to ensure that employees work in a safe and reliable environment.

In addition, the Group holds regular meetings on production safety and 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. These programs aim to enhance the knowledge and skills of our employees in various aspects of occupational health and safety. To ensure that all employees are up-to-date with the latest occupational health and safety requirements, we require them to take an annual examination on health and safety. The test results are logged in their profiles, and our management team uses this information to identify areas for improvement and implement appropriate measures to maintain a safe working environment for all employees. The Group also offers its employees with an annual medical checkup to ensure their health and wellbeing is monitored and maintained.

The following tables shows the Group's performance regarding occupational health and safety management.

LOCATIONS	DISEASE-RELATED FATALITIES		WORK-RELATED FATALITIES		HIGH-CONSEQUENCE WORK-RELATED INJURIES		RECORDABLE WORK-RELATED INJURIES	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
<b>Reporting Period</b>								
<b>Fushun</b>	-	-	-	-	1	1	5	1
<b>Hong Kong, Macau and Cambodia</b>	-	-	-	-	-	-	-	-
<b>Singapore</b>	-	-	-	-	-	-	-	-
<b>Beijing</b>	-	-	-	-	-	-	-	-



## ENHANCING EMPLOYMENT AND WORKPLACE SAFETY

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
Occupational Health and Safety	Maintain zero work-related fatalities.	Achieved.
	Maintain zero high-consequence work-related injuries.	In FY2024, there were 1 high-consequence work-related injury and 5 recordable work-related injuries, both of which occurred due to accidents in the production process. The injuries resulted in 310 and 302 working days lost respectively. The Group promptly dealt with the incidents, conducted investigations, and implemented measures to prevent similar accidents.
	Maintain zero recordable work-related injuries.	
	Conduct occupational health training based on the types of occupational health hazards present in certain job positions and the job nature of employees, especially for those engaged in occupations involving hazards such as welding, painting, filling, and polishing. Additionally, establish a medical file database for all employees.	Achieved.
Assist the labour union in conducting health examinations for all employees, monitor the health of employees daily, control the rate of cardiovascular and cerebrovascular diseases among employees, and conduct daily health monitoring and supervision for those with chronic illnesses, keeping track of their health status.	Achieved.	

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
Occupational Health and Safety	<b>Short term</b> Assist the labour union in conducting health examinations for all employees, monitor the health of employees daily, control the rate of cardiovascular and cerebrovascular diseases among employees, and conduct daily health monitoring and supervision for those with chronic illnesses, keeping track of their health status.
	<b>Short term</b> Conduct occupational health training based on the types of occupational health hazards present in certain job positions and the job nature of employees, especially for those engaged in occupations involving hazards such as welding, painting, filling, and polishing. Additionally, establish a medical file database for all employees.
	<b>Short to long term</b> Maintain zero recordable work-related injuries.
	<b>Short to long term</b> Maintain zero high-consequence work-related injuries.
	<b>Short to long term</b> Maintain zero work-related fatalities.

# ENVIRONMENTAL STEWARDSHIP

The Group recognises that safeguarding the natural environment is a critical aspect of our corporate social responsibility, and a crucial component of our ESG strategy.

## MATERIALS AND WASTES

Throughout its routine operations and production process of the counterweight of its tower cranes, the Group generates waste materials such as paints, steel material offcuts and iron filings. To improve the utilisation rate of materials and reduce wastes, the Group has enforced the Management Procedures for Enhancing Material Utilisation (关于提高板材利用率的管理办法) and established a residual material record for standardised management. The research and development centre plays a crucial role in ensuring that our products are designed with the most efficient use of materials possible, while still meeting performance requirements and customer needs. To assist in this effort, we use smart solutions such as Solidworks and Computer-Aided Design (“CAD”) software to integrate production materials and optimise our manufacturing processes. In addition, our production department is required to prioritise the use of residual materials and avoid using oversized materials when smaller ones would suffice.

The waste management department is responsible for supervising the arrangement, monitoring, and processing of waste materials in accordance with the Group’s Waste Classification Standard. Waste materials are collected, classified and recycled or disposed at designated recycling points. Non-recyclable hazardous waste generated by the Group is collected and processed by a professional third party, while other recyclable waste is disposed of or sold through procurement bids or as scrap.

The following tables show the materials input and wastes produced during the production process in the Group’s factories in Fushun<sup>9</sup> and the performance and commitment to materials and wastes management.

LOCATIONS	FUSHUN			
	FACTORY 1		FACTORY 2	
REPORTING PERIOD	FY2024	FY2023	FY2024	FY2023
Material type	Raw materials		Raw materials	
Category	Renewable materials		Renewable materials	
Material	Steel		Steel	
Total input materials used (tonnes)	31,902	37,995	16,433	18,312

LOCATIONS	FUSHUN
REPORTING PERIOD	FY2024
Total hazardous wastes generated (tonnes)	462.64
Total non-hazardous wastes generated (tonnes)	505.38

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
Materials and Wastes	Continue to optimise material specifications with a minimum target of 2 types of steel materials to be optimised in the upcoming research and development plan.	Target has been achieved. We have optimised material specifications to maintain the types of standardised steel materials at 295. Additionally, we conduct quarterly research and questionnaires with the logistics and production planning departments to monitor material usage and identify opportunities for improvement.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
Materials and Wastes	<b>Short to medium term</b> Continue to optimise material specifications with a minimum target of 2 types of steel materials to be optimised in the upcoming research and development plan.
	<b>Medium to long term</b> Through the introduction of smart and modern equipment, we aim to improve the material utilization per employee and increase productivity with the help of intelligent manufacturing process.

<sup>9</sup> Other operations are not included because they do not involve significant material use or waste production.

## RESOURCES CONSUMPTION AND EMISSIONS

Realising the business nature of the Group leads to environmental impacts, the Group is committed to and promote the efficient use of resources, including energy and water and minimise its greenhouse gas (“GHG”) emissions. We aim at reducing our resources consumption and 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 of 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
- Establish an Energy Saving and Consumption Reduction Reward System (节能降耗奖励制度) to recognise and reward departments and employees who have made significant achievements in energy management.

The Group’s direct energy consumption (non-renewable fuels) for vehicle use and production processes contributes to Scope 1 GHG emissions, while the indirect energy consumption (purchased electricity) for daily operations contributes to Scope 2 GHG emissions. The table presented below provides an illustration of the Group’s consumption<sup>10</sup> of energy and water as well as the GHG emissions<sup>11</sup> resulting from the Group’s operations.

REPORTING PERIOD	FY2024	FY2023
Direct energy consumption (GJ)	8,551.73	8,588.60
Indirect energy consumption (GJ)	29,375.14	28,936.64
Total energy consumption (GJ)	37,926.87	37,525.24
Total energy consumption intensity (GJ/employee <sup>12</sup> )	35.68	33.99
Total water consumption (m <sup>3</sup> )	37,166.70	26,033.02
Total water consumption intensity (m <sup>3</sup> /employee)	34.96	23.58

<sup>10</sup> The unit conversion method of energy consumption is based on the “Energy Statistics Manual” published by International Energy Agency. The direct energy consumption data only pertains to fuel consumption for vehicle use, as the energy conversion factor for fuel used during the production process is currently unavailable. In addition, as the landlord manages the utility expenses in Hong Kong, Macau and Cambodia, the Group does not have complete access to the relevant consumption data and is unable to provide relevant information. The Group assumes that the amount of water discharged is equivalent to the amount of water consumed.

<sup>11</sup> GHG emissions data are presented in terms of tonnes of carbon dioxide equivalent (“tCO<sub>2</sub>e”) and 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, “Emission Factors for Greenhouse Gas Inventories” issued by the U.S. Environmental Protection Agency, “Global Warming Potential Values” from the IPCC Sixth Assessment Report, the “Notice on the Management of Enterprise Greenhouse Gas Emissions Reporting of Power Generation Industry for 2023-2025” published by Ministry of Ecology and Environment of the PRC, “2023 Sustainability Report” published by CLP Holdings Limited and the grid emissions factors published by Energy Market Authority of Singapore in 2021.

<sup>12</sup> As at 31 March 2024, the Group’s total number of employees within the reporting boundary was 1,063 (As at 31 March 2023: 1,104 employees). These figures are also used for calculating other intensity data.



# ENVIRONMENTAL STEWARDSHIP

LOCATIONS	ALL OPERATIONS WITHIN THE REPORTING BOUNDARY	
REPORTING PERIOD	FY2024	FY2023
Direct (Scope 1) GHG emissions (tCO <sub>2</sub> e)	1,074.24	899.91
Energy indirect (Scope 2) GHG emissions (tCO <sub>2</sub> e)	4,638.57	4,573.29
Total GHG emissions (tCO <sub>2</sub> e)	5,712.81	5,473.20
Total GHG emissions intensity (tCO <sub>2</sub> e/employee)	5.37	4.96

The Group strives to monitor its performance on GHG emissions through the following targets.

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
<b>Resources Consumption and Emissions</b>	Maintain or reduce the total GHG emissions intensity in FY2024, using 4.96 tCO <sub>2</sub> e/employee in FY2023 as the baseline.	Target was not achieved. The total GHG emissions intensity increased by 8.26% compared to FY2023 mainly due to the increased energy consumption for business operations and decreased employee number. The Group will continue to implement practices and initiative to stive to reduce its resource consumption and emissions.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
<b>Resources Consumption and Emissions</b>	<b>Short to medium term</b> Monitor the Group's resource consumption and emissions annually.
	<b>Medium to long term</b> Continue to support renewable energy infrastructure.

## 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 framework 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 and Risk Management

To help us better understand the resilience of our climate strategy and business model to climate change, we conducted an analysis of the identified physical and transition risks as well as opportunities that have the potential to influence our strategy and operations against two scenarios – one, namely the Representative Concentration Pathway (“RCP”) 2.6, which represents scenarios in the literature leading to very low GHG concentration levels and aiming at limiting global warming to below 2°C above pre-industrial levels and another one, namely RCP 8.5 which represents a high-emissions pathway with warming likely to surpass 4°C. To evaluate our physical risks, we assessed the impact of acute and chronic hazards, including extreme rainfalls and extreme heat, on our operations. To evaluate our transition risks, sustainability reporting obligations were selected.

Based on our analysis, the Group's major climate-related risks, as well as its corresponding mitigation measures are as follows:

RISK TYPE	TIME HORIZON	POTENTIAL IMPACTS	RISK LEVEL		MITIGATION MEASURES
			BELOW 2°C	ABOVE 4°C	
<b>PHYSICAL RISKS</b>					
<b>Extreme rainfall</b>	Long-term	Increase in extreme rainfall may result in operational delays, increased costs, customer dissatisfaction, and revenue losses, thereby affecting profitability.	Moderate	Moderate to High	Ensure business continuity plans and extreme rainfall response plans are implemented.
					Develop flood control measures, including rain gardens and permeable pavements to manage stormwater runoff where appropriate.
<b>Extreme heat</b>	Long-term	Hot days and extreme heat could become more common and/or severe, which could result in increase in cooling demand and higher electricity costs.	Moderate	Moderate to High	Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions.
					Implement health and safety initiatives to protect people from extreme heat risk, including special work arrangements during peak temperature hours and provision of reminders of staying hydrated and consequences of dehydration for employees, as required.
<b>TRANSITION RISKS</b>					
<b>Policy and legal risks resulting from sustainability reporting obligations</b>	Short-term	Increased demand from governments and regulators for sustainability-related information disclosure by enterprises, requiring greater transparency and detailed data.	Moderate to High	Moderate	Ensure sustainability-related information is disclosed in accordance with the latest requirements and reporting guidelines.

# ENVIRONMENTAL STEWARDSHIP

In addition to risk assessment, climate-related opportunities were also explored. Realising the potential increase in awareness of climate change among our clients, we have been exploring opportunities to incorporate sustainability elements into our business. We see opportunities in improving energy efficiency and cost savings. By implementing energy-efficient technologies across our operations, we can substantially reduce our energy consumption and costs over the short, medium and long term. Additionally, our approach to continuously strive to develop sustainable and innovative technologies enhances our brand reputation and customer loyalty over the short, medium and long term, as consumers increasingly favour environmentally responsible companies. It also reduces our carbon footprint and contributes to a lower environmental impact.

## Risk Management

In FY2024, the Group completed a process to identify and assess the nature and extent of climate-related risks within the Group's business operations. It also ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems.

After conducting the process to identify, assess and manage climate-related risks covering FY2024, the Group is aware of the existence of climate-related risks, including physical risks and transition risks, which could affect its financial performance, reputation, and long-term development to a range of extent. This enabled the Group to better identify, evaluate, and possibly exploit the right opportunities at the right time, ensuring all the appropriate controls are in place to mitigate risks and prevent any non-compliance issues.

The Group acknowledges that climate-related issues have impacted or may impact its operations through internal discussion and assessment. Recognising that climate-related risks, along with other ESG risks, can affect our businesses, we will continue to review our climate-related risks regularly and take corresponding actions to manage them effectively.

## Metrics and Targets

The Group has committed to reducing emissions to align with the global vision of decarbonisation. Details on relevant metrics, targets, and measures to monitor the Group's energy consumption and emissions can be found in the "RESOURCES CONSUMPTION AND EMISSIONS" section under this aspect. In addition to quantitative targets, the Group is also focused on climate risk management to ensure the long-term sustainability of its operations.

MATERIAL TOPIC	TARGET(S) SET IN FY2023	PROGRESS IN FY2024
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.	Target has been achieved.

MATERIAL TOPIC	TARGET(S) FOR FUTURE YEARS
Climate Change	<b>Short to long term</b> Continue to monitor any changes in laws or regulations relating to including but not limited emissions, energy efficiency, water use and waste disposal.



# GRI-SGX CONTENT INDEX

<b>STATEMENT OF USE</b>	Yongmao has reported with reference to the GRI Standards for the period from 1 April 2023 to 31 March 2024.
<b>GRI USED</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	SGX	SECTION/REMARKS
<b>GENERAL DISCLOSURES</b>			
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	-	ABOUT THE GROUP
	2-2 Entities included in the organization's sustainability reporting	-	ABOUT THIS REPORT
	2-3 Reporting period, frequency and contact point	LR711A	ABOUT THIS REPORT
	2-4 Restatements of information	-	No restatements were made in FY2024.
	2-5 External assurance	LR711B-3	ABOUT THIS REPORT
	2-6 Activities, value chain and other business relationships	-	ABOUT THE GROUP, STRENGTHENING RESPONSIBLE OPERATIONS
	2-7 Employees	-	ENHANCING EMPLOYMENT AND WORKPLACE SAFETY
	2-9 Governance structure and composition	LR711B-1e	CHAIRMAN'S MESSAGE
	2-12 Role of the highest governance body in overseeing the management of impacts	PN7.6-3.1	CHAIRMAN'S MESSAGE
	2-13 Delegation of responsibility for managing impacts	PN7.6-3.1	CHAIRMAN'S MESSAGE
	2-14 Role of the highest governance body in sustainability reporting	PN7.6-3.1	CHAIRMAN'S MESSAGE
	2-22 Statement on sustainable development strategy	-	CHAIRMAN'S MESSAGE
	2-27 Compliance with laws and regulations	-	CHAIRMAN'S MESSAGE
	2-28 Membership associations	-	STAKEHOLDER ENGAGEMENT
2-29 Approach to stakeholder engagements	-	STAKEHOLDER ENGAGEMENT	

# GRI-SGX

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GRI STANDARD	DISCLOSURE	SGX	SECTION/REMARKS
<b>MATERIAL TOPICS</b>			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	PN7.6-4.18-4.25	IDENTIFYING MATERIAL FACTORS
	3-2 List of material topics	LR711B-1a	IDENTIFYING MATERIAL FACTORS
	3-3 Management of material topics	LR711B-1b&c	STRIVING FORWARD, STRENGTHENING RESPONSIBLE OPERATIONS, ENHANCING EMPLOYMENT AND WORKPLACE SAFETY, ENVIRONMENTAL STEWARDSHIP
<b>ECONOMIC PERFORMANCE</b>			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	-	STRIVING FORWARD
<b>PROCUREMENT PRACTICES</b>			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	-	STRENGTHENING RESPONSIBLE OPERATIONS
<b>ANTI-CORRUPTION</b>			
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	-	STRENGTHENING RESPONSIBLE OPERATIONS
	205-3 Confirmed incidents of corruption and actions taken	-	
<b>WORKFORCE DIVERSITY AND TALENT RETENTION</b>			
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	-	ENHANCING EMPLOYMENT AND WORKPLACE SAFETY
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	-	
	404-2 Programs for upgrading employee skills and transition assistance programs	-	
	404-3 Percentage of employees receiving regular performance and career development reviews	-	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	-	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	-	

# GRI-SGX CONTENT INDEX

GRI STANDARD	DISCLOSURE	SGX	SECTION/REMARKS
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	-	ENHANCING EMPLOYMENT AND WORKPLACE SAFETY
	403-2 Hazard identification, risk assessment, and incident investigation	-	
	403-3 Occupational health services	-	
	403-4 Worker participation, consultation, and communication on occupational health and safety	-	
	403-5 Worker training on occupational health and safety	-	
	403-6 Promotion of worker health	-	
	403-8 Workers covered by an occupational health and safety management system	-	
	403-9 Work-related injuries	-	
<b>MATERIALS AND WASTES</b>			
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	-	ENVIRONMENTAL STEWARDSHIP
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	-	
	306-2 Management of significant waste-related impacts	-	
	306-3 Waste generated	-	
<b>RESOURCES CONSUMPTION AND EMISSIONS</b>			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	-	ENVIRONMENTAL STEWARDSHIP
	302-3 Energy intensity	-	
<b>GRI 303: Water and Effluents 2018</b>	303-4 Water discharge	-	
	303-5 Water consumption	-	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	-	
	305-2 Energy indirect (Scope 2) GHG emissions	-	
	305-4 GHG emissions intensity	-	
<b>CLIMATE CHANGE</b>			
<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	LR711B-1aa	ENVIRONMENTAL STEWARDSHIP





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