

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

**ACQUISITION OF THE REMAINING 34% SHAREHOLDINGS IN
BEIJING YONGMAO JIANGONG MACHINERY MANUFACTURING CO., LTD**

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Yongmao Holdings Limited (the “**Company**”) wishes to announce that, pursuant to a sale and purchase agreement dated 20 February 2021 (the “**SPA**”), the Company’s wholly owned subsidiary, Fushun Yongmao Construction Machinery Co., Ltd (“**Fushun Yongmao**”), has agreed to acquire 10,200,000 shares or equal to 34% of the issued and paid-up share capital of Beijing Yongmao Jiangong Machinery Manufacturing Co., Ltd (“**Beijing Yongmao**”) from Beijing Construction Group Co., Ltd, state-owned entity of the People’s Republic of China (“**Seller**”) for a consideration of RMB2,765,288 (the “**Acquisition**”). The completion of the Acquisition is on 24 February 2021.

2. INFORMATION ON BEIJING YONGMAO AND THE SELLER

Beijing Yongmao is a manufacturer of towercranes and towercrane accessories in the PRC. Before the Acquisition, the Company (through Fushun Yongmao) owned 66% of the share capital of Beijing Yongmao, while Seller owned the remaining 34% of the share capital of Beijing Yongmao (the “**Target Shares**”). Following the completion of the Acquisition, Beijing Yongmao will be a wholly owned subsidiary of the Company.

3. THE ACQUISITION

3.1 Consideration

The consideration for the Acquisition is RMB2,765,288 (the “**Consideration**”), which was arrived at following arm’s length negotiation, on a willing-buyer and willing-seller basis. The full amount of the consideration in cash to be paid to the Seller on completion.

There is no open market value for the Target Shares as the shares of Beijing Yongmao are not publicly traded. No valuation on the Target Shares was carried out in connection with the Acquisition. As at 30 September 2020, being the date of the latest announced consolidated financial statements of the Company, both the book value and net tangible asset value of the Target Shares were approximately negative RMB2,990,212. The Acquisition will be satisfied out of the Group’s internal resources.

3.2 Rationale for the Acquisition

The Acquisition will result in Beijing Yongmao becoming the Company’s wholly owned subsidiary. The Group will be able to gain full control of the Beijing Yongmao, as its sole shareholder and allow the Group to have full autonomy to manage Beijing Yongmao.

4. FINANCIAL EFFECTS OF THE ACQUISITION

4.1 The financial effects of the Acquisition on the Group set out below have been calculated using the latest announced consolidated financial statements of the Group for six-month financial period ended 30 September 2020 ("1H2021"). The financial effects are shown for illustrative purposes only and they do not necessarily reflect the exact future financial position and performance of the Group after completion of the Acquisition.

4.2 Effects on net tangible assets ("NTA")

Had the Acquisition been effected on 30 September 2020, the financial effect on the NTA of the Group is as follows:

	Before the Acquisition	After the Acquisition
NTA (RMB'000)	798,823	793,067
Number of issued shares ('000)	88,749,997	88,749,997
NTA per share (RMB in cents)	900.08	893.60

4.3 Effects on earnings per share ("EPS")

Had the Acquisition been effected on 1 April 2020, the financial effect on the Company's earnings per share for the financial period ended 30 September 2020 is as follows:

	Before the Acquisition	After the Acquisition
Net profit attributable to equity holders of the Company (RMB'000)	24,884	19,857
Number of issued shares ('000)	88,749,997	88,749,997
EPS (RMB in cents)	28.04	22.37

4.4 Effects on Share Capital of the Company

The Acquisition will not have any effect on the issued and paid-up share capital of the Company.

5. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual (the "**Listing Manual**") of the SGX-ST and based on the latest announced unaudited 1H2021 consolidated accounts of the Group are as set out below:

Listing Rule	Bases of Calculation	Relative Figures
1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	N.A.
1006 (b)	The net profits attributable to the assets acquired, or disposed of ⁽¹⁾ , compared with the Group's net profits.	5.97%
1006 (c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽²⁾ .	0.98%
1006 (d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	N.A.
1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	N.A.

Notes:

(1) "Net profits" means profit or loss before income tax, minority interests and extraordinary items. The net profits attributable to the assets acquired of under the Acquisition is RMB2,012,680 for 1H2021 and the net profits of the Group is RMB33,730,482 for 1H2021.

(2) The Company's market capitalisation is determined by multiplying the number of ordinary shares in issue (i.e. 88,749,997) excluding treasury shares by volume weighted average price of S\$0.65 per share on 19 February 2021, being the last full market day preceding the date of the SPA on which the Company's shares were traded, as there were no trading of the Company's shares on the market day immediately preceding the date of the SPA.

6. DIRECTORS' SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into by the Company in connection with the Acquisition.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Other than disclosed above, none of the Directors, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company have an interest, direct or indirect, in the Acquisition.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection by Shareholders during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 81 Ubi Avenue 4, #09-01 UB. One, Singapore 408830, for a period of three months from the date of this announcement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Tian Ruo Nan
Chief Executive Officer
25 February 2021