



YONGMAO HOLDINGS LIMITED



BUILDING WITH PURPOSE MOVING FORWARD

SUSTAINABILITY REPORT 2025

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Established in 1992, Yongmao Holdings Limited (“**Yongmao**” or the “**Company**”) and our subsidiaries (collectively known as the “**Group**” or “**we**”) are principally involved in designing, developing and manufacturing a wide range of tower cranes, components and accessories. Our products are exported to construction equipment distributors and equipment rental companies internationally in over 80 countries and to construction companies and equipment rental companies in the People’s Republic of China (the “**PRC**”). The tower cranes we offer can be largely classified under the four main series of the ST series, Topless STT series, Luffing STL/STF series and Derrick Q series.

OUR CORE BUSINESS

Our two production bases are in the Fushun City, Liaoning Province of the PRC. A general overview of our supply chain is as follows:



SUPPLIERS

We procure the following materials and components from our suppliers:

- Steel materials;
- Tower crane components, such as electric motors and gearboxes, hydraulic pumps and motors, fittings and valves, and castings and forging components; and
- Construction machinery and related components.



OPERATIONS

We are mainly involved in manufacturing, distributing, renting, and servicing of a wide range of tower cranes, construction machinery and related components.



CUSTOMERS

We sell mainly to construction equipment distributors and equipment rental companies internationally, as well as to construction companies and equipment rental companies in the PRC.

OUR 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.

OUR 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

ABOUT THIS REPORT

In this sustainability report (the “**Report**”), we disclose the policies, practices, targets and performance related to our material sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively as “**Sustainability Factors**”).

REPORTING BOUNDARY

This Report covers all consolidated entities, as disclosed in our audited financial statements, for the year ended 31 March 2025 (“**FY2025**” or “**Reporting Period**”).

REPORTING STANDARD

This Report is prepared in accordance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) listing rules 711A and 711B. It is also prepared with reference to Global Reporting Initiative (“**GRI**”) Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting. Please refer to the GRI content index for further details.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“**SDGs**”) which form an urgent call for action by all developed and developing countries in a global partnership.

Our climate-related disclosures are produced based on the 11 recommendations of Task Force on Climate-related Financial Disclosures (“**TCFD**”). Following the publication of the International Sustainability Standards Board (“**ISSB**”) Standards – International Financial Reporting Standards (“**IFRS**”) S1 and IFRS S2, we conducted a gap analysis against our existing TCFD reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach described in Practice Note 7.6 Sustainability Reporting Guide in aligning our climate-related disclosures with the ISSB Standards.

INTERNAL REVIEW AND EXTERNAL ASSURANCE

We recognise that internal review and external assurance are essential to lend credence to the sustainability reports and reporting process. On this front, an internal review was performed by the Group’s internal auditors on the sustainability reporting process and the results have been reviewed and approved by the Board of Directors (“**Board**”). While we did not seek external assurance for this Report, we will consider it for our future sustainability reports, subject to market trends and regulatory requirements.

REPORT FEEDBACK

We always value the opinion 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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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.

NAVIGATING CHALLENGES, SEIZING OPPORTUNITIES

We face direct and indirect impact from both global and local economic challenges, arising from international events such as tariff wars, geo-political conflicts and local woes including a weakening property sector and a shrinking workforce due to demographic shifts. In our key market of the PRC, the GDP growth is expected to moderate in 2025 amid subdued consumer demand, a prolonged real estate downturn, elevated debt levels, and persistent trade tensions with the United States. Despite these headwinds, we remain steadfast in pursuing sustainability opportunities, advancing towards our established targets, and evaluating strategies to address the challenges we faced, whilst adhering to our core values and social responsibility throughout this journey.

The world's progressive shift to a clean energy landscape presents a significant sustainability opportunity for the Group. Driven by environmental concerns, energy security and international climate commitments, countries such as the PRC are rapidly developing renewable energy sources like solar, wind and hydropower. The Group strives to align itself with this clean energy shift by supporting sustainable energy infrastructure. On this note, the Group has developed reputation as a reliable supplier of tower cranes crucial for wind turbine power plants, where crane performance and capacity are crucial.

To illustrate our commitment to the environment, we developed and disclosed our inaugural climate change transition plan to steer us on our decarbonisation journey. We also conducted a qualitative scenario analysis to assess the impacts of key climate-related risks identified through a Group-wide climate-related risk assessment.

SUSTAINABILITY GOVERNANCE

The Board, accountable for the Group's overall business and sustainability direction, prioritises creating long-term value for shareholders and investors. It exercises strong oversight in this area, including managing material Sustainability Factors, monitoring progress towards targets, and approving disclosures in sustainability reports. To strengthen our sustainability governance structure, terms of reference for component parties involved in the sustainability reporting process are established for clarity and accountability purposes.

BOARD STATEMENT

SUSTAINABILITY FRAMEWORK

This Report communicates our support towards the United Nations' SDGs. As we collaborate closely with our stakeholders throughout the value chain, their inputs serve as the compass directing our sustainability initiatives towards prioritising our material Sustainability Factors. Below shows the interaction between our sustainability framework, material Sustainability Factors, stakeholders and the SDGs:



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 unrelenting care and support. In the future, the Group will remain committed to continuous improvement in product quality and sustainability performance. This unwavering commitment ensures that we continue to deliver greater value to our stakeholders.

SUN ZHAO LIN
Executive Chairman
July 2025

SUSTAINABILITY PERFORMANCE

AT A GLANCE

A summary of our key sustainability performance in FY2025 is provided as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2025	FY2024
Economic	Alignment with market standards and requirements	Aligned with relevant market standards and requirements ¹	Aligned with relevant market standards and requirements ¹
	Revenue (RMB'000)	880,296	790,849
	Profit for the year (RMB'000)	35,152	53,502
Environmental	Aggregated absolute Scope 1 and 2 greenhouse gas ("GHG") emissions	5,985	5,582
	Aggregated Scope 1 and 2 GHG emissions intensity (tCO ₂ e/revenue RMB'000)	0.01	0.01
	Water consumption intensity (m ³ /revenue RMB'000)	0.05	0.05
Social	Number of work-related fatalities	-	-
	Number of high consequence work-related injuries ²	1	1
	Number of reported incidents of unlawful discrimination against employees	-	-
	Average training hours per employee	13	14
	Turnover rate	14%	15%
Governance	Number of reported corruption incident ³	-	-

¹ The market standards adopted, or certifications attained by our operations in the PRC include ISO 9001:2015 and Directive 2006/42/EC.

² A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within a period of 6 months.

³ A corruption incident is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by officers or employees of the company.

STAKEHOLDER ENGAGEMENT

The Group has continuously engaged with stakeholders through various channels and platforms to understand their diverse interests and concerns. Stakeholders are identified as individuals or entities that have an interest that is affected or could be affected by the Group's activities.

Through a stakeholder mapping exercise performed by the senior management, we have identified our key stakeholder groups which we prioritise our engagements with. These key stakeholders include business partners, customers, employees, financiers and banks ("**Financiers**"), government and regulators ("**Regulators**"), communities and shareholders and investors ("**Shareholders**").

The table below sets out how we engage our key stakeholders:

Stakeholder	Engagement Platform	Frequency	Area of Interest or Concern	Our Response
Business partners (including suppliers, professional groups, industrial associations, etc.)	<ul style="list-style-type: none"> Regular supplier visits and meetings Events, trade shows and procurement fairs Evaluation and monitoring mechanisms 	Regularly	<ul style="list-style-type: none"> Business continuity in terms of procurement agreements and partnerships Group financial stability and supply chain efficiency Responsive and open channels of communication with the Group 	<ul style="list-style-type: none"> Maintain communication channels to provide timely updates on evolving business circumstances Our Directors and management team have been actively participating and contributing to meetings of standard-setting process coordinated by regional or national professional groups and industrial associations⁴
Customers	Industry seminars, exhibitions and events	Regularly	<ul style="list-style-type: none"> Business continuity and timely delivery of products 	<ul style="list-style-type: none"> Maintain communication channels to provide timely updates on evolving business circumstances Provide timely and effective responses in after-sales and support services
	<ul style="list-style-type: none"> Company website Company's social media platforms Dedicated account managers and customer support teams 	Regularly and when needed	<ul style="list-style-type: none"> Design and workmanship Customer satisfaction and experience Products, services and after-sales support Effective channels of communication within the Group 	

⁴ The Group has been an active participating member of various key industry associations, including:

- 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 (中国电力建设企业协会);
- 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 Construction Machine Trade Association (上海市建设机械行业协会);
- Fushun Federation of Industry and Commerce (抚顺市工商联会); and
- Fushun Construction Machinery Industry Association (抚顺建筑业协会).

Stakeholder	Engagement Platform	Frequency	Area of Interest or Concern	Our Response
Employees	<ul style="list-style-type: none"> Staff dialogue sessions and discussion groups Volunteer work and charity events Appreciation events and festival celebrations 	Regularly	<ul style="list-style-type: none"> Job security Employee health, safety and well-being Provision of training and development opportunities Work-life balance Regular reviews of remuneration and benefits 	<ul style="list-style-type: none"> Maintain human resource management guidance for employees on employment practices Provide resource support, competitive compensation and leave benefits, staff loans and mental health support
	Training and development programmes	Regularly and when needed		
Financiers	<ul style="list-style-type: none"> Direct communication, meetings and discussions Announcements and circulars 	Regularly and when needed	Financial and business stability and performance	Ensure regular and transparent communication on relevant financial and non-financial information
Regulators	<ul style="list-style-type: none"> Participation in conferences, meetings and discussions Site visits and regular checks 	Regularly and when needed	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Contribution to national and local economies 	<ul style="list-style-type: none"> Ensure compliance with applicable laws and regulations Ensure that relevant employees are kept abreast of changes to regulatory requirements
Communities	Annual sustainability reports	Annually	Environmental initiatives	Reduce environmental impact through ongoing improvements in resource efficiency and responsible waste management.
Shareholders	<ul style="list-style-type: none"> Annual reports and sustainability reports Annual General Meetings 	Annually	<ul style="list-style-type: none"> Financial stability and performance Plans for long-term growth, strategy and geographical expansion Market diversification Enterprise risk management (“ERM”) Adherence to good corporate governance Timely dividend payout or repayments of loan principal and interest 	<ul style="list-style-type: none"> Comply with relevant listing rules and regulations Ensure regular and transparent communication of financial and non-financial information Maintain communication channels for shareholder updates and feedback
	<ul style="list-style-type: none"> Announcements and circulars Company website 	Regularly and when needed		

POLICY, PRACTICE AND PERFORMANCE REPORTING

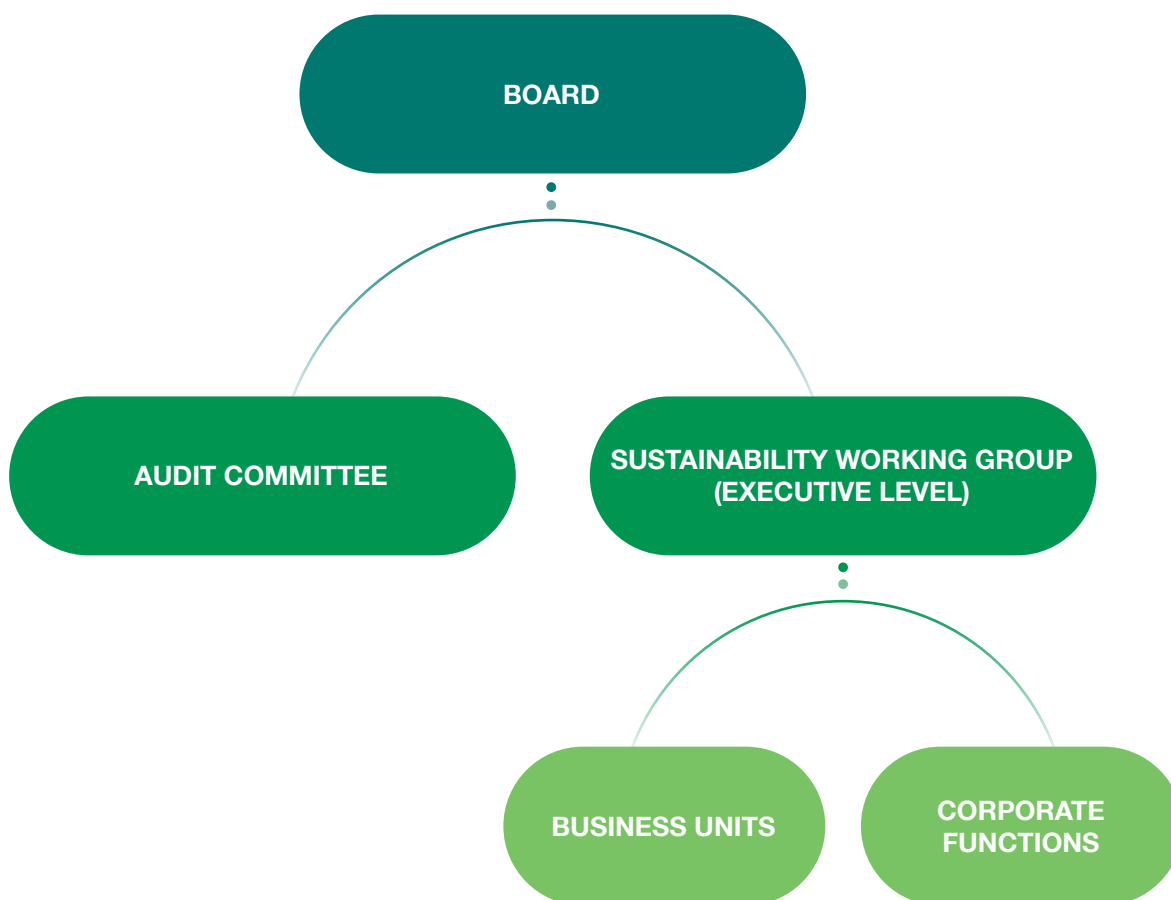
In line with our commitment to sustainability, a Sustainability Reporting Policy covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is established and serves as a point of reference in our sustainability reporting. Under this Sustainability Reporting Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, consider the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board is ultimately responsible for the oversight of the Group's sustainability matters and is primarily supported by an executive level Sustainability Working Group led by the Chief Executive Officer, which comprises members from various business departments. The Sustainability Working Group executes sustainability initiatives under the Board's delegation.

Besides the Sustainability Working Group, the Board is also supported by the Audit Committee on specific sustainability matters under their respective terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:

SUSTAINABILITY GOVERNANCE STRUCTURE



TERMS OF REFERENCE OF COMPONENT PARTIES

Component Party	Members	Terms of Reference
Board	Board members	<ul style="list-style-type: none"> • Determine material sustainability factors of the Group • Review and approve sustainability strategies, policies and targets (including materiality assessment process and outcome) • Monitor implementation of sustainability strategies, policies and performance against targets • Oversee the identification and evaluation of climate-related risks and opportunities • Ensure that sustainability and climate-related risks and opportunities are covered under the Group's ERM framework • Review and approve sustainability reports
Audit Committee	Audit Committee members	<ul style="list-style-type: none"> • Review the effectiveness and adequacy of the Group's internal controls and risk management systems • Oversee the conduct of assurance activities pertaining to the Company's sustainability reporting processes
Sustainability Working Group	Senior management of the Group who provide the direction for reporting	<ul style="list-style-type: none"> • Develop sustainability strategies and policies • Ensure that the implementation of sustainability strategies is aligned across business segments • Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities • Perform materiality assessment • Monitor sustainability activities and performance against targets • Align the Group's practices with the organisation-wide sustainability agenda and strategies • Consolidate sustainability metrics to track sustainability impact on a group basis and for reporting purposes • Prepare sustainability reports
Business units/ Corporate functions	Representatives from business units or corporate functions designated to support the work of the Sustainability Working Group	<ul style="list-style-type: none"> • Align practices at the operational level with the Group's agenda and sustainability strategies • Collect and compile sustainability metrics to track sustainability impact and for reporting purposes

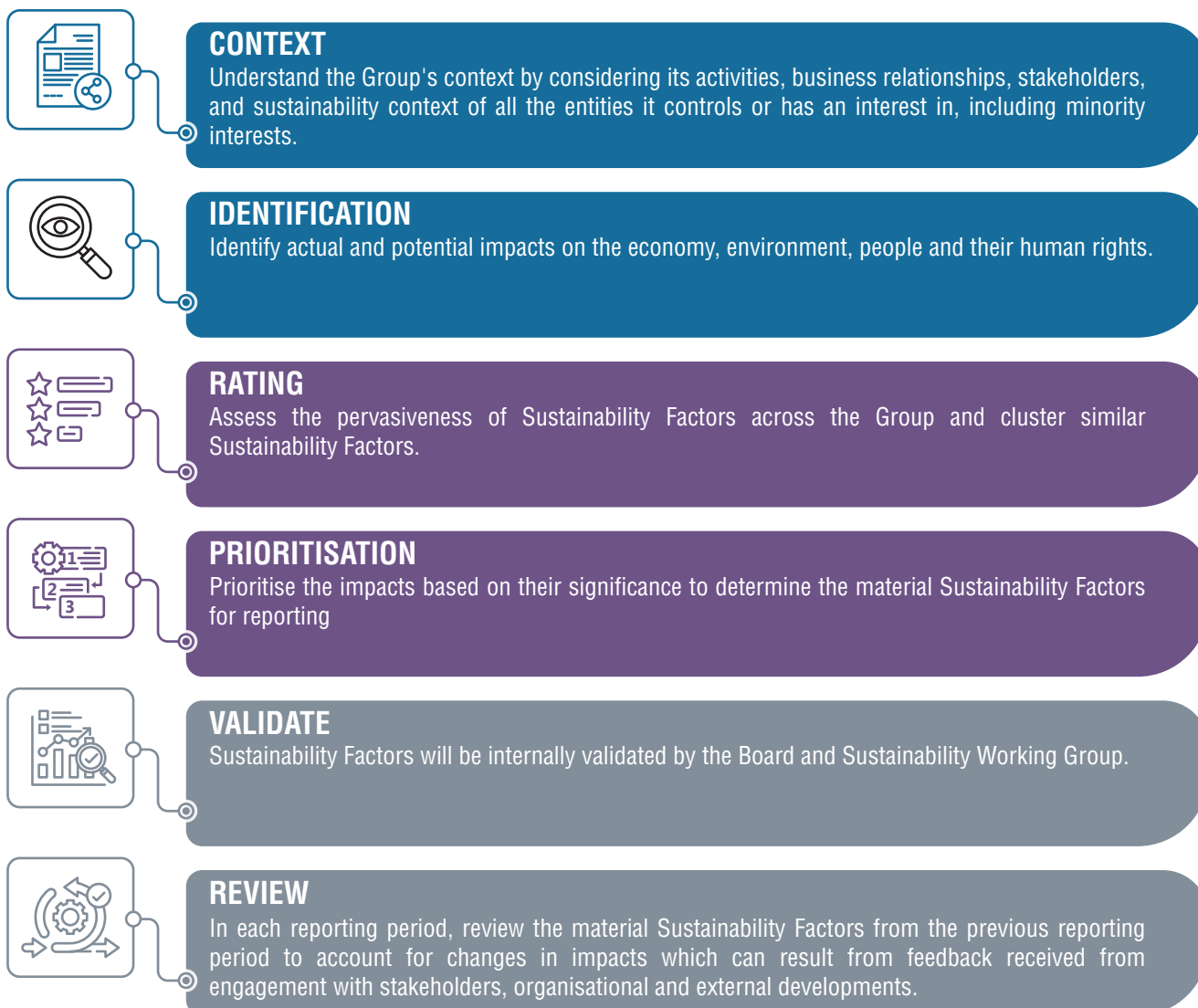
As part of our continual efforts to enhance and upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720(7) of SGX-ST, we confirm that all Directors have attended at least one of the approved sustainability training courses.

As we are still refining our sustainability related metric measuring, tracking and target setting mechanism, we will link the key executives' remuneration to sustainability performance when the mechanism is more mature and stable.

POLICY, PRACTICE AND PERFORMANCE REPORTING

SUSTAINABILITY REPORTING PROCESS

Under our Sustainability Reporting Policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report. Processes involved are shown in the chart below:



Materiality Assessment

We constantly refine our management approach to adapt to the changing business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact our ability to create value for our stakeholders.

Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence; and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development.










Performance Tracking and Reporting

We track the progress of our Sustainability Factors by identifying, measuring and monitoring the relevant sustainability metrics. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We consistently seek to enhance our performance-monitoring processes and improve our data capturing systems. A sustainability report is published annually in accordance with our Sustainability Reporting Policy.

MATERIAL SUSTAINABILITY FACTORS

In FY2025, a materiality assessment was performed by the Sustainability Working Group to update the material Sustainability Factors and this was followed by a stakeholder engagement session⁵ to understand the concerns and expectations of our key stakeholder groups. In this Report, we also reported our progress in managing these factors and set related targets to improve our sustainability performance.

We incorporated the SDGs from the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, as a supporting framework to shape and guide our sustainability strategy where appropriate. Below are the results showing how our material Sustainability Factors relate to these SDGs, along with a list of material Sustainability Factors applicable to the Group:

S/N	Sustainability Factor	Key Stakeholder	SDG	Our Effort
Economic				
1	Total customer satisfaction	Customers		Offering a diverse range of quality tower cranes and services, adhering to industry standards, and engaging proactively with customers
2	Economic performance	Shareholders		Delivering value to our shareholders amidst a recovering economy
3	Procurement practices	<ul style="list-style-type: none"> Business partners Communities 		Adapting to new changes in procurement practices and an evolving supply chain landscape
Environmental				
4	Materials and waste	<ul style="list-style-type: none"> Communities Regulators Shareholders 		Utilising production materials efficiently and facilitating recycling to abate environmental impacts
5	Energy consumption and GHG emissions	<ul style="list-style-type: none"> Communities Shareholders 		Managing the utilisation of energy resources and minimising the release of GHG emissions into the atmosphere
6	Water consumption	<ul style="list-style-type: none"> Communities Shareholders 		Managing the utilisation of water resources to support operational needs while conserving water.
Social				
7	Occupational health and safety	<ul style="list-style-type: none"> Employees Regulators 		Upholding high standards of occupational health and safety measures to ensure the well-being and safety of employees
8	Work diversity and talent retention	Employees		Maintaining a diverse workforce and retaining skilled and experienced employees to ensure productivity and long-term growth
Governance				
9	Anti-corruption	<ul style="list-style-type: none"> Financiers Regulators Shareholders 		Maintaining high standards of corporate governance practices to ensure the sustainability of our business

Arising from the materiality assessment performed for FY2025 and after considering stakeholders' feedback and sustainability reporting trends, we added one (1) new material Sustainability Factor in this Report, which is total customer satisfaction.

⁵ The Company engaged both internal and external stakeholders of suppliers and employees for the materiality assessment performed.

ECONOMIC

TOTAL CUSTOMER SATISFACTION

Commitment

We are committed to retain and build a loyal customer base for our long-term sustainability by meeting or exceeding their needs and requirements.

Approach

Provide a wide range of tower cranes and services to satisfy diverse customer needs

We are principally involved in designing, developing and manufacturing a wide range of tower cranes, components and accessories. Our tower cranes are mainly used on construction sites to lift building materials and equipment, as well as in the shipbuilding and renewable industries. As part of our commitment to customer satisfaction, our Group offers technical advice and after-sales maintenance services to support our customers. We also conduct research and development activities to introduce new products and expand our product range. Currently, we offer a variety of tower cranes with different specifications, broadly classified under the Topless STT series, the ST series, the Luffing STL/ STF series, and the Derrick Q series. Each of the series features different designs and capabilities to meet diverse customer requirements.

TOPLESS STT



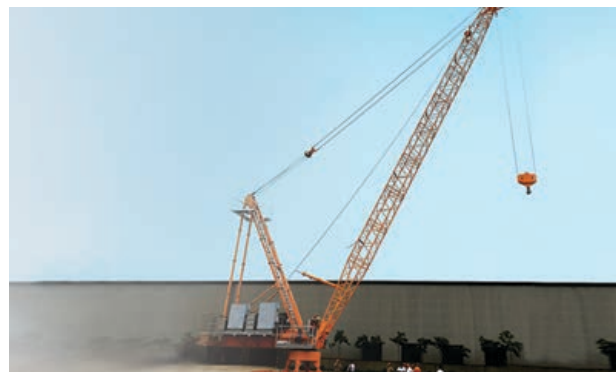
ST



LUFFING STL/STF



DERRICK Q



Adopt market standards for the quality and safety of our products

Our operations in the PRC adhere to international standards for quality management. Certification under these standards demonstrates our ability to consistently provide products and services that meet customer expectations and quality requirements. Selected models of our tower cranes are sent for product testing by product accreditation bodies such as TÜV SÜD to certify that the products conform to health and safety requirements.

Proactive customer engagement

Our ISO 9001: 2015 certified entities collect customer feedback through customer satisfaction surveys. We compile and analyse this feedback to understand customer expectations and satisfaction levels, so we can serve them better. These insights help us improve product safety, service quality, and guide our business strategies.

Performance

To align with market standards and best practices, we attained the following certification:

Quality Standard/ Requirement	Description
ISO 9001 Quality Management System	An internationally recognised standard that specifies the requirements for a quality management system that can demonstrate the ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.
Directive 2006/42/EC	A conformity examination certificate is issued by TÜV SÜD for selected tower crane models. It certifies that the selected model meets essential health and safety requirements relating to the design and construction of machinery, allowing it to be distributed in the European market.

During the Reporting Period, our operations in Fushun received the following awards⁶:

Award	Awarded by
Revitalisation Design Award (振兴设计奖)	Northeast Revitalisation Innovation Design Industry Alliance (东北振兴创新设计产业联盟)
Innovation Design Award (创新设计奖)	Liaoning Industry Design Association (辽宁省工业设计协会)
Excellent Supply Chain Partners (优秀供应链合作伙伴)	China Energy Engineering Co., Ltd (中国能源建设股份有限公司)
World Top 10 Tower Crane Manufacturer (全球塔式起重机制造商10强)	• China Construction Machinery Magazine (中国工程机械杂志)
China Top 10 Tower Crane Manufacturer (中国工程机械专业化制造商50强)	• T50 Summit of World Construction Machinery Industry (全球工程机械50强峰会组委会)
Provincial Science and Technology Progress Award (科学技术进步三等奖)	The People's Government of Liaoning Province (辽宁省人民政府)

ECONOMIC PERFORMANCE

Commitment

We are committed to creating long-term economic value for our shareholders by adopting responsible business practices and pursuing sustainable growth.

Approach

Looking ahead, we anticipate the operating environment will remain challenging across key markets. Our focus remains on strengthening commercial resilience to navigate these challenges. Efforts are underway to drive continued growth and explore new opportunities that support our long-term success.

Performance

Refer to the audited financial statements in the FY2025 Annual Report for the Group's financial performance and financial risk management disclosure on our efforts and progress in maintaining financial sustainability.

⁶ Names of awards and associations are translated into English based on their Chinese version. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

PROCUREMENT PRACTICES

Commitment

We are committed to supporting the local economy and prioritise working with local suppliers whenever possible.

Approach

Recognising the importance suppliers play in our supply chain for producing quality products, we strictly comply with our material and equipment procurement and tender management procedures. The Procurement Department is led by the Chief Executive Officer and its members comprised various heads of the procurement, production, sales and research and development departments. The team is responsible for the following aspects of the procurement function:

- The validation and approval of procurement plans and tendering projects;
- The examination and approval of procurement tendering methods and evaluation methods;
- Appointing the bid evaluation team and assigning staff to support the bidding process; and
- Approving successful bidders.

To improve procurement management and streamline processes while enhancing transparency and efficiency, we established the Procurement and Tendering Management Procedures by Quality and Price Comparison (物资采购比质比价招标管理办法), as well as Qualification Requirements for Outsourced and External Manufacturers (外包、外协厂家资质合作条件要求). As part of our responsible procurement practices, potential suppliers are required to provide detailed information on technical standards, specifications, quality requirements, supply methods and delivery times for the materials they supply. The procurement team is responsible for appointing impartial bid evaluators to support a fair and objective selection process, free from conflicts of interest. To uphold the integrity of procurement, any interference with the evaluation process or its outcomes is strictly prohibited. Additionally, the Group enforces a stringent code of conduct that prohibits 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 promote mutual benefit and maintain quality standards, key suppliers are required to sign the Outsourcing Quality Agreement (承揽质量协议) and Procurement Framework Agreement (采购框架协议). These agreements set out the terms, conditions, and expectations for product or service delivery. In the event of quality issues, suppliers are required to provide appropriate remediation such as product replacement as requested.

To optimise the overall supply capacity, we conduct an annual review of supplier qualifications and require the submission of supporting documents for internal evaluation. For example, we assess whether suppliers hold quality certifications such as GB/T 19001 and environmental certifications such as GB/T 24001, as indicators of their compliance with relevant standards and their commitment to continuous improvements and sustainable practices.

As part of our sustainable procurement practices, we prioritise the nurturing of local suppliers to strengthen our supply chain. To maintain stability and competitiveness in procurement, we foster long-term partnerships with strategic suppliers. In response to potential disruptions, we maintain safety stock for critical materials and place orders earlier based on cross-departmental forecasting. The Group also leverages digital tools and remote work arrangements, when necessary, to ensure business continuity and supply chain resilience.

Performance

During the Reporting Period, the Group procured from 501 (FY2024: 465) suppliers, with 65% (FY2024: 63%) of total procurement amount directed to local suppliers. Local suppliers refer to suppliers who conduct their businesses within the respective countries and cities where the Group's operations are located.

MATERIALS AND WASTE

Commitment

We recognise that environmental preservation through efficient waste management such as reducing and recycling allows us to operate in a sustainable environment. Through the implementation of proper waste management procedures, we are committed to minimising wastage in our operations and consequentially the potential impact of our operations on the environment.

Approach

Key waste generated from the operations are as follows:

- Hazardous waste mainly includes emulsified liquids, paint filters, paint sludge, used filter, thinners and waste oil barrels; and
- Non-hazardous waste mainly relates to general waste and metallic materials.

To improve the utilisation rate of materials and reduce wastages, the Group maintained the Management Procedures for Enhancing Material Utilisation (关于提高板材利用率的管理办法) and established a centralised record mechanism for tracking and standardised treatment of residual materials.

The Research and Development Department 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 support this effort, we leverage technological tools 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 managing 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 is collected and processed by a licensed third party, while recyclable waste is disposed of or sold through tenders or as scrap.

Performance

The following table shows the material inputs and wastes produced during the production process in the Group's factories in Fushun⁷:

Material inputs

Sustainability Metric	FY2025	FY2024
Total steel corner pieces recycled from the production process (tonnes)	390	392
Recycling intensity of steel corner pieces from the production process (tonnes/ revenue RMB'000)	0.001	0.001

Waste generated

Sustainability Metric	FY2025	FY2024
Total hazardous waste generated (tonnes)	307	463
Total non-hazardous waste generated (tonnes)	503	505

The decrease in weight of hazardous waste generated is mainly due to a disposal of hazardous waste accumulated over time, that was carried out in FY2024.

All hazardous waste generated in our operations is disposed through a licensed third-party waste collector in FY2025 (FY2024: 100%).

⁷ Other operations are not included because they do not involve significant material use or waste production.

ENVIRONMENT

ENERGY CONSUMPTION AND GHG EMISSIONS

Commitment

The Group is conscious of its environmental impacts and thus committed to the efficient use of energy and minimising its GHG emissions.

Approach

Our energy consumption is largely attributable to:

- Direct energy consumption:
 - » Diesel and petrol consumption mainly for company vehicles;
 - » Propane consumption mainly for cooking equipment;
 - » Acetylene gas consumption mainly for machinery and equipment; and
 - » Liquid carbon dioxide consumption mainly for machinery and equipment.
- Indirect energy consumption includes electricity used in factories for machinery and equipment and in the office for lighting, equipment, cooling and ventilation.

We aim to reduce our environmental footprints and at the same time, establish operational resilience that delivers long-term and sustainable value to our business. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

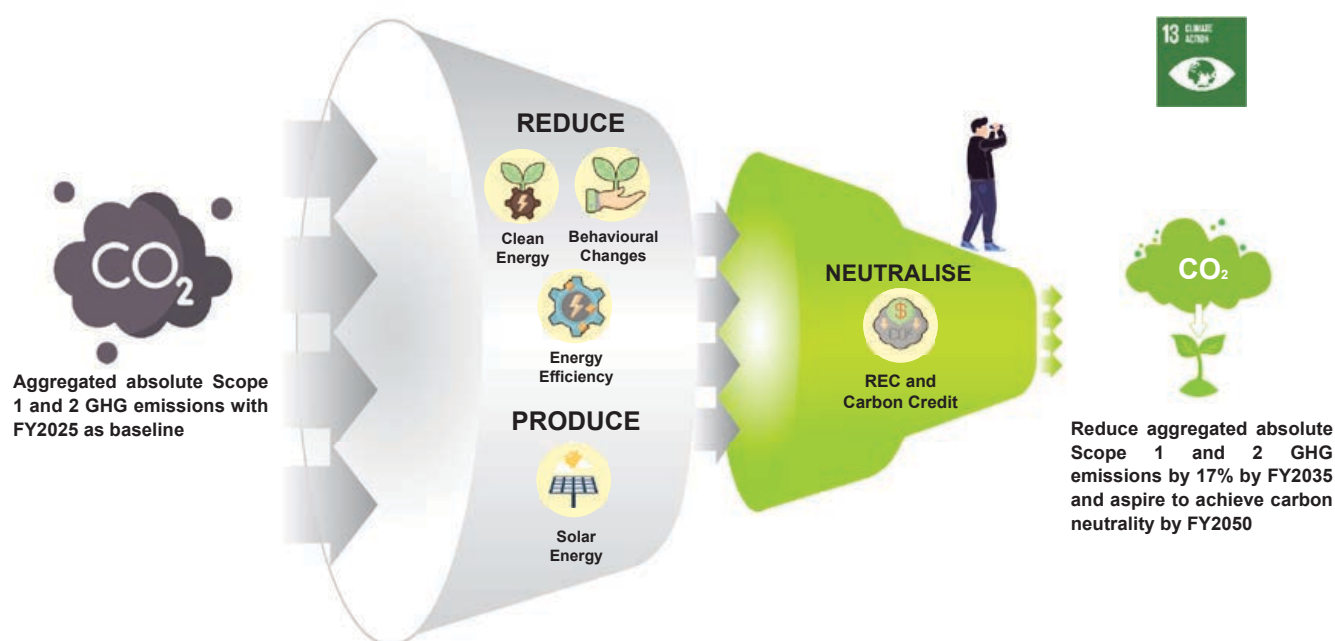
To achieve our decarbonisation goals, we set up a 7-step continuous circular process for our decarbonisation efforts as follows:



We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track other Scope 3 categories where relevant and practicable. We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) and adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We assessed that we have operational control over all entities covered in this Report.

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 17% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2025 as our baseline. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



Details of our strategic levers are as follows:

Lever	Reduce	Produce	Neutralise
Description	<ul style="list-style-type: none"> Reduce absolute emissions first within our operations and followed by our supply chain Replace existing energy source with low or zero-carbon sources 	On-site generation of green or renewable energy	Neutralise unavoidable residual emissions
Focus Area	<ul style="list-style-type: none"> Energy efficiency <ul style="list-style-type: none"> » Motor vehicles » Machinery and equipment Lighting Behavioural changes Clean energy 	Solar energy	<ul style="list-style-type: none"> Renewable energy certificates ("REC") Carbon credits

ENVIRONMENT

We track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key Initiative	Description
Reduce	Energy efficiency – Motor vehicles	<ul style="list-style-type: none"> We conduct regular checks on our vehicles to ensure that they comply with environmental regulations. We monitor our diesel consumption regularly.
	Energy efficiency – Machinery and equipment	We maintain a systematic maintenance programme for machinery and equipment to improve energy efficiency.
	Energy efficiency – Lighting	We optimise electricity efficiency using high-efficiency lighting.
	Behavioural changes	<ul style="list-style-type: none"> We constantly remind our staff to practice basic and socially responsible habits in the workplace, such as adopting greener work ethics, switching off appliances when not in use, enabling power-saving modes, optimising operating temperatures and turning off the engines of idling vehicles. We have implemented policies and procedures to recognise and reward departments and employees who make significant contributions to energy management and conservation.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.
Produce	Solar energy	We plan to explore the generation of solar energy onsite where practicable.
Neutralise	<ul style="list-style-type: none"> REC Carbon credits 	We plan to explore the use of REC and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

Performance

Key statistics on energy consumption and GHG emissions⁸ during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Energy consumption			
Direct energy consumption	GJ	12,100	11,976 ⁹
Indirect energy consumption	GJ	31,384	29,375
Total energy consumption	GJ	43,484	41,351
Total energy consumption intensity	GJ/ revenue RMB'000	0.05	0.05
GHG emissions			
Scope 1 - Direct GHG emissions (Scope 1)	tCO ₂ e	1,067	944 ¹⁰
Scope 2 - Indirect GHG emissions (Scope 2)	tCO ₂ e	4,918	4,638
Aggregated absolute Scope 1 and 2 GHG emissions	tCO ₂ e	5,985	5,582
Aggregated Scope 1 and 2 GHG emissions intensity	tCO ₂ e/ revenue RMB'000	0.01	0.01

⁸ Scope 1 GHG emissions occur from sources that are owned or controlled by the reporting entity. Scope 1 GHG emissions were calculated using 2006 IPCC Guidelines for National Greenhouse Gas Inventories, The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards and emission factors published by relevant authorities. Scope 2 GHG emissions arise from the generation of purchased electricity consumed by the reporting entity. GHG emissions from electricity purchased by the Group (Scope 2) are calculated based on the grid emission factors published by the relevant local authorities.

⁹ Figure has been restated mainly due to the inclusion of fuel used during the production process.

¹⁰ Figure has been restated as a correction.

During the Reporting Period, we started to track our selected Scope 3 GHG emissions as follows¹¹:

Category	Coverage	Unit of Measurement	FY2025
Category 1: Purchased goods and services	<ul style="list-style-type: none"> Carbon steel Tap water 	tCO ₂ e	99,247
Category 6: Business travel	Air travel	tCO ₂ e	209
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tCO ₂ e	1,115

WATER CONSUMPTION

Commitment

We are committed to improving the management of water use in our operations. Water is a precious resource and water management is important to ensure that we consume water responsibly and efficiently.

Approach

Our water consumption is largely attributable to steel manufacturing processes, such as cooling and rinsing, as well as hot water used to maintain employees' personal hygiene in production areas, and for office use.

We mainly source our water supply¹² from municipal water suppliers. Our water conservation initiatives include tracking and reviewing spending on water consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns and encourage staff to use water responsibly.

Performance

Key statistics on water consumption during the Reporting Period are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Total water consumption	m ³	43,036	35,991 ¹³
Total water consumption intensity	m ³ /revenue RMB'000	0.05	0.05

The increase in water consumption intensity is mainly due to higher production activities and enhanced cleaning measures to maintain hygiene.

¹¹ Scope 3 GHG emissions were calculated using Defra emission factors, emission factors published by relevant authorities and lifecycle database, the GHG Protocol tool, and the International Civil Aviation Organization Carbon Emissions Calculator.

¹² Disclosure on water drawn from water stress areas is not made as it is not applicable, given that the Group does not contribute significantly to the ability of any of the countries in which it operates in, to meet the human and ecological demand for water. Areas with water stress are identified based on the World Resources Institute Aqueduct Water Risk Atlas.

¹³ Figure has been restated as a correction.

OCCUPATIONAL HEALTH AND SAFETY

Commitment

We are committed to maintain the highest level of health and safety standards with appropriate measures and policies in place to minimise occupational hazards.

Approach

We developed an operational manual for to implement safety management practices in compliance with relevant laws and regulations. The manual outlines the roles and responsibilities of designated personnel in our Production Safety Committee (安全生产管理委员会) and provides procedures for hazard identification, preparation of safety equipment, inspections, and training. These measures aim to ensure a safe working environment for all employees. Various guidelines to address potential safety hazards, including those related to the handling of hazardous materials and seasonal safety precautions, are also implemented.

To reduce and control the occurrence of accidents and ensure safe and smooth production, we implemented a Safety Production Reward and Punishment System (安全生产奖惩制度). This system monitors the number of production safety accidents and cost control indicators to keep them within the annual target. Disciplinary actions for safety production accidents are taken against the responsible parties based on the direct economic losses caused by the accidents, while awards are presented to manufacturing facilities that excel in safety management.

Although we do not operate production facilities in certain locations, health and safety are still prioritised by strictly adhering to local laws and regulations. For instance, in alignment with the bizSAFE Level 4 programme in Singapore, we established safety management practices to promote workplace health and safety. To support compliance with relevant laws and regulations, risk assessments are conducted for work activities and processes and appropriate measures are taken to manage identified risks.

In addition, we hold regular meetings on production safety and offer a variety of safety training programmes 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 programmes aim to enhance the knowledge and skills of our employees in various aspects of occupational health and safety. To keep all employees updated on occupational health and safety requirements, an annual health and safety examination is conducted for them. Test results are logged in their profiles, and management uses this information to identify areas for improvement and ensure a safe working environment.

We also offer our employees based in the PRC an annual medical checkup to ensure their health and wellbeing are monitored and maintained.

Performance

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

Sustainability Metric	FY2025	FY2024
Number of workplace fatalities	-	-
Number of high consequence work-related injuries	1	1
Number of recordable work-related injuries	6	5
Number of recordable work-related ill-health cases	-	-

The high consequence work-related injury in Hong Kong and Macau relates to an employee being struck by a moving lifting equipment. Lessons learned from the work-related injuries are shared across business units to prevent recurrence.

WORK DIVERSITY AND TALENT RETENTION

Commitment

We are committed to promoting diversity and improving job opportunities for all our employees. We believe that an inclusive and supportive environment empowers our people to thrive both personally and professionally, which drives high-quality work and excellent customer service.

Approach

We do not discriminate against anyone based on gender, age, ethnicity, religion, nationality, political views, sexual orientation, or social or cultural background. Employment activities and decisions, such as recruitment, promotion, compensation, appraisals, and disciplinary actions, are based on merit and without discrimination. We also foster a humanised culture of equality and mutual support by encouraging fair and open workplace dialogue. These are reflected in our employee handbook and communicated to our employees.

Our operations in Fushun organise various activities to celebrate International Women's Day yearly and advocate the physical and mental health of its female employees.

We believe that our employees are the most valuable resource and they 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 foster team cohesion and encourage healthy lifestyle, our operations in Fushun held its inaugural corporate badminton competition.

We provide training to our employees on topics such as corporate management, operational skills, safety management, product quality, research and development, marketing and team execution.



Performance

As at 31 March 2025, the Group had a total of 1,008 full-time employees (As at 31 March 2024: 1,059 employees¹⁴). A breakdown of our workforce by geographical location as at 31 March 2024 is as follows:

	Number of Employees		Percentage	
	FY2025	FY2024	FY2025	FY2024
PRC	904	930	90%	88%
Hong Kong and Macau	85	113	8%	11%
Singapore	19	16	2%	1%
Total	1,008	1,059	100%	100%

During FY2025, there were no incidents of unlawful discrimination reported (FY2024: zero).

¹⁴ Figure has been restated due to a change in the methodology for compiling human resources data and defining employee categories.

SOCIAL

Gender diversity

We view gender diversity in the Board as an essential element in supporting sustainable development. As at 31 March 2025, female representation of the Board stands at 14% (FY2024: 14%). Due to the nature of our business, our workforce consists of male employees predominantly.

Key statistics on gender diversity of our employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
Overall	79%	21%	80%	20%
Employee category				
Management	75%	25%	75%	25%
Non-management	80%	20%	80%	20%

Age diversity

Matured workers are valued in the Group for their experience, knowledge and skills. Key statistics on age diversity of our workforce are as follows:

Sustainability Metric	FY2025			FY2024		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	6%	65%	29%	7%	65%	28%
Employee category						
Management	2%	67%	31%	-%	65%	35%
Non-management	6%	65%	29%	8%	64%	28%

Training and employee engagement

A total of 12,870 hours (FY2024: 15,014) of training was attended by the Group's employees in FY2025. 100% (FY2024: 100%) of our employees received regular performance and career development reviews. Details are as follows:

Sustainability Metric		Average Training Hours (Hours)		Percentage of Employees Receiving Regular Performance and Career Development Reviews	
Reporting Period		FY2025	FY2024	FY2025	FY2024
Overall		13	14	100%	100%
By gender	Male	13	14	100%	100%
	Female	11	13	100%	100%
By employee category	Management	29	12	100%	100%
	Non-management	11	15	100%	100%

The decrease in training hours is due to more training conducted in FY2024, when the newly established Production Safety Department conducted basic safety training to raise frontline employees' awareness and address common workplace incidents.

Turnover rate

Key statistics on the turnover rate of our employees are as follows:

Sustainability Metric	FY2025	FY2024
Gender		
Male	15%	17%
Female	10%	7%
Age		
Below 30	30%	37%
30 to 50	10%	11%
Above 50	19%	18%
Overall	14%	15%

GOVERNANCE

ANTI-CORRUPTION

Commitment

We are committed to high standards of corporate governance, as it is integral to ensuring the sustainability of our business, safeguarding shareholders' interest and maximising long-term shareholder value.

Approach

We treasure values such as trustworthiness, integrity and fairness when we conduct our business across geographies. All forms of corruption are prohibited, and we do not tolerate behaviour such as extortion, fraud, money laundering and bribery. Through clear written documents such as the Agreement on Administrative Integrity (廉政协议), we enforce a zero-tolerance policy towards unethical and illegal business practices related to corruption.

To support compliance with relevant laws and regulations, we request business partners, where appropriate, to sign the Agreement on Administrative Integrity affirming their commitment to integrity. Additionally, we conduct regular training and provide information to our employees to keep them informed about the latest anti-corruption laws and regulations.

We also maintain an independent whistle-blowing framework that provides well-defined and accessible channels within the Group, through which employees can confidentially raise concerns about possible improprieties in financial reporting or other matters.





Further details of our corporate governance structure and the risk management and internal control system are available in the Corporate Governance Report of the Annual Report.





Performance

During FY2025, the Group has no incidents of corruption incidents (FY2024: no incidents).

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend: Progress tracking

-  New target
-  Target achieved
-  On track to meet target
-  Not on track, requires review

S/N	Sustainability Factor	Target	Progress
Economic			
1	Total customer satisfaction	<u>Ongoing</u> Achieve to market standards in operations	 Adhered to market standards adopted by selected entities within the Group
2	Economic performance	<u>Short-term</u> Achieve positive cash flow generated from operating activities <u>Long-term</u> Improve or maintain our financial position subject to market conditions	 Net cash used in operating activities of RMB60.8 million arose from an increase in operating receivables and inventories, and interest and taxes paid, offset by operating profit before working capital changes  Revenue increased to RMB880 million, while profit for the year decreased to RMB35 million. The decrease in profit for the year is mainly due to the increase in operating expenses. These included higher distribution costs driven by higher freight rates, higher administrative expenses resulting from higher employee costs as provision for bonuses was lower in FY2024. Other operating expenses also increased in view of debt written off in FY2025, owing from Yongmao Machinery (Cambodia) Co., Ltd, after the full disposal of its interest, as well as a provision of expected credit loss in FY2025 as compared to a reversal in FY2024. Several of the above transactions were one-off in nature.
3	Procurement practices	<u>Ongoing</u> Maintain or improve proportion of spending on local suppliers	 Slight improvement in proportion of spending on local suppliers

¹⁵ Time horizons for target settings are: (i) short-term: within 5 years (up to FY2029); (ii) medium-term: between 6 and 20 years (between FY2030 to FY2044); (iii) long-term: beyond 20 years (after FY2044); and (iv) ongoing: encompassing short-, medium-, and long-term. The targets set for Sustainability Factors were revised after considering the latest data trends.

TARGET AND PROGRESS

S/N	Sustainability Factor	Target	Progress
Environmental			
4	Materials and waste	<u>Short-term</u> Maintain or improve recycling intensity of steel corner pieces from the production process <u>Ongoing</u> Ensure all hazardous waste is handled by licensed waste collectors.	● ● ● Maintained recycling intensity of steel corner pieces from the production process at 0.001 tonnes/revenue RMB'000 ● ● ● All hazardous waste is handled by licensed waste collectors.
5	Energy consumption and GHG emissions	<u>Short term</u> Maintain or reduce GHG emissions intensity <u>Medium term and long term</u> Reduce our aggregated absolute Scope 1 and Scope 2 GHG emissions by 17% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2025 as our baseline	● ● ● Maintained aggregated Scope 1 and 2 GHG emissions intensity at 0.01 tCO ₂ e/revenue RMB'000 ● ● ● Developed a climate change transition strategy aimed at lowering greenhouse gas emissions and enhancing resilience to climate impacts
6	Water consumption	<u>Short term</u> Maintain or reduce water consumption intensity	● ● ● Maintained water consumption intensity at 0.05 m ³ /revenue RMB'000
Social			
7	Occupational health and safety	<u>Ongoing</u> Maintain zero work-related fatalities, high consequence work-related injuries, recordable work-related injuries and ill health cases	● ● ● <ul style="list-style-type: none"> • Maintained zero work-related fatalities and recordable work-related ill health cases • Recorded 1 high consequence work-related injury • Recorded 6 recordable work-related injuries
8	Work diversity and talent retention	<u>Ongoing</u> <ul style="list-style-type: none"> • Maintain staff turnover rate below 10% subject to market conditions • Maintain zero reported incidents of unlawful discrimination against employees 	● ● ● <ul style="list-style-type: none"> • Staff turnover rate is 14% • Maintained zero reported incidents of unlawful discrimination against employees
Governance			
9	Anti-Corruption	<u>Ongoing</u> Achieve zero incidents of corruption cases	● ● ● Achieved zero incidents of corruption cases

For the material Sustainability Factors identified this Report, the Board and Sustainability Working Group have considered the relevance and usefulness of setting related targets in the short-, medium- and long- term horizons. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

We are committed to support the recommendations by the TCFD and disclose our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the management and monitoring of the sustainability matters of the Group, including climate-related risks and opportunities, and take them into consideration in the determination of the Group's strategic direction and policies.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

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

a. Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term.







b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

Scenario	Description
<u>Orderly</u> Net zero 2050	Reaching net-zero global CO ₂ emissions by 2050 will require an ambitious transition across all sectors of the economy. Scenarios tend to emphasise the importance of decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs and changes in business and consumer preferences. Physical risks would be minimised.
<u>Hot house world</u> Current policies	While many countries have started to introduce climate policies, they are not yet sufficient to achieve official commitments and targets. If no further measures are introduced, 3°C or more of warming could occur by 2100. This would likely result in deteriorating living conditions in many parts of the world and lead to some irreversible impacts like sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate-related scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (within 5 years, up to FY2029), medium term (between 6 and 20 years, between FY2030 to FY2044) and long term (beyond 20 years, after FY2044). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during the climate-related risk assessment exercise includes the following:

CLIMATE-RELATED DISCLOSURES

Risk and Potential Impact	Potential Impact Magnitude			Mitigation Measure	Climate-Related Opportunity
	Short-Term	Medium-Term	Long-Term		
Key physical risk identified					
Increased severity of extreme weather events					
Extreme weather events may lead to risks of flooding, fires, falling objects and structures, heat-related and cold-related injuries, and poisoning. These may disrupt supply chains and consequentially procurement delays. In addition, these may also lead to higher cooling costs and reduced labour productivity, resulting in adverse impacts on financial performance of the Group. We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of US\$16 million per hour ¹⁶ arising from climate-related damage	Scenario: Orderly			We put in place a climate change transition plan to steer us on our decarbonisation journey.	Recognising the growing environmental risks and rising awareness of climate change, the Group is actively exploring opportunities to integrate sustainability into our business. By adopting energy-efficient technologies, we aim to reduce energy consumption, achieve cost savings, and lower emissions across the short, medium, and long term. This commitment not only minimises our environmental impact but also strengthens our brand reputation and customer loyalty as consumers increasingly support environmentally responsible businesses.
					
	Scenario: Hot house world			In response to the growing severity of extreme weather events, we adopted a range of adaptive measures to enhance resilience and minimise environmental impact. They include implementing energy efficiency initiatives to reduce energy consumption, generate savings, and lower greenhouse gas emissions. To safeguard employee wellbeing during extreme weather events, we circulate health and safety guidelines to communicate emergency procedures and necessary work adjustments. You may refer to the Energy Consumption and GHG Emissions Sustainability Factor for further details.	
					

¹⁶ Source: <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>

Risk and Potential Impact	Potential Impact Magnitude			Mitigation Measure	Climate-Related Opportunity
	Short-Term	Medium-Term	Long-Term		
Key transition risks identified					
Enhanced emissions-reporting obligations					
<p>With rising concerns over the effects of climate change, key stakeholders such as the regulators, customers and shareholders are demanding climate-related information. Failure to comply with the relevant climate reporting requirements may lead to adverse impacts on the Group's reputation and financial performance.</p> <p>The Group may experience increased costs due to enhanced obligations for GHG emissions reporting. Such costs include investment of manpower resource in more comprehensive data collection, analysis, and reporting processes, greater involvement from management, and additional costs for consultant and employee training.</p>	Scenario: Orderly			<p>To strengthen our sustainability governance structure, we put in place a Sustainability Working Group for managing and monitoring our material Sustainability Factors, including working with the various business units and corporate functions to ensure that these are integrated into our day-to-day operations.</p> <p>In addition, we established terms of reference for component parties involved in the sustainability reporting process, for clarity and accountability purposes.</p>	<p>The enhanced emissions reporting obligations and increase in regulatory costs will raise climate awareness amongst our employees.</p> <p>With more defined job responsibilities and training, the Group will also be better positioned to use energy resources responsibly and adopt environmentally friendly practices.</p>
	●	●	●		
	Scenario: Hot house world				
	●	●	●		

Legend:

● Minor ● Moderate ● Major

Based on the scenarios above, we will continue to formulate adaptation and mitigation plans and allocate resources towards transitioning to a low or net zero carbon operations, through optimal business strategy and effective financial planning. We strive to minimise climate risks associated with our business and will seize opportunities such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

CLIMATE-RELATED DISCLOSURES

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that under Hot House World scenario, unmitigated climate risk of increased severity of extreme weather events may lead to major financial impact in the long term. Under Orderly scenario, the climate-related risk identified is not expected to result in significant financial impact in the short-, medium-, or long-term. To address these risks and capitalise on opportunities associated with climate change, we will continuously refine our strategy to remain resilient throughout our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks.

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Group's climate related risks and opportunities are identified and assessed during the climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators. We will integrate the climate-related risks into our risk management framework in the future.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We monitor, measure and report our environmental performance such as energy consumption and GHG emissions in its sustainability reports. Monitoring and reporting these metrics enable the Group to identify areas of material climate-related risks and be more focused in its efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.

To support the climate change agenda, we disclose our Scope 1, Scope 2 and selected Scope 3 GHG emissions in this Report and set climate-related targets such as those related to energy and GHG. Our disclosure on indirect Scope 3 emissions includes purchased goods and services (category 1), business travel (category 6) and employee commuting (category 7) in FY2025. We will continue to monitor our emissions and expand our disclosure of our Scope 3 GHG emissions wherever applicable and practicable.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we set climate-related targets related to energy consumption and GHG emissions. For further details, please refer to the Target and Progress section.

APPENDIX 1

GRI CONTENT INDEX

Statement of use	Yongmao Holdings Limited has reported the information cited in the GRI content index for the period from 1 April 2024 to 31 March 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location/ Page Reference
GRI 2: General Disclosures 2021	2-1 Organisational details	01, Annual Report 2025 ("AR 25"): 65, 92-93, 141-142
	2-2 Entities included in the organisation's sustainability reporting	02
	2-3 Reporting period, frequency and contact point	02, 10
	2-4 Restatements of information	18-19, 21
	2-5 External assurance	02
	2-6 Activities, value chain and other business relationships	01, 12-13
	2-7 Employees	21-22
	2-8 Workers who are not employees	We have approximately 291 workers who are not employees as at 31 March 2025. They include outsourced workers for mainly production processes at our operations in Fushun and the remaining are outsourced security guards at our operations in Hong Kong and Macau.
	2-9 Governance structure and composition	08-09, 22, AR 25: 15-17, 25-28
	2-10 Nomination and selection of the highest governance body	AR 25: 29-32
	2-11 Chair of the highest governance body	08, AR 25: 28-29
	2-12 Role of the highest governance body in overseeing the management of impacts	08-09
	2-13 Delegation of responsibility for managing impacts	08-09
	2-14 Role of the highest governance body in sustainability reporting	08-09
	2-15 Conflicts of interest	AR 25: 22
	2-16 Communication of critical concerns	24, AR 25: 41
	2-17 Collective knowledge of the highest governance body	09, AR 25: 22
	2-18 Evaluation of the performance of the highest governance body	AR 25: 32-33
	2-19 Remuneration policies	AR 25: 33-37
	2-20 Process to determine remuneration	AR 25: 33-37
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints

APPENDIX 1

GRI CONTENT INDEX

GRI Standard	Disclosure	Location/ Page Reference
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	03-04
	2-23 Policy commitments	14-15, 20, 24
	2-24 Embedding policy commitments	14-15, 20, 24
	2-25 Processes to remediate negative impacts	24, AR 25: 41
	2-26 Mechanisms for seeking advice and raising concerns	24, AR 25: 41
	2-27 Compliance with laws and regulations	21, 24
	2-28 Membership associations	06
	2-29 Approach to stakeholder engagement	06-07
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	10-11
	3-2 List of material topics	11
	3-3 Management of material topics	12-26
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	13, AR 25: 60, 62-63
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	14
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	24
	205-3 Confirmed incidents of corruption and actions taken	24
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	18
	302-3 Energy intensity	18
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	18
	305-2 Energy indirect (Scope 2) GHG emissions	18
	305-3 Other indirect (Scope 3) GHG emissions	19
	305-4 GHG emissions intensity	18
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	19
	303-3 Water withdrawal	19
	303-5 Water consumption	19
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	15
	306-2 Management of significant waste-related impacts	15

APPENDIX 1

GRI CONTENT INDEX

GRI Standard	Disclosure	Location/ Page Reference
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	23
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	21
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	20
	403-4 Worker participation, consultation, and communication on occupational health and safety	20
	403-5 Worker training on occupational health and safety	20
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	20
	403-9 Work-related injuries	20
	403-10 Work-related ill health	20
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	23
	404-2 Programs for upgrading employee skills and transition assistance programs	21
	404-3 Percentage of employees receiving regular performance and career development reviews	23
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	22
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	21

APPENDIX 2 INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

The sustainability disclosure metrics are based on the IFRS SDS Industry-Based Guidance for implementing climate-related disclosure (“**Industry-Based Metrics**”) (Volume 50 – Industrial Machinery and Goods). The details are as follows:

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Topic	Code	Metric	Response
Energy Management	RT-IG-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) Our total energy consumed in FY2025 is 43,484 GJ. (2) We consumed 100% grid electricity in FY2025. (3) We do not consume renewable energy in FY2025. We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicle	Not applicable as we do not manufacture medium- or heavy-duty vehicles.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Not applicable, as the manufactured tower cranes are designed to be electrically powered.
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Not applicable, as we do not manufacture stationary generators.
	RT-IG-410a.4	Sales-weighted emissions of (1) Nitrogen oxides (NOx) and (2) Particulate matter (PM) for: (a) Marine diesel engines, (b) Locomotive diesel engines, (c) On-road medium and heavy-duty engines and (d) Other non-road diesel engines	We are in the process of establishing a tracking mechanism for our air pollutants.

TABLE 2. ACTIVITY METRICS

Code	Activity Metric	Response
RT-IG-000.A	Number of units produced by product category	We do not publicly disclose these metrics as they are commercially sensitive and confidential.
RT-IG-000.B	Number of employees	We have 1,008 employees as at 31 March 2025.



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