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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tat Hong Equipment Service Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Tat Hong Equipment Service Co., Ltd.

達豐設備服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

CONTINUING CONNECTED TRANSACTION — 2023 YONGMAO MASTER AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent financial adviser to
the Independent Board Committee and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meanings as defined in this circular unless otherwise specified.

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on page 20 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 41 of this circular.

A notice convening the EGM to be held at 12:30 p.m. on Wednesday, 29 November 2023 at Room 601, Building 8, PortMix, No. 2377 Shenkun Road, Minhang District, Shanghai, the PRC, is set out on pages 50 to 51 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.tathongchina.com).

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 12:30 p.m. on Monday, 27 November 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM (or any adjournment thereof) if they so wish.

13 October 2023

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Yongmao Master Agreement”	the agreement entered into between the Company and Yongmao on 28 July 2023 in relation to the (i) purchase of tower cranes and related parts and components and (ii) rental of tower cranes and related parts and components from Yongmao Group on a non-exclusive basis
“Announcement”	the announcement of the Company dated 28 July 2023 in relation to the 2023 Yongmao Master Agreement and the transaction contemplated thereunder
“Annual Caps”	the proposed annual caps for the continuing connected transaction contemplated under the 2023 Yongmao Master Agreement
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Tat Hong Equipment Service Co., Ltd. (達豐設備服務有限公司), a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 2153)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider, and if thought fit, approve, among other matters, the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser”	Dakin Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders as to the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Shareholders”	Shareholder(s) other than any Shareholder(s) materially interested in the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Latest Practicable Date”	10 October 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Ng”	Ng San Tiong (黃山忠), being (i) non-executive Director and chairman of the Company and (ii) deputy chairman and non-executive director of Yongmao
“Mr. Sun”	Sun Zhaolin (孫兆林), being (i) a non-executive Director of the Company and (ii) the chairman and executive director of Yongmao

DEFINITIONS

“PRC”	the People’s Republic of China which for the purpose of this circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Previous Yongmao Master Agreement”	the agreement entered into between the Company and Yongmao on 22 December 2020 for a term of three years from the listing of Shares on the Main Board of the Stock Exchange to 31 March 2023, details of which are disclosed in the prospectus of the Company dated 30 December 2020
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX”	Singapore Exchange Limited
“Share(s)”	ordinary share(s) of US\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Singapore”	The Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Sunfield”	Sunfield Investment Pte. Ltd., which is wholly owned by Mr. Sun Tian who is the son of Mr. Sun and holds approximately 1.73% of the issued capital of the Company

DEFINITIONS

“Sun & Tian”	Sun & Tian Investment Pte. Ltd., a company incorporated under the laws of Singapore on 10 June 2009, which is owned as to 45% by each of Mr. Sun and Ms. Tian Ruo Nan (spouse of Mr. Sun) and 10% by Mr. Sun Tian (son of Mr. Sun and Ms. Tian Ruo Nan), and a shareholder of Yongmao
“US\$”	United States dollars, the lawful currency of the United States of America
“Yongmao”	Yongmao Holdings Limited, a public company established in Singapore on 3 August 2005 and listed on the Main Board of SGX (SGX: BKX)
“Yongmao Group”	Yongmao and its subsidiaries
“%”	per cent

LETTER FROM THE BOARD

Tat Hong Equipment Service Co., Ltd.
達豐設備服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

Executive Directors:

Mr. Yau Kok San (*Chief Executive Officer*)

Mr. Lin Han-wei (*Chief Operating Officer*)

Non-executive Directors:

Mr. Ng San Tiong (*Chairman*)

Mr. Sun Zhaolin

Mr. Liu Xin

Mr. Guo Jinjun

Independent non-executive Directors:

Mr. Wan Kum Tho

Dr. Huang Chao-Jen

Ms. Pan I-Shan

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

40/F., Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

13 October 2023

To the Shareholders,

Dear Sir or Madam

**CONTINUING CONNECTED TRANSACTION —
2023 YONGMAO MASTER AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the entering into of the 2023 Yongmao Master Agreement by the Company.

The purpose of this circular is to provide you with, among other things, (i) further details of the 2023 Yongmao Master Agreement and the transactions contemplated thereunder, (ii) a letter from the Board containing its opinion and recommendations to the Shareholders in respect of, among other things, the 2023 Yongmao Master Agreement and the transactions contemplated

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thereunder, (iii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders in respect of, among other things, the 2023 Yongmao Master Agreement and the transactions contemplated thereunder, (iv) a letter from the Independent Financial Adviser containing its opinion and recommendations to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the 2023 Yongmao Master Agreement and the transactions contemplated thereunder, (v) other general information required to be disclosed under the Listing Rules, and (vi) a notice convening the EGM.

CONTINUING CONNECTED TRANSACTION

Reference is made to the prospectus of the Company dated 30 December 2020 in relation to the Previous Yongmao Master Agreement which expired on 31 March 2023.

Since the services under the Previous Yongmao Master Agreement has expired on 31 March 2023, and the Company intends to continue carrying out the relevant transactions under the Previous Yongmao Master Agreement, the Board is pleased to announce that on 28 July 2023, the Company and Yongmao entered into the 2023 Yongmao Master Agreement, pursuant to which the Group agreed to (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group on a non-exclusive basis. Save for the Annual Caps, all key terms remain generally the same as set out in the Previous Yongmao Master Agreement.

The key terms of the 2023 Yongmao Master Agreement are set out below:

Parties:	The Company and Yongmao
Date:	28 July 2023
Term:	Subject to the approval of the Independent Shareholders at the EGM, the 2023 Yongmao Master Agreement will become effective on the date of execution and expire on 31 March 2026.
Subject matter:	Subject to the terms and conditions of the 2023 Yongmao Master Agreement, the Group may from time to time (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group.

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Condition precedent:

The 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps) are conditional upon the approval of the Independent Shareholders at the EGM.

Pricing Standard

Under the 2023 Yongmao Master Agreement, the Group may from time to time (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group which shall set out, inter alia, the quantity, product specifications, the unit purchase price, the unit rental price and payment terms.

The unit purchase price shall be determined after arm's length negotiation between the Group and Yongmao Group from time to time with reference to the price list provided by Yongmao Group, the requirements and specifications of the tower cranes required by the Group, the prevailing market price of similar products, and in any event the commercial terms provided by Yongmao Group shall be equal to or more favourable to the Group compared to those offered to the Group by Independent Third Parties for similar products and/or services. The unit rental fee shall be determined after arm's length negotiation between the Group and Yongmao Group from time to time with reference to the fee list provided by Yongmao Group, the requirements and specifications of the tower cranes required by the Group, the prevailing market fee of similar services, and in any event the commercial terms provided by Yongmao Group shall be equal to or more favourable to the Group compared to those offered to the Group by Independent Third Parties for similar products and/or services.

To ensure that the prices or rental fees offered by Yongmao Group are in line with normal commercial terms, the Group has adopted a policy to seek and obtain quotations from at least two independent third-party suppliers of tower cranes and related parts and components in addition to the quotation from Yongmao Group. Factors that the Group would consider in the quotation procedures for the purchase/rental of tower cranes and related parts and components include (i) the terms of the quotations received, including the price/fee and response to the requirements and specifications of tower cranes set by the Group; (ii) the background, qualifications and financial position of participating suppliers; (iii) the track record and historical business relationship between the Group and participating suppliers; and (iv) the Group's financial budget.

Before accepting a quotation, the responsible officers of the Group will find out the prevailing market price/fee range for similar products/services. The responsible management team will then approve the quotation and enter into the relevant agreement after confirming that the contractual price/fee is commercially reasonable and within the market range reflected in the market information. To ensure a fair selection process, the Directors and employees who have a

LETTER FROM THE BOARD

conflict of interest in the transaction will not participate in the selection process and the interested Director(s) is/are required to abstain from voting at the relevant meeting of the Board. The purchasing department of the Group would conduct internal monitoring in respect of the pricing under the continuing connected transactions from time to time, and ensure that the transactions are in line with normal commercial terms.

After considering the above selection factors and conducting the above procedures, if the Group concludes that it is in the interest of the Group and the Shareholders as a whole to accept the quotation of Yongmao Group and, in particular, if the price/fee and terms offered by Yongmao Group are fair and reasonable and comparable to, or more favourable to the Group than those offered by independent third-party suppliers, the Group will place orders with Yongmao Group for the relevant purchase/rental of tower cranes and related parts and components.

Annual Caps

Historical transaction amount

The historical transaction amount for the purchase and rental of tower cranes and related parts and components from Yongmao Group and the percentage out of the total historical transaction amount for purchase of tower cranes for the years ended 31 March 2021, 2022 and 2023 and from 1 April 2023 to the Latest Practicable Date are set out below:

	Historical transaction amounts			
	(RMB'000) (excluding value added tax)			
	For the year ended 31 March			From
	2021	2022	2023	1 April
				2023 to the
				Latest
				Practicable
				Date
Purchase and rental of tower cranes and related parts and components from Yongmao Group	31,718	101,702	55,107	2,461
Percentage of purchase and rental of tower cranes and related parts and components from Yongmao Group	12.42%	14.27%	13.81%	1.23%

LETTER FROM THE BOARD

It was disclosed in the Prospectus that the Directors believe that the Company would have no increasing reliance, and would have in fact significantly reduced the reliance on Yongmao Group. The Directors expected that the level of reliance on Yongmao Group was likely to decrease in the future. In fact, according to the table above, the percentage of purchase from Yongmao Group for the years ended 31 March 2021, 2022 and 2023 demonstrated a decreasing trend with an average percentage of purchase of approximately 13.5%, which is significantly lower than the average percentage of purchase of approximately 76.5% from Yongmao Group for the years ended 31 March 2018, 2019 and 2020.

Annual caps under the Previous Yongmao Master Agreement

The annual caps for the years ended 31 March 2021, 2022 and 2023 under the Previous Yongmao Master Agreement and the actual utilisation rate during the same periods are set out below:

	Historical transaction amounts			
	(RMB'000) (excluding value added tax)			
	For the year ended 31 March			From
	2021	2022	2023	1 April
				2023 to the
				Latest
				Practicable
				Date
Annual caps under the Previous				
Yongmao Master Agreement	80,348	109,760	107,750	N/A
Utilisation rate	39.5%	92.6%	51.1%	N/A

Due to the outbreak of the COVID-19 pandemic, there was a severe slowdown in the construction industry in the PRC in 2020 and the Company had to adjust and delay its purchasing plan in response to and after considering the impact of the COVID-19 pandemic on its tower crane business. As a result, the utilisation rate for the year ended 31 March 2021 was relatively low. However, the Group recorded a significant increase in utilisation rate from 39.5% for the year ended 31 March 2021 to 92.6% for the year ended 31 March 2022 when the COVID-19 pandemic in the PRC was generally under control and there was an overall resumption of projects in the PRC to catch up the construction schedules despite the resurgence of the COVID-19 pandemic globally, leading to an increase in number of contract work secured by the Group which in turn led to an increase in purchase of tower cranes and related parts and components from Yongmao Group. The decrease in utilisation rate from 92.6% for the year ended 31 March 2022 to 51.1% for the year ended 31 March 2023 was mainly attributable to the postponement and delay of engineering

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projects during the year ended 31 March 2023, as a result of the revival of the COVID-19 and the corresponding tight control measures particularly in Eastern China. Despite the impact of COVID-19, the average utilisation rate of the annual caps for the past three financial years ended 31 March 2023 exceeded 60%.

For the period between 1 April 2023 to the Latest Practicable Date, the total amount incurred by the Group in relation to the transactions contemplated under the Previous Yongmao Master Agreement was approximately RMB2.5 million. As all of the applicable percentage ratios calculated in relation to such transactions from 1 April 2023 to the Latest Practicable Date were less than 5% and the total consideration was less than HK\$3,000,000, such transactions from 1 April 2023 to the Latest Practicable Date were fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Chapter 14A of the Listing Rules.

Proposed annual caps and its basis

	Annual Cap		
	(RMB'000) (excluding value added tax)		
	(approximately)		
	For the year ending 31 March		
	2024	2025	2026
2023 Yongmao Master Agreement	100,000	100,000	100,000

In determining the above Annual Caps, the Directors have considered (i) the relevant historical transaction amount paid by the Group to Yongmao Group for the purchase and rental of tower cranes and related parts and components; (ii) the expected future growth and expansion of the Group's business, in particular, taking into account the Group's proposed purchase plan of tower cranes for the next three years; (iii) the projected growth of the construction industry leading to an expected growth of tower crane service market in the PRC; (iv) the price list provided by Yongmao Group; and (v) the anticipated price trend of tower cranes and related parts and components for the three years ending 31 March 2026.

The Directors believe that the construction industry in the PRC will grow rapidly in the next decade. In accordance with "The 14th Five-Year Development Plan of the Construction Industry (《「十四五」建築業發展規劃》)", the PRC government aims to accelerate the coordinated development of intelligent construction and industrialised construction and target for the added value of the PRC construction industry to maintain at approximately 6% of the national GDP. Further, the National Development and Reform Commission approved 109 fixed asset projects in 2022 to stimulate the PRC economy, with total investment amounting to approximately RMB1.48 trillion and which mainly concentrated in various industries, including energy, transportation, and

LETTER FROM THE BOARD

water conservancy. In addition, in July 2023, China's State Council had also approved the construction of six new nuclear power units with a total estimated investment of RMB120.0 billion, further demonstrating the PRC government's determination to expand development of the construction industry.

The market demand for tower crane services is closely related to the development of construction industry. With such increasing focus and rapid development in the construction industry focusing on public construction and infrastructure, the tower crane industry has also shown a strong growth trend. Based on the market information available to the Board, due to the increased investment in infrastructure, the sales volume of tower cranes had been on an increasing trend since 2017, with a year-on-year growth of approximately 13.3% between 2021 and 2022, and it is estimated that from 2023 to 2028, the production and sales of tower cranes is expected to grow at a compound annual growth rate (CAGR) of approximately 9.5%.

In view of the above, it is therefore anticipated that the Group's future business growth will be driven by business contracts in the clean energy, infrastructure and public construction sectors, which require large-scale tower cranes. In particular, it is expected that the Group's demand for Yongmao's tower cranes may increase due to the strong wind-and-flood-resistant nature of Yongmao's tower cranes which is essential in the Group's participation in the clean energy projects. As at 31 March 2023, the Group had contracts on hand from customers mainly in public construction, commercial and energy projects (including contracts in progress and contracts entered into but not yet commenced) that will generate revenue (excluding value added tax) of approximately RMB602.8 million, which the Directors expects will lead to an increase in purchase of tower cranes and related parts and components from Yongmao Group.

The Directors have considered the expected industry growth as set out above along with the total purchases and rental of tower cranes and related parts and components from all suppliers which amounted to approximately RMB255.4 million, RMB712.8 million, RMB398.9 million and RMB199.6 million for each of the three years ended 31 March 2023 and the period from 1 April 2023 to the Latest Practicable Date. These historical amounts significantly exceeded the Annual Caps of RMB100.0 million for each of the three years ending 31 March 2026. Further, it is understood from the management of the Company that the fluctuations in the total purchases and rental of tower cranes and related parts and components from all suppliers for the three years ended 31 March 2023 were due to the outbreak of COVID-19. If the fluctuations are smoothed out during these three years, the average total purchases and rental of tower cranes and related parts and components from all suppliers would be approximately RMB455.7 million per year. Based on this average annual total amount of purchases and rental of tower cranes and assuming that the Company's business will remain stable from 2024 to 2026 according to expected industry growth, the Annual Caps of RMB100.0 million for each of the three years ending 31 March 2026 will only account for approximately 21.9% of the total annual purchases and rental of tower cranes. The

LETTER FROM THE BOARD

expected increase in the average percentage of purchase from Yongmao Group out of the total purchases and rental of tower cranes and related parts and components from all suppliers from approximately 13.5% for the years ended 31 March 2021, 2022 and 2023 to approximately 21.9% and the Annual Caps of RMB100.0 million for the three years ending 31 March 2026 derived therefrom is justifiable because (i) the Company expects that the average percentage of purchase from Yongmao Group will rise around 5-6% due to (a) the Group's business direction and emphasis on a more active participation in the clean energy projects which may in turn boosts the Group's demand for Yongmao's tower cranes which possess strong wind-and-flood-resistant nature; and (b) Yongmao's ability to supply tower cranes in a faster and more efficient manner to meet with the Group's growing business demand as compared to other suppliers which is important for the Group's business growth after the COVID-19 recovery; and (ii) the Company has added around 3-4% as buffer to the average percentage of purchase from Yongmao Group in determining the Annual Caps so as to accommodate any unexpected increase in the demands on tower cranes and related parts and components.

The Group's demand on tower cranes is directly correlated to its contracts on hand and the future business growth and expansion. As disclosed in the annual report of the Company for the financial years ended 31 March 2022 and 31 March 2023, (i) the Group's total tonne metres of tower cranes in use increased from 2,491,629 for the year ended 31 March 2021 to 3,112,084 for the year ended 31 March 2022, and further increased to 3,192,710 for the year ended 31 March 2023, representing a compound annual growth rate of approximately 13.2%; and (ii) as at 31 March 2023, the Group had contracts on hand (including contracts in progress and contracts entered into but not yet commenced) that will generate revenue (excluding value added tax) of approximately RMB602.8 million. Given that (i) the Group purchased significant amounts of tower cranes and related parts and components for each of the three years ended 31 March 2023 and the period from 1 April 2023 to the Latest Practicable Date; (ii) the Group's total tonne metres of tower cranes in use had been consistently increasing from 2021 to 2023; and (iii) the Group had significant amounts of contracts on hand as at 31 March 2023, it is expected that the Group has a sustainable demand on tower cranes.

Lastly, the Board expects that the prices of tower cranes of Yongmao Group and the other two independent third-party suppliers for the three years ending 31 March 2024, 2025 and 2026 will remain at a similar level as those for the year ended 31 March 2023 and will be in line with the price trend of the market.

Taking into account the above, the Board considers that the Annual Caps are fair and reasonable and in the best interest of the Group and the Shareholders as a whole.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 YONGMAO MASTER AGREEMENT

The Group has developed a long-standing and established business relationship with Yongmao Group for over 15 years. Such long-term business relationship with Yongmao Group was established mainly due to the reputation of Yongmao Group, the quality of its tower cranes and its ability to provide prompt maintenance services.

As disclosed in the prospectus of the Company dated 30 December 2020, according to Frost & Sullivan, Yongmao is one of the top three largest tower crane manufacturers in the PRC. Yongmao has continued to be ranked amongst the world's top 10 tower cranes manufacturers for the tenth consecutive year since 2013, and is also included among the top 10 global tower crane manufacturers in the PRC as disclosed in the annual report of Yongmao for the year ended 31 March 2023 (source: 2023 annual report of Yongmao; <https://news.d1cm.com/20221123146733.shtml>). Yongmao Group is also the first Chinese manufacturer entering European market and American market with its tower cranes, certified by European CE, Singapore MOM, Korea KOSHA, Russian GOST, American SGS, as well as type approved by Ukraine, Malaysia and Indonesia for the design and safety of its products. The brand name “Yongmao” was recognised as a “Chinese Well-Known Brand” (“中國馳名商標”) in the PRC in 2010. Considering the quality of the tower cranes manufactured by Yongmao Group, which are well recognised in the tower crane service industry in the PRC, the Directors are of the view that it is commercial sensible for the Group to purchase and rent tower cranes from Yongmao Group as safety is one of the Group's core values (source: Frost & Sullivan Report disclosed in the prospectus of the Company dated 30 December 2020).

Due to the above reasons and given that the business arrangements between the Group and Yongmao have always been on normal commercial terms and are fair and reasonable and in the best interest of the Group and the Shareholders as a whole, the Company has continued carrying out the relevant transactions after the expiry of the Previous Yongmao Master Agreement, and the Company entered into the 2023 Yongmao Master Agreement on 28 July 2023 to govern the relevant transactions with Yongmao Group and to comply with the Listing Rules.

The Directors (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee) believe that the 2023 Yongmao Master Agreement was entered into in the ordinary and usual course of business of the Group after arm's length negotiations and on normal commercial terms and, together with the Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

As set out in the section headed “Pricing Standard” set out in the “Letter from the Board” in this circular, the purchasing department of the Group would conduct internal monitoring in respect of the pricing under the continuing connected transactions from time to time, and ensure that the transactions are in line with normal commercial terms. In particular, if the price/fee and terms offered by Yongmao Group are fair and reasonable and comparable to, or more favourable to the Group than those offered by independent third-party suppliers, the Group will place orders with Yongmao Group for the relevant purchase/rental of tower cranes and related parts and components.

To further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), the Group has implemented the following internal control measures in relation to the continuing connected transactions:

- the Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules; and
- the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of the Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the caps, if any.

LETTER FROM THE BOARD

INFORMATION ABOUT THE PARTIES

The Company is an exempt company incorporated in the Cayman Islands. The Group is principally engaged in one-stop tower crane solution services from consultation, technical solution design, commissioning, construction to after-sale service primarily to the state-owned Special-tier and Tier 1 contractors in the PRC.

As at the Latest Practicable Date, for the shareholding structure of the Company, the ultimate beneficial shareholders are as follows: Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng's father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng San Wee and Ng Sun Giam as the joint trustees), owns approximately 39.50% of the shares of Chwee Cheng & Sons Pte. Ltd., which in turn owns 100% of the shares of TH60 Investments Pte. Ltd., which in turn owns approximately 70.79% of the shares of THSC Investments Pte. Ltd., which in turn owns 100% of the shares of Tat Hong Holdings Ltd. ("**Tat Hong Holdings**"), which in turn owns 100% of the shares of Tat Hong International Pte. Ltd., which in turn owns 88.40% of the shares of Tat Hong China Equipment (China) Pte. Ltd. ("**Tat Hong China**"), which in turn is interested in approximately 72.30% of the issued capital of the Company and holds 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015 Pte. Ltd. Yongmao also holds approximately 11.60% of the shares of Tat Hong China.

Sunfield, which is wholly owned by Mr. Sun Tian who is the son of Mr. Sun, also holds approximately 1.73% of the issued capital of the Company.

Yongmao is a company listed on Singapore Stock Exchange (Stock Code: BKX) and Yongmao Group is principally engaged in design, development, manufacture and sales and leasing of wide range of tower cranes, components and accessories.

As at the Latest Practicable Date, Yongmao is owned as to (i) approximately 57.4% by Sun & Tian, which is wholly owned by Mr. Sun and his family members, of which Mr. Sun is a non-executive Director of the Company and the chairman and executive director of Yongmao; (ii) approximately 23.95% by Tat Hong Holdings, who is also a controlling shareholder of the Company; (iii) approximately 0.95% by Mr. Sun Tian who is the son of Mr. Sun; and (iv) approximately 0.13% by Mr. Yau Kok San who is the executive Director and chief executive officer of the Company.

Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made reasonable enquiries, Yongmao and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE LISTING RULES

Mr. Sun is a non-executive Director of the Company and thus a connected person of the Company under the Listing Rules. The listing vehicle of Yongmao Group on the SGX, Yongmao, is owned as to approximately 57.4% by Sun & Tian, which is wholly owned by Mr. Sun and his family members.

As Mr. Sun, being a non-executive Director of the Company, is indirectly holding more than 30% shareholding interests in Yongmao, Yongmao is therefore considered as an associate of Mr. Sun and a connected person of the Company under Chapter 14A of the Listing Rules.

For the period between 1 April 2023 to the Latest Practicable Date, the total amount incurred by the Group in relation to the transactions contemplated under the Previous Yongmao Master Agreement was approximately RMB2.5 million. As all of the applicable percentage ratios calculated in relation to such transactions from 1 April 2023 to the Latest Practicable Date were less than 5% and the total consideration was less than HK\$3,000,000, such transactions from 1 April 2023 to the Latest Practicable Date were fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Chapter 14A of the Listing Rules.

Based on the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules), the transaction contemplated under the 2023 Yongmao Master Agreement constitutes a non-exempt continuing connected transaction of the Company and is subject to the annual reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps), and to advise the Independent Shareholders on how to vote at the EGM.

Dakin Capital Limited has been appointed as the independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in relation to the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps).

LETTER FROM THE BOARD

APPROVAL OF THE BOARD

As at the Latest Practicable Date, as Mr. Sun is a non-executive Director of the Company, the chairman and executive director of Yongmao, and indirectly holding more than 30% shareholding interests in Yongmao, he is regarded as having a material interest in the 2023 Yongmao Master Agreement and had accordingly abstained from voting on the relevant resolutions at the Board meeting convened to consider the 2023 Yongmao Master Agreement and the transactions contemplated thereunder. As Mr. Ng is the chairman and non-executive Director of the Company and is the deputy chairman and non-executive director of Yongmao, Mr. Ng had abstained from voting on the relevant resolutions at the Board meeting convened to consider the 2023 Yongmao Master Agreement and the transactions contemplated thereunder. Save as disclosed above, no other Director is considered to have a material interest in the transactions contemplated under the 2023 Yongmao Master Agreement.

EGM

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the 2023 Yongmao Master Agreement and the transactions contemplated thereunder. The voting at the EGM will be conducted by way of poll.

A notice convening the EGM to be held at 12:30 p.m. on Wednesday, 29 November 2023 at Room 601, Building 8, PortMix, No. 2377 Shenkun Road, Minhang District, Shanghai, the PRC, is set out on pages 50 to 51 of this circular for the purpose of considering and, if thought fit, passing the resolutions as set out therein. A form of proxy for use by the Shareholders at the EGM is enclosed herewith. Whether or not you are able to attend and vote at the EGM in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible but not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 12:30 p.m. on Monday, 27 November 2023), or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

VOTING AT THE EGM

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the 2023 Yongmao Master Agreement and the transactions contemplated thereunder is required to abstain from voting on the relevant resolution at the EGM.

LETTER FROM THE BOARD

Sunfield, which is wholly owned by Mr. Sun Tian who is the son of Mr. Sun, holds approximately 1.73% of the issued capital of the Company, and is required to abstain from voting on the resolutions in respect of the 2023 Yongmao Master Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the Latest Practicable Date, save for Sunfield, no Shareholder has a material interest and will be required to abstain from voting on the resolutions at the EGM.

Pursuant to the Rule 13.39(4) of the Listing Rules, any votes of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The EGM is scheduled to be held on Wednesday, 29 November 2023. The register of members of the Company will be closed from Friday, 24 November 2023 to Wednesday, 29 November 2023 (both days inclusive), for the purpose of determining Shareholders' entitlement to attend and vote at the EGM. In order to qualify for attending and voting at the EGM, all share transfer document(s) accompanied by the relevant share certificate(s) must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 November 2023.

RECOMMENDATION

Your attention is also drawn to the letter from the Independent Board Committee as set out on page 20 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders and the letter from the Independent Financial Adviser as set out on pages 21 to 41 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

Based on the relevant information disclosed herein, the Directors (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee) are of the view that the relevant terms of the 2023 Yongmao Master Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties

LETTER FROM THE BOARD

thereto, are on normal commercial terms and in the ordinary and usual course of business of the Company, and are in the interests of the Company and its Shareholders as a whole, and they recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and the additional information set out in the appendix to this circular.

Shareholders and potential investors of the Company should note that the 2023 Yongmao Master Agreement is subject to independent Shareholders' approval and therefore may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

By order of the Board
Tat Hong Equipment Service Co., Ltd.
Mr. Ng San Tiong
Chairman and Non-executive Director

Hong Kong/the PRC, 13 October 2023

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Tat Hong Equipment Service Co., Ltd.

達豐設備服務有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

13 October 2023

To the Independent Shareholders,

CONTINUING CONNECTED TRANSACTION — 2023 YONGMAO MASTER AGREEMENT

We refer to the circular of the Company dated 13 October 2023 (the “**Circular**”) of which this letter forms a part. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the 2023 Yongmao Master Agreement. Dakin Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board on pages 5 to 19 of the Circular, which sets out details of the 2023 Yongmao Master Agreement. We also wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 21 to 41 of the Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the 2023 Yongmao Master Agreement and the transaction contemplated thereunder.

Having considered the reasons for and benefits of the entering into the 2023 Yongmao Master Agreement and the advice of the Independent Financial Adviser, we consider that the matters in relation to the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Company, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favor of the ordinary resolution to approve the 2023 Yongmao Master Agreement and the transaction contemplated thereunder, particulars of which are set out in the notice of EGM set out on pages 50 to 51 of this Circular.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Wan Kum Tho
Independent
non-executive Director

Dr. Huang Chao-Jen
Independent
non-executive Director

Ms. Pan I-Shan
Independent
non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Dakin Capital Limited to the Independent Board Committee and the Independent Shareholders prepared for the purpose of inclusion in this circular.



13 October 2023

*To: The Independent Board Committee and the Independent Shareholders of
Tat Hong Equipment Service Co., Ltd.*

Dear Sirs/Madams,

CONTINUING CONNECTED TRANSACTION 2023 YONGMAO MASTER AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 13 October 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the prospectus of the Company dated 30 December 2020 in relation to the Previous Yongmao Master Agreement which expired on 31 March 2023.

Since the services under the Previous Yongmao Master Agreement has expired on 31 March 2023, and the Company intends to continue carrying out the relevant transactions under the Previous Yongmao Master Agreement, the Board is pleased to announce that on 28 July 2023, the Company and Yongmao entered into the 2023 Yongmao Master Agreement, pursuant to which the Group agreed to (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group on a non-exclusive basis. Save for the Annual Caps, all key terms remain generally the same as those set out in the Previous Yongmao Master Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Sun is a non-executive Director of the Company and thus a connected person of the Company under the Listing Rules. The listing vehicle of Yongmao Group on the SGX, Yongmao, is owned as to approximately 57.4% by Sun & Tian, which is wholly owned by Mr. Sun and his family members.

As Mr. Sun, being a non-executive Director of the Company, is indirectly holding more than 30% shareholding interests in Yongmao, Yongmao is therefore considered as an associate of Mr. Sun and a connected person of the Company under Chapter 14A of the Listing Rules.

For the period between 1 April 2023 to the Latest Practicable Date, the total amount incurred by the Group in relation to the transactions contemplated under the Previous Yongmao Master Agreement was approximately RMB2.5 million. As all of the applicable percentage ratios calculated in relation to such transactions from 1 April 2023 to the Latest Practicable Date were less than 5% and the total consideration is less than HK\$3,000,000, such transactions from 1 April 2023 to the Latest Practicable Date were fully exempted from disclosure pursuant to Chapter 14A of the Listing Rules.

Based on the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Annual Caps exceeds 5% but less than 25%, the transaction contemplated under the 2023 Yongmao Master Agreement constitutes a non-exempt continuing connected transaction of the Company and is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen, each being an independent non-executive Director, has been established to advise the Independent Shareholders on whether the 2023 Yongmao Master Agreement was entered into in the ordinary and usual course of business of the Group after arm's length negotiations and on normal commercial terms and, together with the Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole. We, Dakin Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

As at the Latest Practicable Date, apart from the current appointment as the Independent Financial Adviser, Dakin Capital Limited did not have any relationships with or interests in the Company or any other parties that could reasonably be regarded as relevant to the independence of Dakin Capital Limited. Apart from the normal professional fees paid or payable to us in connection with the current appointment, no other arrangements exist whereby we have received or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

will receive any fees or benefits from the Company or any other parties to the 2023 Yongmao Master Agreement that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Company pursuant to the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the management of the Company. We have reviewed information on the Company, including but not limited to (i) the announcement of the Company dated 28 July 2023; (ii) the 2023 Yongmao Master Agreement; and (iii) other information contained in the Circular. We have assumed that all information and representations that have been provided by the management of the Company, for which the Directors are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company and/or the Directors, which have been provided to us. Our opinion is based on the representation and confirmation of the management of the Company that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the 2023 Yongmao Master Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the truth, accuracy and completeness of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the statements and information contained in the Circular is true, accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the management of the Company, nor have we conducted any independent in-depth investigation into the business and affairs of any members of the Group, the counter party(ies) to the 2023 Yongmao Master Agreement or their respective

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

subsidiaries or associates. We have not carried out any feasibility study on the past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group. Our opinion has been formed on the assumption that any analysis, estimation, anticipation, condition and assumption provided by the Group are feasible and sustainable. Our opinion shall not be construed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments or changes (including any material change in market, economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration in respect of the 2023 Yongmao Master Agreement, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the 2023 Yongmao Master Agreement and the Annual Caps, we have taken into account the following principal factors and reasons:

1. Background of and reasons for and benefits of entering into the 2023 Yongmao Master Agreement

Background of the Transaction

Reference is made to the prospectus of the Company dated 30 December 2020 in relation to the Previous Yongmao Master Agreement which expired on 31 March 2023.

Since the services under the Previous Yongmao Master Agreement has expired on 31 March 2023, and the Company intends to continue carrying out the relevant transactions under the Previous Yongmao Master Agreement, the Board is pleased to announce that on 28

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

July 2023, the Company and Yongmao entered into the 2023 Yongmao Master Agreement, pursuant to which the Group agreed to (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group on a non-exclusive basis. Save for the Annual Caps, all key terms remain generally the same as those set out in the Previous Yongmao Master Agreement.

Information of the Group

The Group is the first foreign-owned tower crane service provider established in the PRC. Since 2007, the Group has been a tower crane service provider for one-stop tower crane solution services which cover consultation, technical design, commissioning, construction to after-sales services primarily to Chinese Special-tier and Tier-1 EPC contractors. The Group is mainly engaged in engineering, procurement and construction projects in infrastructure, clean energy, traditional energy, general construction, commercial building and residential building mainly in the PRC.

Set out below is the summary of the financial information of the Group for the two years ended 31 March 2021 and 2022 as extracted from the Company's annual report for the year ended 31 March 2022 (the "**FY2022 Annual Report**"); and the year ended 31 March 2023 as extracted from the Company's annual report for the year ended 31 March 2023 (the "**FY2023 Annual Report**"):

	For year ended 31 March		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	792,959	867,020	770,752
Gross profit	273,283	234,139	173,231
Profit/(loss) for the year	101,235	47,635	(35,813)

According to the FY2022 Annual Report, the revenue of the Group increased by approximately 9.3% from approximately RMB793.0 million for the year ended 31 March 2021 to approximately RMB867.0 for the year ended 31 March 2022. The increase in revenue was mainly attributable to the increase in the number of self-owned tower cranes working on-site and generating revenue. The Group's total tonne metres of tower cranes in use increased from 2,491,629 for the year ended 31 March 2021 to 3,112,084 for the year ended 31 March 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's gross profit decreased by approximately 14.3% from approximately RMB273.3 million for the year ended 31 March 2021 to approximately RMB234.1 million for the year ended 31 March 2022, mainly attributable to the increase in labour subcontracting costs and depreciation of property, plant and equipment. The Group's gross profit margin decreased from approximately 34.5% for the year ended 31 March 2021 to approximately 27.0% for the year ended 31 March 2022.

The Group's net profit for the year decreased by approximately 52.9% from approximately RMB101.2 million for the year ended 31 March 2021 to approximately RMB47.6 million for the year ended 31 March 2022. The decrease in net profit for the year was mainly attributable to the decrease in gross profit and the increase in administrative expenses caused by one-off events, including the offering of share award schemes by the controlling shareholder of Company to the top management and the absence of one-off waiver in social security contributions as part of COVID-19 pandemic measures during the year ended 31 March 2022.

According to the FY2023 Annual Report, the revenue of the Group decreased by approximately 11.1% from approximately RMB867.0 million for the year ended 31 March 2022 to approximately RMB770.8 million for the year ended 31 March 2023. The decrease in revenue was mainly attributable to the postponement and delay of engineering projects as a result of the outbreak of the COVID-19 and the corresponding control measures particularly in Eastern China. The Group's total tonne metre in use increased from 3,112,084 for the year ended 31 March 2022 to 3,192,710 for the year ended 31 March 2023, but the increase in total tonne metre was offset by the decrease in the average monthly service price of tower cranes per tonne metres.

The Group's gross profit decreased by approximately 26.0% from approximately RMB234.1 million for the year ended 31 March 2022 to approximately RMB173.2 million for the year ended 31 March 2023. The Group's gross profit margin decreased from approximately 27.0% for the year ended 31 March 2022 to approximately 22.5% for the year ended 31 March 2023. The decrease in gross profit and gross profit margin was mainly attributable to the decrease in revenue for the reasons mentioned above.

The Group recorded a net loss of approximately RMB35.8 million for the year ended 31 March 2023 as compared to a net profit for the year of approximately RMB47.6 million for the year ended 31 March 2022. The turnaround from profit to loss was mainly attributable to the decrease in revenue for the reasons mentioned above and the recognition of net exchange losses of approximately RMB36.5 million arising from foreign currency borrowings for the year ended 31 March 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information of Yongmao and Yongmao Group

As extracted from the Letter from the Board, Yongmao is a company listed on Singapore Stock Exchange (Stock Code: BKX) and Yongmao Group is principally engaged in design, development, manufacture and sales and leasing of wide range of tower cranes, components and accessories.

As at the Latest Practicable Date, Yongmao is owned as to (i) approximately 57.4% by Sun & Tian, which is wholly owned by Mr. Sun and his family members, of which Mr. Sun is a non-executive Director of the Company and the chairman and executive director of Yongmao; (ii) approximately 23.95% by Tat Hong Holdings, who is also a controlling shareholder of the Company; (iii) approximately 0.95% by Mr. Sun Tian who is the son of Mr. Sun; and (iv) approximately 0.13% by Mr. Yau Kok San who is the executive Director and chief executive officer of the Company.

Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made reasonable enquiries, Yongmao and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Overview of the PRC construction industry

A tower crane is a type of construction hoisting equipment that is used extensively in construction and other industries to vertically hoist and move construction materials and install building components. The market demand for tower crane services is closely related to the development of construction industry. We have performed independent market research on the latest development of the PRC construction industry.

According to the China Statistical Yearbook 2022 (source: <http://www.stats.gov.cn/sj/ndsj/2022/indexch.htm>) and the quarterly statistics (source: <https://data.stats.gov.cn/english/easyquery.htm?cn=B01>) published by the National Bureau of Statistics of China, the aggregate output value of China's construction industry increased at a compound annual growth rate of approximately 8.4% from approximately RMB22.6 trillion in 2018 to approximately RMB31.2 trillion in 2022. For the first quarter of 2023, the aggregate output value of China's construction industry increased by approximately 5.8% to approximately RMB5.5 trillion from approximately RMB5.2 trillion for the corresponding period in 2022. Based on the statistics of the National Bureau of Statistics of China, the aggregate output value of China's construction industry maintained growth, regardless of the outbreak of COVID-19 and the implementation of corresponding control measures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Going forward, the aggregate output of China's construction industry is expected to grow rapidly with the support of the following government plans and policies.

In January 2022, Ministry of Housing and Urban-Rural Development of the PRC published "The 14th Five-Year Development Plan of the Construction Industry (《「十四五」建築業發展規劃》)". In order to achieve the long-term goals of 2035, the overall development goals of the "14th Five-Year Plan" and the carbon neutral goal, this development plan sets out various tasks for the PRC Construction industry, including but not limited to: (i) accelerate the coordinated development of intelligent construction and industrialised construction; (ii) promote the construction of prefabricated buildings; and (iii) create a low-carbon, environmentally friendly and sustainable green building construction industry. This development plan also sets some targets for the 14th five-year period, including the added value of the PRC construction industry will maintain at approximately 6% of the national GDP and the proportion of prefabricated buildings will account for more than 30% of the newly constructed buildings (source: https://www.mohurd.gov.cn/gongkai/zhengce/zhengcefilelib/202201/20220125_764285.html).

Further, the National Development and Reform Commission ("NDRC") approved 109 fixed asset projects in 2022 to stimulate the PRC economy. The total investment in fixed asset projects approved by the NDRC in 2022 reached RMB1.48 trillion, which was almost double the value in 2021. These approved projects mainly concentrated in various industries, including energy, transportation, and water conservancy (source: <https://www.ndrc.gov.cn/xwdt/wszb/1yfxwfbh/>). The NDRC also published "The 14th Five-Year Plan for Modern Energy System (《「十四五」現代能源體系規劃》)", which aimed at increasing the PRC's proportion of non-fossil energy consumption and non-fossil power generation. By 2025, the PRC's proportion of non-fossil energy consumption and of non-fossil power generation will reach approximately 20% and 39%, respectively. To meet these targets, the PRC government will approve the construction of more nuclear power plants in order to increase the installed nuclear generating capacity to 70 GWe by 2025 (source: https://www.ndrc.gov.cn/xxgk/zcfb/ghwb/202203/t20220322_1320016.html).

On 31 July 2023, China's State Council approved the construction of six new nuclear power units. Two units each were approved for the Shidaowan power plant in Shandong, Ningde in Fujian and Xudabao in Liaoning, with a total estimated investment of RMB120.0 billion (source: <https://www.caea.gov.cn/n6760338/n6760342/c10084184/content.html>).

The aforesaid development of the construction industry in the PRC is expected to sustain the growth of tower crane service market in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons for and benefits of entering into the 2023 Yongmao Master Agreement

The Group has developed a long-standing and established business relationship with Yongmao Group for over 15 years. Such long-term business relationship with Yongmao Group was established mainly due to the reputation of Yongmao Group, the quality of its tower cranes and its ability to provide prompt maintenance services.

As disclosed in the prospectus of the Company dated 30 December 2020, according to Frost & Sullivan, Yongmao is one of the top three largest tower crane manufacturer in the PRC. Yongmao has continued to be ranked amongst the world's top 10 tower cranes manufacturers for the tenth consecutive year since 2013, and is also included among the top 10 global tower crane manufacturers in the PRC as disclosed in the annual report of Yongmao for the year ended 31 March 2023 (source: 2023 annual report of Yongmao; <https://news.d1cm.com/20221123146733.shtml>). Yongmao Group is also the first Chinese manufacturer entering European market and American market with its complete tower crane, certified by European CE, Singapore MOM, Korea KOSHA, Russian GOST, American SGS, as well as type approved by Ukraine, Malaysia and Indonesia for the design and safety of its product. The brand name "Yongmao" was recognised as a "Chinese Well-Known Brand" ("中國馳名商標") in the PRC in 2010. Considering the quality of the tower cranes manufactured by Yongmao Group, which are well recognised in the tower crane service industry in the PRC, the Directors are of the view that it is commercial sensible for the Group to purchase and rent tower cranes from Yongmao Group as safety is one of the Group's core values (source: Frost & Sullivan Report disclosed in the prospectus of the Company dated 30 December 2020).

Due to the above reasons and given that the business arrangements between the Group and Yongmao have always been on normal commercial terms and are fair and reasonable and in the best interest of the Group and the Shareholders as a whole, the Company has continued carrying out the relevant transactions after the expiry of the Previous Yongmao Master Agreement, and the Company entered into the 2023 Yongmao Master Agreement on 28 July 2023 to govern the relevant transactions with Yongmao Group and to comply with the Listing Rules.

Having considered the above background of and reasons for and benefits of entering into the 2023 Yongmao Master Agreement, we are of the view that the transactions contemplated under the 2023 Yongmao Master Agreement are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group.

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2. Key terms of the 2023 Yongmao Master Agreement

Below set out the details of the key terms of the 2023 Yongmao Master Agreement as stated in the Letter from the Board:

Parties:	The Company and Yongmao
Date:	28 July 2023
Term:	Subject to the approval of the Independent Shareholders at the EGM, the 2023 Yongmao Master Agreement will become effective on the date of execution and expire on 31 March 2026.
Subject matter:	Subject to the terms and conditions of the 2023 Yongmao Master Agreement, the Group may from time to time (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group.
Condition precedent:	The 2023 Yongmao Master Agreement and the transactions contemplated thereunder (including the Annual Caps) are conditional upon the approval of the Independent Shareholders at the EGM.

Pricing standard

Under the 2023 Yongmao Master Agreement, the Group can from time to time (i) purchase tower cranes and related parts and components and (ii) rent tower cranes and related parts and components from Yongmao Group which shall set out, inter alia, the quantity, product specifications, the unit purchase price, the unit rental price and payment terms.

The unit purchase price shall be determined after arm's length negotiation between the Group and Yongmao Group from time to time with reference to the price list provided by Yongmao Group, the requirements and specifications of the tower cranes required by our Group, the prevailing market price of similar products, and in any event the commercial terms provided by Yongmao Group shall be equal to or more favourable to the Group compared to those offered to the Group by Independent Third Parties for similar products and/or services. The unit rental fee shall be determined after arm's length negotiation between the Group and Yongmao Group from time to time with reference to the fee list provided by

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Yongmao Group, the requirements and specifications of the tower cranes required by the Group, the prevailing market fee of similar services, and in any event the commercial terms provided by Yongmao Group shall be equal to or more favourable the Group compared to those offered to the Group by Independent Third Parties for similar products and/or services.

Internal control measures adopted by the Company in relation to the pricing standard

To ensure that the prices or rental fees offered by Yongmao Group are in line with normal commercial terms, the Group has adopted a policy to seek and obtain quotations from at least two independent third-party suppliers of tower cranes and related parts and components in addition to the quotation from Yongmao Group. Factors that the Group would consider in the quotation procedures for the purchase/rental of tower cranes and related parts and components include (i) the terms of the quotations received, including the price/fee and response to the requirements and specifications of tower cranes set by the Group; (ii) the background, qualifications and financial position of participating suppliers; (iii) the track record and historical business relationship between the Group and participating suppliers; and (iv) the Group's financial budget.

Before accepting a quotation, the responsible officers of the Group will find out the prevailing market price/fee range for similar products/services. The responsible management team will then approve the quotation and enter into the relevant agreement after confirming that the contractual price/fee is commercially reasonable and within the market range reflected in the market information. To ensure a fair process, the Directors and employees who have a conflict of interest in the transaction will not participate in the selection process and the interested Director(s) is/are required to abstain from voting at the relevant meeting of the Board. The purchasing department of the Group would conduct internal monitoring in respect of the pricing under the continuing connected transactions from time to time, and ensure that the transactions are in line with normal commercial terms.

After considering the above selection factors and conducting the above procedures, if the Group concludes that it is in the interest of the Group and our Shareholders as a whole to accept the quotation of Yongmao Group and, in particular, if the price/fee and terms offered by Yongmao Group are fair and reasonable and comparable to, or more favourable to the Group than those offered by independent third-party suppliers, the Group will place orders with Yongmao Group for the relevant purchase/rental of tower cranes and related parts and components.

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We have obtained from the Company and reviewed the Group's relevant internal control manual. We noted that when considering the prices or rental fees offered by Yongmao Group are in line with normal commercial terms, the Company shall seek and obtain quotations from at least two independent third-party suppliers of tower cranes and related parts and components in addition to the quotation from Yongmao Group. We are of the view that the number of quotations obtained by the Group for its internal control purpose would be sufficient, given that (i) we have discussed with management of the Group and the number of tower crane suppliers that can meet the Group's required technical specifications and quality is limited; (ii) we have reviewed the FY2023 Annual Report and noted that the Group's five largest suppliers accounted for 54% and 69% of the Group's total purchases for the financial years ended 31 March 2023 and 2022, respectively; and (iii) the quotations are obtained from independent third-party suppliers.

With regard to the pricing standard regarding the purchase or rental of tower cranes from Yongmao Group, for our due diligence purpose, we have selected on a random basis one sample for each tower crane model the Group purchased and rented from Yongmao Group for each of the financial years ended 31 March 2021, 2022 and 2023. We reviewed (i) four, nine and seven purchase agreements governing the historical purchase transactions between the Group (as purchaser) and Yongmao Group (as supplier) for the financial years ended 31 March 2021, 2022 and 2023, respectively; (ii) nil (the Group had no tower crane rental transactions with Yongmao Group), seven and five rental agreements governing the historical rental transactions between the Group (as lessee) and Yongmao Group (as supplier) for the financial years ended 31 March 2021, 2022 and 2023, respectively; (iii) seven, 14 and 14 purchase agreements governing the historical purchase transactions between the Group (as purchaser) and independent third-party suppliers of tower cranes and/or quotations from independent third-party suppliers of tower cranes for the financial years ended 31 March 2021, 2022 and 2023, respectively; and (iv) nil, three and two rental agreements governing the historical rental transactions between the Group (as purchaser) and independent third-party suppliers of tower cranes and/or quotations from independent third-party suppliers of tower cranes for the financial years ended 31 March 2021, 2022 and 2023, respectively. For comparable products, we noted that the major terms offered by the independent third-party suppliers to the Group were similar to those offered to the Group by Yongmao Group. Given that (i) each of the historical transactions and each of the tower crane model purchased/rented by the Group has an equal and independent chance of being selected under the random selection basis; and (ii) our selected samples covered all models of tower cranes that were purchased and rented by the Group from Yongmao Group for each of the three financial years ended 31 March 2023, we are of the view that the random selection basis is fair and reasonable and the number of our selected samples is sufficient for our due diligence purpose.

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We have also discussed with management of the Company and understood that the combination of purchasing and renting tower cranes is based on actual project needs. When the Group needs to meet some urgent or specific project needs when its self-owned tower cranes are insufficient or unsuitable to meet the customers' project needs, the Group will rent tower cranes from suppliers. The combination of purchasing and renting tower cranes can raise the efficiency of the tower crane service provider and also increase the utilisation rate of tower cranes. Further, renting tower cranes flows with the Group's continuous objective in customisation of its owned tower crane fleet mix. As the Group can better understand and get familiar with the functionalities of the rented tower cranes during the period of renting, the Group may purchase tower cranes previously or currently rented if the models and functionalities of such tower cranes are appropriate for the project needs. Given that the Group has implemented appropriate internal controls to monitor the prices or rental fees offered by Yongmao Group, we are of the view that the Group's decision to purchase or rent tower cranes simply reflects its business needs.

In light of that (i) it is stipulated under the 2023 Yongmao Master Agreement that the prices for the purchase or rental of tower cranes by the Group from Yongmao Group shall be equal to or more favourable to the Group compared to those offered to the Group by independent third-party suppliers for similar products or services; and (ii) for comparable products or services, the terms of the agreements governing the historical transactions between the Group and Yongmao Group were similar to those offered by the independent third-party suppliers to the Group, we concur with the view of the Directors that the internal control system of the Group is adequate to ensure that the transactions will be on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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3. Proposed Annual Caps

Historical transaction amounts

The historical transaction amount for the purchase and rental of tower cranes and related parts and components from Yongmao Group for the three years ended 31 March 2021, 2022 and 2023 and for the period from 1 April 2023 to the Latest Practicable Date is set out below:

	Historical transaction amounts			
	(RMB'000) (excluding value added tax)			
	For the year ended 31 March			From 1 April 2023 to the Latest Practicable date
	2021	2022	2023	
Purchase and rental of tower cranes and related parts and components from Yongmao Group	31,718	101,702	55,107	2,461
Annual caps under the Previous Yongmao Master Agreement	80,348	109,760	107,750	N/A
Utilisation rate	39.50%	92.60%	51.10%	N/A

Due to the outbreak of the COVID-19 pandemic, there was a severe slowdown in the construction industry in the PRC in 2020 and the Company had to adjust and delay its purchasing plan in response to and after considering the impact of the COVID-19 pandemic on its tower crane business. As a result, the utilisation rate for the year ended 31 March 2021 was relatively low. However, the Group recorded a significant increase in utilisation rate from 39.5% for the year ended 31 March 2021 to 92.6% for the year ended 31 March 2022 when the COVID-19 pandemic in the PRC was generally under control and there was an overall resumption of projects in the PRC to catch up the construction schedules despite the resurgence of the COVID-19 pandemic globally, leading to an increase in number of contract work secured by the Group which in turn led to an increase in purchase of tower cranes and related parts and components from Yongmao Group. The decrease in utilisation rate from 92.6% for the year ended 31 March 2022 to 51.1% for the year ended 31 March 2023 was mainly attributable to the postponement and delay of engineering projects during the year

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ended 31 March 2023, as a result of the revival of the COVID-19 and the corresponding tight control measures particularly in Eastern China. Despite the impact of COVID-19, the average utilisation rate of the annual caps for the past three financial years ended 31 March 2023 exceeded 60%.

For the period between 1 April 2023 to the Latest Practicable Date, the total amount incurred by the Group in relation to the transactions contemplated under the Previous Yongmao Master Agreement was approximately RMB2.5 million. As all of the applicable percentage ratios calculated in relation to such transactions from 1 April 2023 to the Latest Practicable Date were less than 5% and the total consideration was less than HK\$3,000,000, such transactions from 1 April 2023 to the Latest Practicable Date were fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Chapter 14A of the Listing Rules.

The table below sets out the Annual Caps for each of the three years ending 31 March 2026:

	Annual Cap		
	(RMB'000) (excluding value added tax)		
	(approximately)		
	For the year ending 31 March		
	2024	2025	2026
2023 Yongmao Master Agreement	100,000	100,000	100,000

Basis of determination of the Annual Caps

In determining the above Annual Caps, the Directors have considered (i) the relevant historical transaction amount paid by the Group to Yongmao Group for the purchase and rental of tower cranes and related parts and components; (ii) the expected future growth and expansion of the Group's business, in particular, taking into account the Group's proposed purchase plan of tower cranes for the next three years; (iii) the projected growth of the construction industry leading to an expected growth of tower crane service market in the PRC; (iv) the price list provided by Yongmao Group; and (v) the anticipated price trend of tower cranes and related parts and components for the three years ending 31 March 2026.

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The Directors believe that the construction industry in the PRC will grow rapidly in the next decade. In accordance with “The 14th Five-Year Development Plan of the Construction Industry (《「十四五」建築業發展規劃》)”, the PRC government aims to accelerate the coordinated development of intelligent construction and industrialised construction and target for the added value of the PRC construction industry to maintain at approximately 6% of the national GDP (source: https://www.mohurd.gov.cn/gongkai/zhengce/zhengcefilelib/202201/20220125_764285.html). Further, the National Development and Reform Commission approved 109 fixed asset projects in 2022 to stimulate the PRC economy, with total investment amounting to approximately RMB1.48 trillion and which mainly concentrated in various industries, including energy, transportation, and water conservancy (source: <https://www.ndrc.gov.cn/xwdt/wszb/1yfxwfbh/>). In addition, in July 2023, China’s State Council had also approved the construction of six new nuclear power units with a total estimated investment of RMB120.0 billion, further demonstrating the PRC government’s determination to expand development of the construction industry (source: <https://www.caea.gov.cn/n6760338/n6760342/c10084184/content.html>).

The market demand for tower crane services is closely related to the development of construction industry. With such increasing focus and rapid development in the construction industry focusing on public construction and infrastructure, the tower crane industry has also shown a strong growth trend. Based on the market information available to the Board, due to the development of the PRC’s real estate industry and increased investment in infrastructure, the sales volume of tower cranes had been on an increasing trend since 2017, with a year-on-year growth of approximately 13.3% between 2021 and 2022, and it is estimated that from 2023 to 2028, the production and sales of tower cranes is expected to grow at a compound annual growth rate (CAGR) of approximately 9.5%.

In view of the above, it is therefore anticipated that the Group’s future business growth will be driven by business contracts in the clean energy, infrastructure and public construction sectors, which require large-scale tower cranes. In particular, it is expected that the Group’s demand for Yongmao’s tower cranes may increase due to the strong wind-and-flood-resistant nature of Yongmao’s tower cranes which is essential in the Group’s participation in the clean energy projects. As at 31 March 2023, the Group had contracts on hand from customers mainly in public construction, commercial and energy projects (including contracts in progress and contracts entered into but not yet commenced) that will generate revenue (excluding value added tax) of approximately RMB602.8 million, which the Directors expects will lead to an increase in purchase of tower cranes and related parts and components from Yongmao Group.

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The Directors have considered the expected industry growth as set out above along with the total purchases and rental of tower cranes and related parts and components from all suppliers which amounted to approximately RMB255.4 million, RMB712.8 million, RMB398.9 million and RMB199.6 million for each of the three years ended 31 March 2023 and the period from 1 April 2023 to the Latest Practicable Date. These historical amounts significantly exceeded the Annual Caps of RMB100.0 million for each of the three years ending 31 March 2026. Further, it is understood from the management of the Company that the fluctuations in the total purchases and rental of tower cranes and related parts and components from all suppliers for the three years ended 31 March 2023 were due to the outbreak of COVID-19. If the fluctuations are smoothed out during these three years, the average total purchases and rental of tower cranes and related parts and components from all suppliers would be approximately RMB455.7 million per year. Based on this average annual total amount of purchases and rental of tower cranes and assuming that the Company's business will remain stable from 2024 to 2026 according to expected industry growth, the Annual Caps of RMB100.0 million for each of the three years ending 31 March 2026 will only account for approximately 21.9% of the total annual purchases and rental of tower cranes. The expected increase in the average percentage of purchase from Yongmao Group out of the total purchases and rental of tower cranes and related parts and components from all suppliers from approximately 13.5% for the years ended 31 March 2021, 2022 and 2023 to approximately 21.9% and the Annual Caps of RMB100.0 million for the three years ending 31 March 2026 derived therefrom is justifiable because (i) the Company expects that the average percentage of purchase from Yongmao Group will rise around 5-6% due to (a) the Group's business direction and emphasis on a more active participation in the clean energy projects which may in turn boost the Group's demand for Yongmao's tower cranes which possess strong wind-and-flood-resistant nature; and (b) Yongmao's ability to supply tower cranes in a faster and more efficient manner to meet with the Group's growing business demand as compared to other suppliers which is important for the Group's business growth after the COVID-19 recovery; and (ii) the Company has added around 3-4% as buffer to the average percentage of purchase from Yongmao Group in determining the Annual Caps so as to accommodate any unexpected increase in the demands on tower cranes and related parts and components.

The Group's demand on tower cranes is directly correlated to its contracts on hand and the future business growth and expansion. As disclosed in the annual report of the Company for the financial years ended 31 March 2022 and 31 March 2023, (i) the Group's total tonne metres of tower cranes in use increased from 2,491,629 for the year ended 31 March 2021 to 3,112,084 for the year ended 31 March 2022, and further increased to 3,192,710 for the year ended 31 March 2023, representing a compound annual growth rate of approximately 13.2%; and (ii) as at 31 March 2023, the Group had contracts on hand (including contracts in progress and contracts entered into but not yet commenced) that will generate revenue

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(excluding value added tax) of approximately RMB602.8 million. Given that (i) the Group purchased significant amounts of tower cranes and related parts and components for each of the three years ended 31 March 2023 and the period from 1 April 2023 to the Latest Practicable Date; (ii) the Group's total tonne metres of tower cranes in use had been consistently increasing from 2021 to 2023; and (iii) the Group had significant amounts of contracts on hand as at 31 March 2023, it is expected that the Group has a sustainable demand on tower cranes.

Lastly, the Board expects that the prices of tower cranes of Yongmao Group and the other two independent third-party suppliers for the three years ending 31 March 2024, 2025 and 2026 will remain at a similar level as those for the year ended 31 March 2023 and will be in line with the price trend of the market.

In our assessment of the reasonableness of the Annual Caps under the 2023 Yongmao Master Agreement, we have discussed with the management of the Company regarding the basis and assumptions underlying the projections of the Annual Caps and requested for the relevant supporting information.

As mentioned above, the first growth factor of the Group's demand for Yongmao's tower cranes would be the expected increase in contribution from clean energy projects. We have discussed with the management of the Company and understood that (i) the Group had contracts on hand (including contracts in progress and contracts entered into but not yet commenced) that will generate revenue (excluding value added tax) of approximately RMB602.8 million as at 31 March 2023, of which approximately RMB148.6 million will be contributed by clean energy contracts; and (ii) during the period from 1 April 2023 to the Latest Practicable Date, the clean energy projects that the Group successfully won the respective tender amounted to approximately RMB44.4 million and the contracts on hand of clean energy projects increased by approximately 29.9% as compared to that as at 31 March 2023. This increment percentage supported the Group's expected increase of 5-6% in the average percentage of purchase from Yongmao Group of tower cranes suitable for clean energy projects due to their strong wind-and-flood-resistant nature. Further, the first growth factor is also consistent with our independent research on the PRC construction industry and the major factors contributing to the industry growth in the future. For details, please refer to the section headed "Overview of the PRC construction industry" above.

The second growth factor of the Group's demand for Yongmao's tower cranes would be the unexpected increase in the demands on tower cranes and related parts and components. As discussed with the management of the Company, the Group's financial performance for the three years ended 31 March 2023 was affected by the outbreak of COVID-19 and the Group's business is expected to grow along with the recovery of the PRC economy and the expected

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growth in the aggregate output of China's construction industry with the support of the government plans and policies set out in the section headed "Overview of the PRC construction industry" above. Given that (i) the Group's demand for tower cranes will be supported by the rapid growth in the aggregate output of China's construction industry; and (ii) the Group's total tonne metres of tower cranes in use had been consistently increasing from 2021 to 2023, it is reasonable to add around 3-4% as buffer to the average percentage of purchase from Yongmao Group in determining the Annual Caps so as to accommodate any unexpected increase in the demands on tower cranes and related parts and components.

Price is another factor that may affect the Annual Caps. In respect of the price of tower cranes, we have reviewed the price list of tower cranes of Yongmao Group and two independent third-party suppliers as well as the analysis of anticipated price trend of tower cranes for the three years ending 31 March 2024, 2025 and 2026 prepared by the management of the Company. Given that the prices of tower cranes of Yongmao Group and the other two independent third-party suppliers for the three years ending 31 March 2024, 2025 and 2026 will remain at a similar level as those for the year ended 31 March 2023, the price trend of tower cranes of Yongmao Group for the three years ending 31 March 2024, 2025 and 2026 is in line with the market.

In view of all the foregoing, we are of the view that the Annual Caps under the 2023 Yongmao Master Agreement are fair and reasonable.

4. Listing Rules implication and internal control of the Group

For each financial year from 2024 to 2026, the transactions contemplated under the 2023 Yongmao Master Agreement will be subject to review by the independent non-executive Directors and the Company's independent auditors as required by Rules 14A.55 and 14A.56 of the Listing Rules. The independent non-executive Directors must confirm in the Company's annual report that the transactions contemplated under the 2023 Yongmao Master Agreement have been entered into:

- in the ordinary and usual course of business of the Group;
- on normal commercial terms or better; and
- according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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Furthermore, the Listing Rules require the Company to engage its independent auditors to report on the transactions contemplated under the 2023 Yongmao Master Agreement for each of the relevant financial years of the Company and that the Company's independent auditors must provide a letter to the Board (a copy of which must also be provided to the Stock Exchange pursuant to Rule 14A.57 of the Listing Rules) confirming whether anything has come to their attention that causes them to believe that such continuing connected transactions:

- have not been approved by the Board;
- were not, in all material respects, in accordance with the pricing policies of the Group for the transactions contemplated under the 2023 Yongmao Master Agreement;
- were not entered into, in all material respects, in accordance with the 2023 Yongmao Master Agreement; and
- have exceeded the respective Annual Caps.

In relation to the above, we noted from the annual reports of the Company for the financial years ended 31 March 2021, 2022 and 2023 that the Company has been complying with the aforesaid stipulated requirements under the Listing Rules in respect of its historical transactions with Yongmao Group.

Shareholders may also refer to the sections headed "Pricing standard" and "Internal control measures" in the Letter from the Board regarding the internal control procedures that the Company has adopted to supervise the transactions contemplated under the 2023 Yongmao Master Agreement. We understand that in order to ensure that the continuing connected transactions of the Group are under close supervision, the accounting department and the management of the Company will (i) regularly review and assess whether the transactions contemplated under the continuing connected transactions are conducted in accordance with the terms of the relevant agreements; and (ii) regularly update the market price by obtaining quotations from Independent Third Parties for the purpose of considering if the price charged or payable for a transaction is fair and reasonable and in accordance with the pricing policy as well as the terms of the relevant master agreement. Further, the independent non-executive Directors and the Company's auditors will review the continuing connected transactions on an annual basis in compliance with the annual reporting and review requirements under the Listing Rules. In respect of the aforesaid internal control measures on the Group's continuing connected transactions, we have obtained from the Company and reviewed (i) the Group's relevant internal control manual; (ii) one set of walkthrough documents supporting that the Group has carried out such internal control measures; and (iii) an internal control report issued by an internal control consultant in June 2023 after they have reviewed the Group's internal controls. No material deficiencies regarding the Group's

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internal controls on continuing connected transactions were noted from such report. We have also confirmed with management of the Company that the Company does not have any breaches of Listing Rules regarding continuing connected transactions since the listing of its shares on the Stock Exchange. In view of all the foregoing, we are of the view that the aforesaid internal control measures are sufficient.

OPINION AND RECOMMENDATION

Having taken into account the principal factors and reasons discussed above, we consider that (i) the entering into of the 2023 Yongmao Master Agreement is conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole and the terms thereof are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the 2023 Yongmao Master Agreement and the Annual Caps.

Yours faithfully,
for and on behalf of
DAKIN CAPITAL LIMITED
Tam Kin Fong
Managing Director

Note: Mr. Tam Kin Fong is a responsible officer of Dakin Capital Limited, which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has been active in the field of corporate finance advisory for over 20 years, and has been involved in and completed various corporate finance advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long position in the Shares

Name of Directors	Capacity	Number and class of securities held/interested	Approximate percentage of shareholding in the Company
Mr. Ng (<i>Notes 1 and 2</i>)	Trustee	853,532,387 ordinary Shares	73.15%
Mr. Yau Kok San	Beneficial owner	4,957,135 ordinary Shares	0.42%
Mr. Lin Han-wei	Beneficial owner	4,906,118 ordinary Shares	0.42%

(b) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Approximate percentage of interest
Mr. Ng (<i>Notes 1 and 2</i>)	Chwee Cheng & Sons	Trustee	39.50%
	Pte. Ltd. (“Chwee Cheng & Sons”)	Beneficial owner	11.33%

Notes:

1. Tat Hong China Equipment (China) Pte. Ltd. (“**Tat Hong China**”) is interested in approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015 Pte. Ltd. (“**TH Straits 2015**”). Tat Hong China is owned as to approximately 88.40% by Tat Hong International Pte. Ltd. (“**Tat Hong International**”) and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust (an irrevocable discretionary trust established by Mr. Ng’s father, with Mr. Ng and his family members as beneficiaries and Mr. Ng, Ng Sun Ho, Ng San Wee and Ng Sun Giam as the joint trustees), owns approximately 39.50% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments Pte. Ltd. (“**TH60 Investments**”), which in turn owns approximately 70.79% of the shares of THSC Investments Pte. Ltd. (“**THSC Investments**”), which in turn owns 100% of the shares of Tat Hong Holdings Ltd. (“**Tat Hong Holdings**”), which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.
2. As at the Latest Practicable Date, Mr. Ng, a non-executive Director, is also a director of Tat Hong China, Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments and Chwee Cheng & Sons, and a secretary of TH Straits 2015.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required, pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, none of the Directors was a director or an employee of a company which had an interest or short position in the Company's shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

(B) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

Long Positions in the Shares and underlying Shares

Name	Capacity/Name of Interest	Number of Shares held/interested	Approximate percentage of shareholding in the Company
Tat Hong China (<i>Note 1</i>)	Beneficial owner and interest in controlled corporations	853,532,387 Shares	73.15%
Tat Hong International (<i>Note 1</i>)	Interest in controlled corporations	853,532,387 Shares	73.15%
Tat Hong Holdings (<i>Note 1</i>)	Interest in controlled corporations	853,532,387 Shares	73.15%
THSC Investments (<i>Note 1</i>)	Interest in controlled corporations	853,532,387 Shares	73.15%
TH60 Investments (<i>Note 1</i>)	Interest in controlled corporations	853,532,387 Shares	73.15%

Name	Capacity/Name of Interest	Number of Shares held/interested	Approximate percentage of shareholding in the Company
Chwee Cheng & Sons (<i>Note 1</i>)	Interest in controlled corporations	853,532,387 Shares	73.15%
Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee (<i>Note 1</i>)	Trustee	853,532,387 Shares	73.15%
Zoomlion International Trading (H.K.) Co., Limited (<i>Note 2</i>)	Beneficial owner	87,476,000 Shares	7.50%
Zoomlion H.K. Holding Co., Limited (<i>Note 2</i>)	Interest in controlled corporations	87,476,000 Shares	7.50%
Zoomlion Heavy Industry Science and Technology Co., Limited (<i>Note 2</i>)	Interest in controlled corporations	87,476,000 Shares	7.50%
PHILLIP CAPITAL (HK) LIMITED (<i>Note 3</i>)	Beneficial owner	64,738,000 Shares	5.55%
LIM Hua Min (<i>Note 3</i>)	Interest in controlled corporations	64,738,000 Shares	5.55%

Notes:

1. Tat Hong China is interested in approximately 72.30% of the issued capital of the Company and held 0.85% of the issued capital of the Company through its wholly-owned subsidiary, TH Straits 2015. Tat Hong China is owned as to approximately 88.40% by Tat Hong International and 11.60% by Yongmao Holdings Limited. For the shareholding structure of Tat Hong International, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust, owns approximately 39.50% of the shares of Chwee Cheng & Sons, which in turn owns 100% of the shares of TH60 Investments, which in turn owns approximately 70.79% of the shares of THSC Investments, which in turn owns 100% of the shares of Tat Hong Holdings, which in turn owns 100% of the shares of Tat Hong International. By virtue of the SFO, each of Tat Hong International, Tat Hong Holdings, THSC Investments, TH60 Investments, Chwee Cheng & Sons, Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee are deemed or taken to be interested in all the Shares in which Tat Hong China is interested.

2. Zoomlion International Trading (H.K.) Co., Limited (“**Zoomlion**”) is wholly owned by Zoomlion H.K. Holding Co., Limited, which is in turn wholly owned by Zoomlion Heavy Industry Science and Technology Co., Limited. By virtue of the SFO, each of Zoomlion H.K. Holding Co., Limited, Zoomlion Heavy Industry Science and Technology Co., Limited is deemed to be interested in the same number of Shares in which Zoomlion International Trading (H.K.) Co., Limited is interested. On 31 August 2023, Zoomlion has agreed to sell approximately 4.4% of the issued share capital of the Company. As at the Latest Practicable Date, the sale and purchase has not been completed.
3. PHILLIP CAPITAL (HK) LIMITED is owned as to 85% by LIM Hua Min. By virtue of the SFO, LIM Hua Min is deemed to be interested in the same number of Shares in which PHILLIP CAPITAL (HK) LIMITED is interested.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or held any option in respect of such capital.

3. DIRECTORS’ SERVICE CONTRACTS

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 March 2023, being the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which was significant in relation to the business of the Group.

6. LITIGATION

So far as the Company is aware, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance and no litigation or claims of material importance were known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2023, being the date to which the latest published audited financial statements of the Group were made up.

8. EXPERT AND CONSENT

The qualification of the expert who has given opinions, letters or advice contained in this circular is set out below:

Name	Qualification
Dakin Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

The expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, advice, report and/or references to its name, in the form and context in which they are included.

The letter from the above expert is given as of the date of this circular for incorporation herein.

As at the Latest Practicable Date, the expert above did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert above did not have any direct or indirect interests in any assets which have since 31 March 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

- (i) The company secretary of the Company is Ms. Oh Sim Yee.
- (ii) The registered office of the Company is at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (iii) The principal place of business of the Company in Hong Kong is at 40/F., Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.
- (iv) The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (v) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (vi) The English language text of this circular shall prevail over the Chinese language in case of inconsistency.

10. DOCUMENT ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.com) and the Company (www.tathongchina.com) for a period of 14 days from the date of this circular:

- (a) the 2023 Yongmao Master Agreement;
- (b) the letter from the Board, the text of which is set out on pages 5 to 19 of this circular;
- (c) the letter from the Independent Board Committee, the text of which is set out on page 20 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out on pages 21 to 41 of this circular;
- (e) the written consent referred to in the paragraph headed “8. Expert and Consent” in this appendix; and
- (f) this circular.

NOTICE OF EGM

Tat Hong Equipment Service Co., Ltd. **達豐設備服務有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2153)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Tat Hong Equipment Service Co., Ltd. (the “**Company**”) will be held at 12:30 p.m. on Wednesday, 29 November 2023 at Room 601, Building 8, PortMix, No. 2377 Shenkun Road, Minhang District, Shanghai, the PRC, for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as an ordinary resolution of the Company.

Unless otherwise defined, capitalized terms used in this notice shall have the same meaning as those defined in the circular of the Company dated 13 October 2023.

ORDINARY RESOLUTION

“**THAT:**

- (i) the 2023 Yongmao Master Agreement (a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) execution thereof and implementation of the transactions contemplated thereunder (including the Annual Caps) be and are hereby approved, ratified and confirmed; and
- (ii) any Director or any other person authorised by the Directors be and is hereby authorised to sign, execute, perfect and deliver all such documents, instruments and agreements and do all such deeds, acts, matters and things as they consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with the 2023 Yongmao Master Agreement and the transactions contemplated thereunder.”

By order of the Board
Tat Hong Equipment Service Co., Ltd.
Mr. Ng San Tiong
Chairman and Non-executive Director

Hong Kong/the PRC, 13 October 2023

NOTICE OF EGM

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

40/F., Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one or more proxies (who must be an individual) to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the meeting (i.e. before 12:30 p.m. on Monday, 27 November 2023) or any adjournment thereof (as the case may be).
3. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should the member so wish, and in such event, the proxy form shall be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For the purpose of determining shareholders' right to attend and vote at the meeting, the registers of members of the Company will be closed from Friday, 24 November 2023 to Wednesday, 29 November 2023 (both days inclusive). In order to qualify for attending and voting at the meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 November 2023.
6. In compliance with the Listing Rules, all resolution set out in this notice of the EGM will be voted on by way of poll.
7. As at the date of this notice, the Board comprises Mr. Yau Kok San and Mr. Lin Han-wei as Executive Directors; Mr. Ng San Tiong, Mr. Sun Zhaolin, Mr. Liu Xin and Mr. Guo Jinjun as Non-executive Directors; and Mr. Wan Kum Tho, Dr. Huang Chao-Jen and Ms. Pan I-Shan as Independent Non-executive Directors.