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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTION NEW YONGMAO MASTER AGREEMENT

Reference is made to the Company's announcement dated 28 July 2023 and its circular dated 13 October 2023 in relation to, among others, the Existing Yongmao Master Agreement.

As the Company intends to continue carrying out the relevant transactions under the Existing Yongmao Master Agreement after its expiry on 31 March 2026, the Board is pleased to announce that on 23 January 2026, the Company and Yongmao entered into the New Yongmao Master Agreement to renew the continuing connected transaction under the Existing Yongmao Master Agreement for a term from 1 April 2026 to 31 March 2029 (both dates inclusive) subject to the approval by the Independent Shareholders.

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.

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

GENERAL INFORMATION

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

Pelican Financial 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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps).

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps). A circular containing, among others, (i) further details of the New Yongmao Master Agreement and the transaction contemplated thereunder (including the New Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps); (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps); and (iv) a notice convening the EGM, will be dispatched by the Company to the Shareholders on or before 13 February 2026.

NEW YONGMAO MASTER AGREEMENT

Reference is made to the Company's announcement dated 28 July 2023 and its circular dated 13 October 2023 in relation to, among others, the Existing Yongmao Master Agreement.

As the Company intends to continue carrying out the relevant transactions under the Existing Yongmao Master Agreement after its expiry on 31 March 2026, the Board is pleased to announce that on 23 January 2026, the Company and Yongmao entered into the New Yongmao Master Agreement to renew the continuing connected transaction under the Existing Yongmao Master Agreement for a term from 1 April 2026 to 31 March 2029 (both dates inclusive) subject to the approval by the Independent Shareholders.

Save for the New Annual Caps for the years ending 31 March 2027, 2028 and 2029, there is no material difference in the terms and conditions between the Existing Yongmao Master Agreement and the New Yongmao Master Agreement.

The key terms of the New Yongmao Master Agreement are as follows:

Parties:	The Company and Yongmao
Date:	23 January 2026
Term:	Subject to the approval of the Independent Shareholders at the EGM, the New Yongmao Master Agreement will become effective on 1 April 2026 and expire on 31 March 2029 (both dates inclusive).
Subject matter:	Subject to the terms and conditions of the New 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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) are conditional upon the approval of the Independent Shareholders at the EGM.

Pricing Standard

Under the New 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 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 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.

HISTORICAL TRANSACTION AMOUNT AND PROPOSED NEW ANNUAL CAPS

The table below sets out (i) the historical transaction amounts of the purchase and rental of tower cranes and related parts and components from Yongmao Group under the Existing Yongmao Master Agreement for the years ended 31 March 2024, 2025 and for the six months ended 30 September 2025; and (ii) the Existing Annual Caps for the years ended 31 March 2024, 2025 and 2026:

	Historical transaction amounts *(approximately) (RMB'000)* *(excluding value added tax)*		
	For the year ended 31 March		**For the six months ended 30 September**
	2024	**2025**	**2025**
Purchase and rental of tower cranes and related parts and components from Yongmao Group	17,726	20,514	7,671

	Existing Annual Caps (approximately) (RMB'000) (excluding value added tax) For the year ended 31 March		
	2024	**2025**	**2026**
Purchase and rental of tower cranes and related parts and components from Yongmao Group	100,000	100,000	100,000

The table below sets out the New Annual Caps under the New Yongmao Master Agreement:

	New Annual Caps (approximately) (RMB'000) (excluding value added tax) For the year ending 31 March		
	2027	**2028**	**2029**
New 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 2029.

Despite the relatively low utilisation rates of the Existing Annual Caps, the Directors consider it necessary and prudent in the interests of the Group to maintain the New Annual Caps at the level of RMB100,000,000 in the next three years for the following reasons:

- in the past three years, the Group reduced its procurements from Yongmao Group due to the unexpected temporary slowdown in the PRC construction industry, which resulted in a reduced number of construction projects and hence demand for tower cranes. Due to government policies, the Board expects that the PRC real estate market will be stabilised or gradually recover in the coming few years and hence the demand for tower cranes will increase accordingly;

- to respond to the slowdown in the PRC real estate market in the past few years, the Group has been optimising its business structure by continuously reducing the proportion of domestic real estate business while increasing investment in clean energy fields such as nuclear power. On the

other hand, tower cranes and related parts from Yongmao Group are well-suited for clean energy sector due to their specialised designs, such as wind-and-flood resistance. As a result, it is expected that the business shift into the new energy sector will increase the Group's demand for tower cranes and related parts from Yongmao Group;

- as at 30 September 2025, the Group has ongoing and pipeline contracts in a total contract sum of approximately RMB949.3 million. The progression of these contracts will prompt the Group to purchase more tower cranes and related parts from Yongmao Group in the future three years. Furthermore, amongst these contracts there is a number of nuclear power projects, which generally require more expensive tower cranes than standard models used in typical infrastructure construction due to the specialised technical requirements and will increase the procurement amount of tower cranes and related parts from Yongmao Group;

- besides new energy sector, the Group also expands its business to other markets including Indonesia and the Guangdong-Hong Kong-Macao Greater Bay Area. All these markets, in particular Indonesia, are having a growing construction equipment market and the demand for tower cranes is rising. The expansion of the Group's business in these new markets has in turn increased the Group's demand for tower cranes in the coming few years; and

- the Board expects that the prices for tower cranes and related parts will have a mild growth during the three years ending 31 March 2029, causing higher transaction amount between the Group and Yongmao Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW 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.

Yongmao is one of the top largest tower crane manufacturers in the PRC. Yongmao has continued to be ranked amongst the world's top 10 tower cranes manufacturers for the 12th consecutive year since 2013, and was awarded the title of "Liaoning Province Manufacturing Single Champion Enterprise", awarded the "40th Anniversary – Excellent Unit" by the Shanghai Construction Machinery Industry Association and the Yongmao brand was awarded the title of "Fushun City Independent Brand" industrial product as disclosed in the annual report of Yongmao for the year ended 31 March 2025. 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 acknowledged as a "Chinese Well-Known Brand" ("中國馳名商標") in the PRC and is widely recognized by the Group's clients. 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.

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 intends to continue to carry out the relevant transactions after the expiry of the Existing Yongmao Master Agreement.

The Directors (other than the independent non-executive Directors, whose views and opinions on the New Yongmao Master Agreement (including the New Annual Caps) will be included in the circular to be despatched to the Shareholders, and other than Mr. Sun and Mr. Ng) believe that the New 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 New Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

As set out in the section headed "Pricing Standard" in this announcement, 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.

INFORMATION ABOUT THE PARTIES

The Company is an exempt company with limited liability 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.

Yongmao is a company listed on SGX (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 date of this announcement, (a) Mr. Sun is a non-executive Director of the Company, the chairman and executive director of Yongmao, and is indirectly interested in approximately 57.4% of the shares of Yongmao; (b) Tat Hong Holdings Ltd is a controlling Shareholder of the Company and is interested in approximately 23.95% of the shares of Yongmao; (c) Mr. Sun Tian is the son of Mr. Sun and is interested in approximately 0.95% of the shares of Yongmao; and (d) Mr. Yau Kok San is the executive Director and chief executive officer of the Company and is interested in approximately 0.13% of the shares of Yongmao.

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.

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.

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

GENERAL INFORMATION

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

Pelican Financial 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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps).

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, approve, among other matters, the New Yongmao Master Agreement and the transactions contemplated thereunder.

As Mr. Sun is a non-executive Director of the Company, the chairman and executive director of Yongmao, and is indirectly holding more than 30% shareholding interests in Yongmao, he is regarded as having a material interest in the New Yongmao Master Agreement and has accordingly abstained from voting on the relevant resolutions at the Board meeting convened to consider the New 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 has abstained from voting on the relevant resolutions at the Board meeting convened to consider the New 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 New Yongmao Master Agreement.

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 New Yongmao Master Agreement and the transactions contemplated thereunder at the EGM. Save as disclosed, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Directors are not aware of any other Shareholders of the Company who will be required to abstain from voting on the resolutions at the EGM.

A circular containing, among others, (i) further details of the New Yongmao Master Agreement and the transaction contemplated thereunder (including the New Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps); (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps); and (iv) a notice convening the EGM, will be dispatched by the Company to the Shareholders on or before 13 February 2026.

DEFINITIONS

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

"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), an exempted 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
"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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Existing Annual Caps"	the existing annual caps for the continuing connected transaction under the Existing Yongmao Master Agreement
"Existing Yongmao Master Agreement"	the existing agreement entered into between the Company and Yongmao on 28 July 2023, as disclosed in the Company's announcement dated 28 July 2023 and its circular dated 13 October 2023
"Group"	the Company and its subsidiaries
"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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Independent Financial Adviser"	Pelican Financial 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 New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Independent Shareholders"	Shareholder(s) other than any Shareholder(s) materially interested in the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps)
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"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
"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
"New Annual Caps"	the proposed annual caps for the continuing connected transaction contemplated under the New Yongmao Master Agreement
"New Yongmao Master Agreement"	the agreement entered into between the Company and Yongmao on 23 January 2026 which stipulates the New Annual Caps in relation to the (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
"PRC"	the People's Republic of China which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	the lawful currency of the PRC
"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$0.08 each in the share capital of the Company, as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of the Share(s)
"Singapore"	The Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
"Sun & Tian"	Sun & Tian Investment Pte. Ltd., a company incorporated under the laws of Singapore on 10 June 2009, which is owned as to 45% by each of Mr. Sun and Ms. Tian Ruo Nan (spouse of Mr. Sun) and 10% by Mr. Sun Tian (son of Mr. Sun and Ms. Tian Ruo Nan), and a shareholder of Yongmao
"Sunfield"	Sunfield Investment Pte. Ltd., which is wholly owned by Mr. Sun Tian who is the son of Mr. Sun and holds approximately 1.73% of the issued capital of the Company
"US$"	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

By order of the Board
Tat Hong Equipment Service Co., Ltd.
Mr. Ng San Tiong
Chairman

Hong Kong/the PRC, 23 January 2026

As at the date of this announcement, 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. Wang Dongjie as Non-executive Directors; and Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen as Independent Non-executive Directors.