THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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).

TAT HONG

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 AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

PELICAN FINANCIAL
百利勤金融

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 4 to 15 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 16 to 17 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 18 to 38 of this circular.

A notice convening the EGM of the Company to be held at 10:00 a.m. on Wednesday, 15 April 2026 at Room 601, Building 8, PortMix, No. 2377 Shenkun Road, Minhang District, Shanghai, the PRC is set out on pages 46 to 47 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 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://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM 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.

24 March 2026

CONTENTS

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

"Announcement"	the announcement of the Company dated 23 January 2026 in relation to the New Yongmao Master Agreement and the transaction contemplated thereunder
"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
"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 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)
"Independent Third Parties"	independent third party(ies) not connected with the Company or its connected persons
"Latest Practicable Date"	20 March 2026, being the latest practicable date prior to the publication 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. Sun"	Sun Zhaolin (孫兆林), being (i) a non-executive Director of the Company and (ii) the chairman and executive director of Yongmao Group
"Mr. Ng"	Ng San Tiong (黃山忠), being (i) a non-executive Director and chairman of the Company and (ii) deputy chairman and non-executive director of Yongmao
"Mr. Yau"	Yau Kok San (邱國燊), being an executive Director and chief executive officer of the Company
"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 circular shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"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$0.08 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Singapore"	The Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the same meaning ascribed to it under the Listing Rules
"substantial shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
"Sunfield"	Sunfield Investment Pte. Ltd., which is wholly owned by Mr. Sun Tian who is the son of Mr. Sun and holds approximately 1.73% of the issued capital of the Company
"Sun & Tian"	Sun & Tian Investment Pte. Ltd., a company incorporated under the laws of Singapore on 10 June 2009, which is owned as to 45% by each of Mr. Sun and Ms. Tian Ruo Nan (spouse of Mr. Sun) and 10% by Mr. Sun Tian (son of Mr. Sun and Ms. Tian Ruo Nan), and a shareholder of Yongmao
"US$"	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

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. Wang Dongjie

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
248 Queen's Road East
Wanchai, Hong Kong

24 March 2026

To the Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTION

INTRODUCTION

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

The purpose of this circular is to provide you with, among other things, (i) further details of the New 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 New Yongmao Master Agreement and the transactions contemplated 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 New 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 New 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.

RENEWAL OF CONTINUING CONNECTED TRANSACTION

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, which is the approved price list from Yongmao Group which covers the various models of tower cranes and related components that the Group intends to purchase, 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 which is the approved price list from Yongmao Group which covers the various models of tower cranes and related components that the Group intends to rent, 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, whereby the Group will seek and obtain quotations from at least two Independent Third Party suppliers of tower cranes and related parts and components to ascertain the prices offered or charged by Independent Third Parties. 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.

Payment terms

The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined as set out in the specific purchase and rental orders to be entered into by the parties on a case-by-case basis, depending on factors like equipment specifications, order size and delivery schedule. Yongmao Group generally required a down payment in the range of 20% to 50%, with the remaining balance settled by instalments and/or in full depending on the specific order. The payment terms shall be entered into on market terms which are no less favourable than those offered by Independent Third Parties.

The Board considers the framework to be fair, reasonable and on normal commercial terms taking into account that (i) the structure aligns with standard industry practice where payment schedules are finalised in the specific orders; and (ii) that the payment terms shall be no less favourable than those offered by Independent Third Parties.

HISTORICAL TRANSACTION AMOUNTS

The table below sets out (i) the historical transaction amounts and percentage 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 (iii) the Existing Annual Caps and the actual utilisation rate 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**
Existing Annual Caps	100,000	100,000	100,000
Utilisation rate	17.7%	20.5%	7.7%

PROPOSED NEW ANNUAL CAPS AND ITS BASIS

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. Please refer to the section headed "3. Industry overview" in the "Letter from the Independent Financial Adviser" in this circular for further information on the construction industry. 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;

- according to the price list provided by Yongmao Group, it is noted that the prices of key models in the Yongmao price list are generally in line with the market range for similar equipment identified in quotations obtained by the Group from Independent Third Parties; and

- based on key market factors including supportive real estate policies, industry consolidation with strong export demand alleviating oversupply, and a growing focus on specialized projects requiring premium equipment, 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. Please refer to the section headed "7. Basis for determining the New Annual Caps" in the "Letter from the Independent Financial Adviser" in this circular for further information.

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

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

The Directors (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee) 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" 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;

- the administration and finance department of the Company will monitor the continuing connected transactions and summarise the cumulative transaction amounts incurred under the New Yongmao Master Agreement and report to the management of the Company and the Group on a quarterly basis to ensure compliance with the pricing policy, terms of the continuing connected transactions and the annual caps. To ensure strict adherence to these annual caps, specific control procedures will be implemented, including real-time tracking whereby the cumulative transaction amount will be updated following each new transaction with Yongmao. When the cumulative amount reaches 70% of the annual cap, a detailed report containing an analysis of outstanding and forecasted orders will be escalated to the chief executive officer, the chief operating officer, and the chief financial officer. Thereafter, the usage rate for the remaining portion of the annual caps will be monitored per prospective order. Should the projected cumulative usage reach 85% of the cap, the Company will selectively reject or defer on-critical orders to ensure the total annual transaction amount remains within the approved limit. Alternatively, should it be necessary to exceed the approved limit, the relevant department will report to the management of the Company, which will seek the advice from the audit committee of the Company. The Board will then consider taking appropriate measures, including revising the annual caps in compliance with the relevant announcement and/or shareholders' approval requirements under 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.

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 38.33% 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 directly holds approximately 68.87% 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 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 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 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.

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 annual reporting, annual review, announcement, circular 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 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).

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 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 had 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 (i) Mr. Ng is the chairman and non-executive Director of the Company and is the deputy chairman and non-executive director of Yongmao, and (ii) Mr. Yau is the executive Director and chief executive officer of the Company and holds approximately 0.13% shareholding interest of in Yongmao, Mr. Ng and Mr. Yau have 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.

EGM

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. The voting at the EGM will be conducted by way of poll.

A notice convening the EGM to be held at 10:00 a.m. on Wednesday, 15 April 2026 at Room 601, Building 8, PortMix, No. 2377 Shenkun Road, Minhang District, Shanghai, the PRC, is set out on pages 46 to 47 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://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 10:00 a.m. on Monday, 13 April 2026), 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 New Yongmao Master Agreement and the transactions contemplated thereunder is required to abstain from voting on the relevant resolution at the EGM.

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.

Given that (i) the Company and Yongmao are the sole parties to the New Yongmao Master Agreement; (ii) Tat Hong Holdings holds approximately 23.95% of the share capital of Yongmao which the Board is of the view does not constitute a material interest in the transaction; and (iii) Tat Hong Holdings is an indirect Shareholder of the Company, being that Tat Hong Holdings 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., and which in turn is interested in approximately 69.72% of the issued capital of the Company, the Board has considered that Tat Hong Holdings is not required to abstain for the purposes of voting on the resolutions in respect of the New 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, 15 April 2026. The register of members of the Company will be closed from Friday, 10 April 2026 to Wednesday, 15 April 2026 (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, 9 April 2026. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Wednesday, 15 April 2026.

RECOMMENDATION

Your attention is also drawn to the letter from the Independent Board Committee as set out on pages 16 to 17 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 18 to 38 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 New Yongmao Master Agreement are fair and reasonable, have been entered into after arm's length negotiation between all parties 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 New 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, 24 March 2026

TAT HONG

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)

24 March 2026

To the Independent Shareholders,

CONTINUING CONNECTED TRANSACTION – NEW YONGMAO MASTER AGREEMENT

We refer to the circular of the Company dated 24 March 2026 (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 New Yongmao Master Agreement. Pelican Financial 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 4 to 15 of the Circular, which sets out details of the New Yongmao Master Agreement. We also wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 18 to 38 of the Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the New Yongmao Master Agreement and the transaction contemplated thereunder.

Having considered the reasons for and benefits of the entering into the New Yongmao Master Agreement and the advice of the Independent Financial Adviser, we consider that the matters in relation to the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New 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 New Yongmao Master Agreement and the transaction contemplated thereunder, particulars of which are set out in the notice of EGM set out on pages 46 to 47 of this Circular.

Yours faithfully,
For and on behalf of the Independent Board Committee

Mr. Wan Kum Tho	**Dr. Huang Chao-Jen**	**Ms. Pan I-Shan**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

PELICAN FINANCIAL
百利勤金融

PELICAN FINANCIAL LIMITED

28/F Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

24 March 2026

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

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTION NEW YONGMAO MASTER AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 24 March 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the announcement of the Company dated 23 January 2026 (the "**Announcement**"), in relation to the entering into of the New Yongmao Master Agreement. As the Company intends to continue carrying out the relevant transactions under the Existing Yongmao Master Agreement upon its expiry on 31 March 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.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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 New Yongmao Master Agreement and the transaction contemplated thereunder constitutes a non-exempt continuing connected transaction of the Company and is subject to the reporting, annual review, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, (i) 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; (ii) Mr. Ng is the chairman and non-executive Director of the Company and is the deputy chairman and non-executive director of Yongmao; and (iii) Mr. Yau is the executive Director and chief executive officer of the Company and holds approximately 0.13% shareholding interest of in Yongmao. They have abstained from voting on the relevant resolutions to approve the New Yongmao Master Agreement and the transactions contemplated thereunder at the Board meeting. Save as disclosed above, none of the other Directors has a material interest in the New Yongmao Master Agreement and the transactions contemplated thereunder.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the New Yongmao Master Agreement and the transactions contemplated thereunder and its close associate(s) must abstain from voting on the relevant resolutions at the EGM. As at the Latest Practicable Date, Sunfield, which is wholly owned by Mr. Sun Tian (the son of Mr. Sun) and holds approximately 1.73% of the issued capital of the Company, will abstain from voting on the relevant resolutions 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.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which currently comprises all the independent non-executive Directors, namely Ms. Pan I-Shan, Mr. Wan Kum Tho and Dr. Huang Chao-Jen, has been established to advise the Independent Shareholders regarding the New Yongmao Master Agreement and the transactions contemplated thereunder. We have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

Pelican Financial Limited is not connected with the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders.

In the last two years, save for the current appointment as Independent Financial Adviser in respect of the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps), we have not been engaged by the Company for the provision of any services that would affect our independence.

Apart from normal professional fees payable to us in connection with this appointment of us as Independent Financial Adviser, no arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates. As at the Latest Practicable Date, there were no relationships or interests between us and the Group, Yongmao Group or any of their respective substantial shareholders, directors or chief executives, or their respective associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the New Yongmao Master Agreement and the transactions contemplated thereunder.

Our role is to provide you with our independent opinion and recommendation as to whether the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) are (i) entered in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better, are fair and reasonable so far as the Independent Shareholders are concerned and (iii) whether they are in the interests of the Company and the Shareholders as a whole; and (iv) how the Independent Shareholders should vote in respect of the relevant resolutions regarding the New Yongmao Master Agreement and the transactions contemplated thereunder at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, the New Yongmao Master Agreement, the audited annual report for the year ended 31 March 2025 (the "2024/2025 Annual Report"), the unaudited interim report of the Company for the six months ended 30 September 2025 (the "**2025 Interim Report**"), the circular of the Company dated 13 October 2023, the Announcement and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular 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, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

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, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group. The Company will notify the Independent Shareholders of any material changes after the Latest Practicable Date and after the dispatch of the Circular. The Independent Shareholders will also be notified of any material changes to such information provided and our opinion as soon as possible.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the New Yongmao Master Agreement, we have considered the following principal factors and reasons.

1. Background information of the Parties

The Group

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 industries of infrastructure, clean energy, traditional energy, public and factory building, commercial and residential building etc.

Yongmao and Yongmao Group

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 Latest Practicable Date,

(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 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.

2. Financial information of the Group

Set out below is a summary of the financial information of the Group for the two years ended 31 March 2025 as extracted from the 2024/2025 Annual Report and the six months ended 30 September 2024 and 2025 as extracted from the 2025 Interim Report.

Table 1: Financial information of the Group

	For the six months ended 30 September		For the year ended 31 March	
	2025	**2024**	**2025**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
One-stop tower crane solution services:				
– Operating Lease	117,772	137,962	237,482	289,513
– Hoisting Service	152,692	188,880	384,028	380,443
Dry lease	30,682	14,062	13,051	12,336
Total revenue	**301,146**	**340,904**	**634,561**	**682,292**
Gross profit	24,479	48,009	71,101	80,760
Loss for the period/year	**(55,078)**	**(36,203)**	**(120,477)**	**(95,638)**

For the six months ended 30 September 2025

According to the 2025 Interim Report, the Group's revenue decreased to approximately RMB301.1 million for the six months ended 30 September 2025, representing an approximately 11.7% decrease from approximately RMB340.9 million for the corresponding period in 2024. The decrease was primarily attributable to a decline in total tonne metre (TM) utilised in EPC projects throughout the PRC, which decreased from 1,637,740 for the six months ended 30 September 2024 to 1,414,422 for the six months ended 30 September 2025. The decrease reflects the impact of slower economic growth and ongoing weakness in the construction sector.

Reflecting the challenging operating environment, the Group's gross profit decreased by approximately 49.0% to RMB24.5 million for the six months ended 30 September 2025, from RMB48.0 million for the corresponding period in 2024, resulting in a gross profit margin contraction from 14.1% to 8.1%. This decline in profit and margin was driven by the combined effects of the aforementioned weak demand and the sustained intense price competition across the market. As a result, the Group recorded a net loss of approximately RMB55.1 million for the six months ended 30 September 2025, representing a 52.1% increase from the RMB36.2 million net loss for the corresponding period in 2024.

For the year ended 31 March 2025

The Group's revenue for the year ended 31 March 2025 decreased by approximately 7.0% to RMB634.6 million, from RMB682.3 million for the year ended 31 March 2024. This decline was primarily driven by a reduction in the average monthly service price of tower cranes from RMB215 to RMB202 per TM, together with a slight decrease in the total TM in use.

Gross profit for the year ended 31 March 2025 decreased by approximately 12.0% to RMB71.1 million, compared with RMB80.8 million for the year ended 31 March 2024. Consequently, the gross profit margin narrowed slightly from approximately 11.8% for the year ended 31 March 2024 to approximately 11.2% for the year ended 31 March 2025. This was primarily attributable to slower economic growth, ongoing weakness in the construction sector, and the sustained intense price competition across the market.

The Group recorded a net loss of RMB120.5 million for the year ended 31 March 2025, compared with a net loss of RMB95.6 million in the previous year. This represents an increase in the loss of approximately RMB24.8 million, or 26.0%. The increase in loss was primarily due to the (i) the decline in revenue; and (ii) the increased income tax expenses from deferred tax adjustments.

Our analysis on financial performance

It is noted that the Group has been adversely affected, with revenue and gross profit margin declining and net losses recorded. As discussed with the management of the Group, this deterioration was mainly due to the cyclical downturn in the PRC construction industry relating to domestic residential, commercial and typical infrastructure projects. In our view, the above supports the Group's strategic direction of diversifying into higher-growth end-markets (e.g. clean energy) and expanding in overseas markets. The New Yongmao Master Agreement is expected to support this direction by strengthening supply chain arrangements, which may enhance the Group's ability to secure and deliver specialised projects and, in turn, improve its future financial performance.

3. Industry overview

The market demand for tower crane services is closely related to the development of construction industry. According to the China Construction Machinery Association (CCMA)[1], the total sales of tower crane by Chinese manufacturers for the first eleven months of 2025 totalled 4,783 units, representing a 30.6% year-on-year decrease. This decline was driven almost entirely by the PRC market, where sales decreased by 50.3% to 2,544 units. This sharp decline appears to be correlated with the reduction in new domestic real estate developments and high equipment inventory levels across typical infrastructure projects. In contrast, the export sector provided support, growing 26.1% to 2,239 units during the same period. The monthly data for November 2025 reflects a similar trend. While domestic sales decreased 49.0%, exports increased 3.2%, signalling that Chinese manufacturers are increasingly looking to international markets to offset the domestic downturn.

1 *Please refer to "2025年11月工程機械行業主要產品銷售快報二" published by CCMA, the trade association for manufacturers of construction machinery in China, on 18 November 2025, at http://www.cncma.org/article/22185*

According to the Tower Crane Leasing Industry Prosperity Index (塔機租賃行業景氣指數) (TPI)[2] for November 2025, the market showed mixed signals. The TPI serves as a comprehensive benchmark for the sector, aggregating key indicators such as (i) the tower crane unit-day utilisation rate (台天利用率), (ii) the maximum lifting moment utilisation rate (最大起重力矩利用率), and (iii) the leasing price index (租賃價格指數). While the utilization rates remained relatively stable in November 2025 at 57.1%, the leasing price index dropped to 487.87 points, representing a decrease of 77.73 points compared with November 2024. This suggests that, notwithstanding relatively stable utilisation, the market remains constrained by intense price competition and a persistent oversupply of standard equipment.

PRC market

The prolonged adjustment in China's real estate market continues to be the primary factor leading to changes in domestic demand for medium-to-large tower cranes. However, urban renewal, high-quality affordable housing and clean energy infrastructure are emerging as key growth drivers that may offset the downturn. Domestic demand is expected to stabilize, with greater differentiation across end-markets and a shift in product mix towards higher specification models (i.e. with higher lifting capacity and stricter safety requirements).

According to the data from the National Bureau of Statistics[3], national real estate development investment from January to October 2025 totalled approximately RMB7.4 trillion, reflecting a 14.7% year-on-year decrease. During this period, new housing construction area decreased 9.4% to approximately RMB6.5 billion square meters, while commodity housing sales area fell 6.8% to approximately RMB719.8 million square meters. With developer funding sources decreased by 9.7% to approximately RMB7.9 trillion, constrained liquidity has significantly restricted new project commencements, placing considerable pressure on demand for traditional housing-related tower cranes.

Despite these challenges, structural opportunities within the PRC real estate market remain robust, supported by a shift towards quality and government-backed affordability. On 31 December 2025, the Ministry of Housing and Urban-Rural Development of the People's Republic of China (MOHURD) issued guidelines aimed at enhancing housing quality[4], with the goal of making substantial progress in transforming aging properties into "High-Quality Homes" by 2030. Data released by the

2 *Please refer to "塔機租賃行業景氣指數(TPI)2025年11月數據" issued by CCMA on 27 December 2025, at http://www.cncma.org/article/22205*

3 *Please refer to "2025年1—10月份全國房地產市場基本情況" issued by National Bureau of Statistics on 14 November 2025, at https://www.stats.gov.cn/xxgk/sjfb/zxfb2020/202511/t20251114_1961853.html?f_link_type=f_linkinlinenote&flow_extra=eyJkb2NfcG9zaXRpb24iOjAsImRvY19pZCI6ImNlNzc4YzNjZTY1NThhN2EtZTVmZmZkZDg4N2ZjZGUwYyI-sImlubGluZV9kaXNwbGF5X3Bvc2l0aW9uIjowfQ%3D%3D*

4 *Please refer to "住房城鄉建設部關於提升住房品質的意見" issued by MOHURD on 31 December 2025, at https://www.mohurd.gov.cn/gongkai/zc/wjk/art/2025/art_06ba6f6ac1534042bb73a98c90581120.html*

MOHURD indicates that from January to November 2025, renovation commenced on 25,800 old urban residential communities nationwide[5]. Furthermore, the Ministry of Finance of the People's Republic of China issued a notice on 31 October 2025[6] announcing that RMB56.6 billion in central government partial subsidies has been allocated for urban affordable housing projects in 2026. Subsequently, the National Housing and Urban-Rural Development Work Conference, held on 22-23 December 2025, emphasized the precise implementation of affordable housing programs to address the specific housing challenges faced by "new citizens" and young people. This underscores the central government's commitment in promoting the supply of high-quality affordable housing, and hence support construction activity to provide a more stable source of demand for tower crane leasing, partially offsetting weakness in developer-led residential projects.

Moreover, the rapid deployment of clean energy infrastructure serves is expected to support demand for tower cranes. Since initiating the goal of "accelerating the construction of a strong energy nation" in 2021, China has continued to deploy clean energy infrastructure. According to the data released by the National Energy Administration (NEA)[7], newly installed renewable energy capacity reached 310 million kilowatts (GW) in the first three quarters of 2025. This represents a substantial 47.7% year-on-year increase and accounts for approximately 84.4% of all new power generation capacity added nationwide during the same period. The growth was led by solar power (including thermal), which added 240 GW, followed by wind power at 61.09 GW, hydropower at 7.16 GW, and biomass power at 1.05 GW.

Looking ahead, the "15th Five-Year Plan" indicates the next five years as a critical window for establishing a modern "New Energy System" (新型能源體系). With the goal of establishing the initial framework of this system by 2030, the national strategy prioritizes the development of major clean energy bases. These include wind and photovoltaic hubs in the Northwest, hydropower bases in the Southwest, offshore wind projects and coastal nuclear power clusters[8]. Further, the National Development and Reform Commission (NDRC) and the NEA jointly issued the Opinions on Promoting the Scaled Development of Concentrated Solar Power on 23 December 2025[9]. This policy sets a target to expand total installed concentrated solar power capacity to approximately 15 GW by 2030, indicating the government's sustained commitment to clean energy infrastructure development for the coming years.

5 *Please refer to the data released by MOHURD on 25 December 2025, at https://www.mohurd.gov.cn/xinwen/gzdt/art/2025/art_75ecf9c963dc4cce8c030496722fc138.html*

6 *Please refer to "財政部關於提前下達2026年部分中央財政城鎮保障性安居工程補助資金預算的通知" issued by the Ministry of Finance of the People's Republic of China on 31 October 2025, at http://big5.www.gov.cn/gate/big5/www.gov.cn/zhengce/zhengceku/202511/content_7049397.htm*

7 *Please refer to data released by NEA on 31 October 2025, at https://www.nea.gov.cn/20251031/7be6728f6d8a48a4955a24a45013b37f/c.html*

8 *Please refer to the article "加快建設新型能源體系" published by NEA on 22 December 2025, at https://www.nea.gov.cn/20251222/66a44a06b779474684d365aa79e50380/c.html*

9 *Please refer to "關於促進光熱發電規模化發展的若干意見" issued by NDRC and NEA on 23 December 2025, at https://www.nea.gov.cn/20251226/d8108eaf86fe4b568581175c23ea5e6e/c.html*

Overseas market

In the overseas market, the infrastructure development in emerging regions such as Southeast Asia and the Middle East continues to gain momentum. The accelerated execution of projects along the China's Belt and Road Initiative routes is expected to sustain strong export demand for construction hoisting machinery. Notably, Indonesia, where Group has expanded, has become one of the fastest-growing markets for medium-to-large tower cranes in Southeast Asia, driven by population growth and urbanisation, the construction of the new capital (Nusantara), energy transition and increasing housing needs. According to the forecasts by Mobility Foresights[10], the Indonesian construction equipment market was valued at USD3.41 billion in 2025 and estimated to grow from USD3.62 billion in 2026 to reach USD4.89 billion by 2031, at a compound annual growth rate (CAGR) of 6.18% during the forecast period (2026-2031). This growth is supported by, among others, (i) the development of the new capital Nusantara, which had successfully attracted over USD4 billion in private sector investment as at May 2025, and the Indonesian central government announced fiscal support of approximately USD3 billion for Nusantara by 2029 for public infrastructure[11]; (ii) the sustained and increasing demand for residential infrastructure, with Indonesia's residential real estate market size at USD47.86 billion in 2025 and projected to reach USD51.82 billion by 2030, representing a CAGR of 4.71%[12]. This growth is underpinned by steady urbanization, the government's "Three Million Homes" initiative and sustained cultural demand for homeownership; and (iii) the expanding energy sector. According to the Electricity Supply Business Plan (RUPTL) 2025-2034 issued by the Minister of Energy and Mineral Resources of the Republic of Indonesia[13], it plans to add 69.5 GW of new power capacity between 2025 and 2034, of which 70-76% is allocated to clean energy sources such as photovoltaics (PV), wind and geothermal power. Major initiatives, including wind farms in Sumatra and Java, and the massive 22 GW PV project in Bali, will create significant demand for tower cranes required for installation.

Section summary

In summary, the tower crane industry is undergoing a structural shift. While the traditional domestic real estate sector in the PRC faces a prolonged adjustment marked by oversupply and pricing pressure, demand is increasingly supported by (i) the rapid deployment of clean energy infrastructure in the PRC; and (ii) the accelerating demand from overseas markets such as Indonesia. The market is transitioning from volume-driven growth in the residential sector to specialized, quality-driven growth in the energy and international infrastructure sectors. Consequently, it is considered that the demand

10 *Please refer to the report "Indonesia Construction Equipment Market Size & Share Analysis – Growth Trends And Forecast (2026 – 2031)" published by Mordor Intelligence, a global market research and advisory firm, at https://www.mordorintelligence.com/industry-reports/indonesia-construction-equipment-market*

11 *Please refer to the article published by ASEAN Briefing, a media outlet specializing in technical, regulatory, tax, and business information on investment and trade in ASEAN countries, on 23 May 2025, at https://www.aseanbriefing.com/news/indonesias-new-capital-sees-us4b-in-investments/*

12 *Please refer to the report "Indonesia Residential Real Estate Market Size & Share Analysis – Growth Trends And Forecast (2025 – 2030)" published by Mordor Intelligence, a global market research and advisory firm, at https://www.mordorintelligence.com/industry-reports/residential-real-estate-market-in-indonesia*

13 *Please refer to the RUPTL issued by the Minister of Energy and Mineral Resources of the Republic of Indonesia on 26 May 26 2025, at https://gatrik.esdm.go.id/assets/uploads/download_index/files/4ec39-materi-paparan-ruptl-2025-2034.pdf*

for higher- specification, larger-tonnage tower cranes capable of meeting the technical standards of nuclear power and overseas projects will remain relatively robust despite the broader market downturn.

4. Principal terms of the New Yongmao Master Agreement

As the Existing Yongmao Master Agreement will expiry on 31 March 2026, the Company entered into the New Yongmao Master Agreement with Yongmao on 23 January 2026 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 following table summarizes the major terms of the New Yongmao Master Agreement:

Date:	23 January 2026
Parties:	(i) The Company; and (ii) Yongmao
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.

5. Reasons for and benefits of entering into the New Yongmao Master Agreement

In assessing the rationale for the New Yongmao Master Agreement, we have reviewed the Board Letter and discussed with the management of the Company regarding the commercial reasons and benefits of the transactions.

As stated in the Board Letter, the Group has developed a long-standing business relationship with Yongmao Group for over 15 years. Given the capital-intensive nature of the tower crane industry, supply chain stability is important. This partnership ensures the Group receives timely maintenance services and a reliable supply chain, which helps minimize downtime and meet construction schedules of its clients. Furthermore, replacing a core supplier like Yongmao would likely to incur significant switching costs, including the need to retrain operators and technical staff on different equipment specifications. Therefore, the New Yongmao Master Agreement is necessary to ensure operational continuity for the Group's procurement and rental needs.

Regarding the product quality, the Board Letter highlights Yongmao's status as a leading manufacturer. It is noted that Yongmao is recognized as one of the top three tower crane manufacturers in the PRC and has been ranked among the world's top 10 manufacturers for 14 consecutive years since 2013. The "Yongmao" brand, acknowledged as a "Chinese Well-Known Brand", is widely recognized by the Group's clients, particularly state-owned special-tier and tier-1 EPC contractors who require strict quality assurance. Since the Group prioritizes safety, procuring equipment from a top-tier supplier with a proven safety record aligns with the Group's commitment to reliability and helps the Group secure tenders from top-tier contractors.

We have further considered the benefits of the arrangement in the context of the Group's business strategy, particularly regarding clean energy and overseas expansion. As detailed in the section "3. Industry overview", China's renewable energy capacity increased by 47.7% in the first three quarters of 2025, which is expected to support demand for hoisting equipment suitable for complex environments. It is understood that Yongmao's tower cranes are well-suited for this sector due to their specialised designs, such as wind-and-flood resistance, which are important for the Group's clean energy projects. Furthermore, it is noted that Yongmao was the first Chinese manufacturer to enter European and American markets, which supports the Group's overseas expansion. Its international certifications, including European CE, Singapore MOM, Korea KOSHA, Russian GOST, and American SGS, as well as type approvals for design and safety in Ukraine, Malaysia, and Indonesia, allow the Group to deploy compliant equipment across different regions.

Moreover, from a commercial perspective, the New Yongmao Master Agreement provides the Group with commercial flexibility. It allows the Group to procure tower cranes by either purchasing or renting equipment, enabling the Group to optimise its assets based on capital availability and project needs. To safeguard Shareholder interests, the Group implements strict internal control measures, requiring quotations from at least two independent third-party suppliers to ensure that the terms offered by Yongmao are equal to, or no less favorable than, prevailing market rates, and ensure all transactions are conducted on normal commercial terms, with unit prices and rental fees determined through arm's length negotiations.

Having considered the above, we consider that the entering into of the New Yongmao Master Agreement is in the ordinary and usual course of business of the Group and is in the interests of the Company and its Shareholders as a whole.

6. Historical transaction amount and proposed New Annual Caps

The following table sets out (i) the respective relevant historical figures 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; (ii) the Existing Annual Caps for the three years ending 31 March 2026; and (iii) the proposed New Annual Caps for the three years ending 31 March 2029:

	For the year ended 31 March 2024 *RMB'000*	For the year ended 31 March 2025 *RMB'000*	For the year ending 31 March 2026 (for Existing Annual Caps)/ For the six months ended 30 September 2025 (for actual amount) *RMB'000*	For the year ending 31 March 2027 *RMB'000*	For the year ending 31 March 2028 *RMB'000*	For the year ending 31 March 2029 *RMB'000*
New Yongmao Master Agreement						
Purchase and rental of tower cranes and related parts and components from Yongmao Group (excluding value added tax)						
Existing Annual Caps	100,000	100,000	100,000	N/A	N/A	N/A
Actual amount	17,726	20,514	7,671	N/A	N/A	N/A
Utilisation Rate	17.7%	20.5%	7.7%	N/A	N/A	N/A
Proposed New Annual Caps	N/A	N/A	N/A	100,000	100,000	100,000

7. Basis for determining the New Annual Caps

According to the Board Letter, the proposed New Annual Caps are determined with reference to, among other things, (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; (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.

Regarding the historical transaction amount, we note that the utilization rates of the Existing Annual Caps for the purchase and rental of tower cranes and related parts and components were relatively low. Based on our discussion with the management of the Company, we understand such relatively low utilization rates were primarily attributable to the continued downturn in the PRC construction industry, which resulted in a reduced number of construction projects and hence demand for traditional tower cranes during the past few years. Consequently, the Group adjusted its procurement strategy to align with the temporary market slowdown. However, the Directors consider it necessary to maintain the New Annual Caps at the level of RMB100 million in the next three years to accommodate the strategic shift towards clean energy projects and overseas expansion, which are expected to drive future demand for tower cranes and related services during the next three years.

According to the 2025 Interim Report, we noted that as at 30 September 2025, the customer contracts secured by the Group (including contracts in progress and signed contracts that have not yet commenced), which are expected to contribute revenue (after value-added tax) of approximately RMB949.3 million. These contracts are mainly related to public construction, commercial and energy sectors. The Directors expect that the execution of these businesses will prompt the Group to purchase more tower cranes and related parts from Yongmao Group. For our due diligence purpose, we have obtained the Group's current project pipeline, summarized as follows, as at 30 September 2025:

- Projects in progress: 238 projects with an outstanding contract value of approximately RMB673.5 million;
- Projects on hand: 58 projects with an expected contract value of approximately RMB275.7 million; and
- Potential projects in the pipeline: 87 projects with an expected contract value of approximately RMB314.1 million.

In particular, below sets out the breakdown of the Group's (i) clean energy-related projects and (ii) projects outside the PRC market, by expected execution timeframe (i.e. within one year and beyond one year), together with the corresponding outstanding/expected contract values as at 30 September 2025:

	Number of projects	**Within one year Outstanding/ expected contract value** *(RMB million)*	**Beyond one year Outstanding/ expected contract value** *(RMB million)*
Projects in progress			
– Clean energy projects	24	167.7	224
– Outside PRC market	15	50.2	23.8
Projects on hand			
– Clean energy projects	7	56.7	120.9
– Outside PRC market	2	7.5	2.8

In light of the substantial contract value on hand and the potential projects under tracking, we concur with the Directors that the progression of its businesses will prompt the Group to purchase more tower cranes and related parts and components from Yongmao Group.

We have obtained and reviewed the projection for the purchase and rental of tower cranes and related parts and components from Yongmao Group for the three years ending 31 March 2029 (the "**Projection**"). Based on the Projection, it is noted that the proposed New Annual Cap of RMB100 million per year is broadly attributable to: (i) PRC market (excluding clean energy projects) of approximately RMB6.4 million; (ii) clean energy projects of approximately RMB74.4 million; and (iii) projects outside the PRC market of approximately RMB18.9 million, each on a per annum basis for the three years ending 31 March 2029.

PRC market (excluding clean energy projects)

Regarding the PRC market (excluding clean energy projects), we understand from the management of the Company that the Group managed a total of 1,135 tower cranes as at 30 September 2025. As these existing tower cranes can be redeployed to satisfy the majority of the requirements for domestic residential and commercial projects, we consider that it is reasonable for the Company to reserve a relatively smaller procurement budget in this segment for the three years ending 31 March 2029.

Clean energy projects

We noted from the 2025 Interim Report and understood from the Company that the Group is actively optimizing its business structure by continuously reducing the proportion of domestic real estate business while increasing investment in clean energy fields such as nuclear power and wind power. It is also noted that the Group has successfully secured tenders for numerous clean energy projects. These projects frequently utilize Yongmao tower cranes, and in many cases, the project owners designate the use of Yongmao equipment due to their recognized reliability and compliance with stringent safety standards.

Based on the Projection, we noted that the Company anticipates procuring tower cranes from Yongmao Group for seven specific clean energy projects in the PRC, with a total expected aggregate contract value of approximately RMB232.3 million. The Company expects the procurement needs for these projects to materialize progressively over the next three years. The procurement amount for these seven clean energy projects is estimated to be approximately RMB74.4 million per year for the three years ending 31 March 2029. We understand that it is common for the total procurement cost of tower cranes to equal or even exceed the expected contract value of their first deployment as tower cranes typically have a service life of 10 to 15 years and can be redeployed across multiple projects to generate more revenue over their economic life.

As the construction of nuclear power, wind power and other clean energy plants strictly requires high-tonnage, specialized tower cranes (unlike general residential, commercial and typical infrastructure projects), which may therefore have higher unit prices than standard tower cranes used in conventional construction projects. This sector-wide growth supports the need for the Group to reserve sufficient New Annual Caps to procure such higher value equipment from Yongmao Group to meet the potential project demand.

Markets outside the PRC

In addition, the procurement amount for markets outside the PRC in the Projection is estimated to be approximately RMB18.9 million per year for the three years ending 31 March 2029. We understand that the Group is actively exploring opportunities in Indonesia and Hong Kong. As discussed in the section "3. Industry overview", the Indonesian construction equipment market is projected to grow at a CAGR of 6.18% from 2026 to 2031, which presents a favourable market environment for the Group to capture the growing demand for tower crane services and equipment rental in the region. Regarding Hong Kong, according to the 2025-26 Budget released by the Hong Kong government[14], significant infrastructure investments are planned, including HK$3.7 billion earmarked to expedite Phase 1 infrastructure and public facilities at the Hong Kong Park in the Hetao Co-operation Zone. Furthermore, the housing supply target includes approximately 190,000 public housing units in the coming five years and a potential supply of approximately 107,000 first-hand private residential units over the next 3-4 years. We are of the view that the Group's business strategy of expanding into Indonesia and Hong Kong will lead to a substantial increase in the procurement amount of tower cranes and related components from Yongmao Group.

Regarding the price list provided by Yongmao Group, we have obtained and reviewed the product price list provided by Yongmao Group, which covers the various models of tower cranes and related components that the Group intends to purchase or rent. We noted that the price list details the unit prices for different specifications, particularly the medium-to-large tower cranes required for the Group's residential, commercial, typical infrastructure and clean energy projects. We have compared the prices of key models in the Yongmao price list against the prevailing market rates for similar equipment identified in our independent research[15] and six quotations obtained by the Group from Independent Third Parties. As the selected quotations were selected on random basis and covered the period for the two years ended 31 December 2024 and for the six months ended 30 September 2025, we consider that the selected projects are fair and representative. We noted that the list prices are generally in line with the market range for tower cranes. (Please refer to our price comparison assessment in the section headed "8. Internal control procedures and pricing policy" below.) The Company confirmed that these list prices served as the baseline for calculating the projected transaction volume within the New Annual Caps for the three years ending 31 March 2029. We consider this reference is reasonable as it reflects the actual cost structure the Group will incur.

14 *Please refer to the 2025-26 Budget released by the Government of the Hong Kong Special Administrative Region on 26 February 2025, at https://www.budget.gov.hk/2025/eng/lh.html*

15 *Please refer to the AiCaiGou愛採購, a B2B sourcing and procurement platform under Baidu and serves as a mainstream, effective public channel in the PRC for procuring tower cranes and related construction equipment at https://b2b.baidu.com/aitf/s?q=%E5%A1%94%E5%90%8A%E4%BB%B7%E6%A0%BC%E8%A1%A8& from=search& fid=618851639& styl=b& sid=1510134& a_keywordid=799618327133& a_unitid=9853787117& a_planid=531920677& bd_vid=nHT1n1DLrHb4PWcLnHbzrjcYn1-xnWcdg1FxnH0sg1wxrHf1n1DzPj6vnj0*

In assessing the reasonableness of the anticipated price trend for the three years ending 31 March 2029, we have considered several market factors that support a mildly increasing price environment:

(i) regarding the real estate sector, price stabilization is expected to be driven by government policies promoting "urban renewal" and "high-quality affordable housing", as the real estate industry's shift from rapid expansion to high-quality development effectively sets a price floor for safe and compliant equipment;

(ii) the prolonged downturn in the PRC construction machinery manufacturing sector has accelerated industry consolidation around leading manufacturers, reducing competition, while robust export demand diverts significant domestic capacity to high-growth international markets, which effectively alleviates oversupply pressure; and

(iii) the Group's increasing focus on clean energy projects necessitates high-tonnage, specialized tower cranes that command premiums due to significant manufacturing barriers, thereby counteracting commoditization risks.

Taking into account the above factors, we concur with the Directors' view that it is fair and reasonable to anticipate that the prices for tower cranes and related parts will trend towards mild growth during the three years ending 31 March 2029.

All in all, having considered (i) the Group's project pipeline and specific tender wins in the clean energy sector; (ii) the Group's stated business direction towards clean energy and overseas markets; (iii) the supportive macroeconomic policies and factors driving growth in clean energy and overseas market; and (iv) the reasonable pricing basis backed by independent market data, we are of the view that the Projection is fair and reasonable. Together with our assessment of internal control procedures and the pricing policy as discussed in the below section headed "8. Internal control procedures and pricing policy" of this letter, we are of the view that the proposed New Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

8. Internal control procedures and pricing policy

As set out in the Board Letter, the Company has adopted the following internal control procedures and pricing policies:

Internal control procedures

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.

The administration and finance department of the Company will monitor the continuing connected transactions and summarise the cumulative transaction amounts incurred under the New Yongmao Master Agreement and report to the management of the Company and the Group on a quarterly basis to ensure compliance with the pricing policy, terms of the continuing connected transactions and the annual caps. To ensure strict adherence to these annual caps, specific control procedures will be implemented, including real-time tracking whereby the cumulative transaction amount will be updated following each new transaction with Yongmao. When the cumulative amount reaches 70% of the annual cap, a detailed report containing an analysis of outstanding and forecasted orders will be escalated to the chief executive officer, the chief operating officer, and the chief financial officer. Thereafter, the usage rate for the remaining portion of the annual caps will be monitored per prospective order. Should the projected cumulative usage reach 85% of the cap, the Company will selectively reject or defer on-critical orders to ensure the total annual transaction amount remains within the approved limit. Alternatively, should it be necessary to exceed the approved limit, the relevant department will report to the management of the Company, which will seek the advice from the audit committee of the Company. The Board will then consider taking appropriate measures, including revising the annual caps in compliance with the relevant announcement and/or shareholders' approval requirements under the Listing Rules.

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.

Pricing policies

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, which is the approved price list from Yongmao Group which covers the various models of tower cranes and related components that the Group intends to purchase, 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 which is the approved price list from Yongmao Group which covers the various models of tower cranes and related components that the Group intends to rent, 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, whereby the Group will seek and obtain quotations from at least two Independent Third Party suppliers of tower cranes and related parts and components to ascertain the prices offered or charged by Independent Third Parties. 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.

Payment term

The actual settlement price and the method of payment (including payment by way of cash or such other manners as agreed by the parties) shall be determined as set out in the specific purchase and rental orders to be entered into by the parties on a case-by-case basis, depending on factors like equipment specifications, order size and delivery schedule. Yongmao Group generally required a down payment in the range of 20% to 50%, with the remaining balance settled by instalments and/or in full depending on the specific order. The payment terms shall be entered into on market terms which are no less favourable than those offered by Independent Third Parties.

Our assessment of internal control procedures and pricing policies

We have reviewed the internal control procedures and pricing policies adopted by the Group regarding the transactions contemplated under the New Yongmao Master Agreement. In assessing whether these measures are sufficient to ensure that the transactions will be conducted on normal commercial terms and in the interests of the Company and the Shareholders as a whole, we have considered the following key factors:

(i) Internal Control Framework Review

We noted that the Group had engaged independent internal control consultants to conduct annual reviews of its internal control systems in the past two years. In this regard, we have obtained and reviewed the internal control reports issued by BDO China Shu Lun Pan Certified Public Accountants LLP for the two years ended 31 March 2025. Our review indicates that the scope of these independent assessments was comprehensive, covering key business cycles directly relevant to the transactions under the New Yongmao Master Agreement, specifically, (a) the procurement and payment cycle, which evaluates the controls over supplier selection, purchase execution, and payment processing; and (b) the fixed asset cycle, which specifically tests the controls governing the acquisition, acceptance, and management of major equipment such as tower cranes. Accordingly, we consider that the Group's internal control procedures regarding these transactions are adequate and in place.

(ii) Adherence to Pricing Standard and Market Comparison

To ensure that the prices and payment terms offered by Yongmao Group are no less favourable than those offered by Independent Third Parties, the Group has adopted a policy to obtain quotations from at least two independent third-party suppliers for comparison. In assessing the implementation of this policy, we have reviewed six samples of quotations/contracts/agreements for the purchase/rental of tower cranes and related parts and components from Yongmao Group under the Existing Yongmao Master Agreement and compared them with six samples offered by Independent Third Parties to the Group.

- Purchase transactions: We noted that the unit prices for the purchase of tower cranes and related parts from Yongmao Group ranged from RMB628,500 to RMB3,080,000. These prices were competitive with, and in many cases more favourable to the Group than, the unit prices offered by Independent Third Parties for comparable items, which ranged from RMB825,000 to RMB3,110,000.

- Rental transactions: We noted that the rental unit fees from Yongmao Group ranged from RMB50,000 per month to RMB180,000 per month. These rates were competitive with, and in many cases more favourable to the Group than, the rates offered by Independent Third Parties, which ranged from RMB70,000 per month to RMB250,000 per month.

- Payment terms: We noted that the payment terms under both the Yongmao Group samples and the Independent Third Party samples were determined on a case-by-case basis and varied depending on factors such as the relevant equipment specifications, order size and delivery schedule. It is noted that both the samples with Yongmao Group and Independent Third Parties generally required a down payment in the range of 20% to 50%, with the remaining balance settled by instalments and/or in full depending on the specific order. It is also noted that payments under the Yongmao Group samples could be settled by cash or such other manners, such as bank acceptance bills and commercial acceptance bills, as agreed between the parties, whereas the Independent Third Party samples were generally settled by cash. Having regard to the above, we consider that the payment terms offered by Yongmao Group are in line with prevailing market practice and no less favourable than those offered by Independent Third Parties.

The records also showed that the transaction price was subject to a multi-departmental review process before execution. All of the following departments and personnel were required to review and approve: the Financial Department, Contract Fulfillment Department, Resource Support Service Center, Deputy General Manager and Deputy Director of the Strategic Decision Committee. This process serves as a practical safeguard to verify that the pricing and terms align with the Group's requirements and prevailing market conditions.

(iii) Approval Hierarchy and Segregation of Duties

We have obtained and reviewed six samples of the Group's approval workflow and noted a clear segregation of duties and a tiered approval authority which mitigates the risk of conflict of interest. It is noted that the specific quotation/contract review process for connected transactions involves getting independent quotations from at least two suppliers by the business units, mandatory approvals of the contract (including the price/fees and payment terms) from multiple functional departments, involving all of the following: the Financial Department, Contract Fulfillment Department, Resource Support Service Center, Deputy General Manager and Deputy Director of the Strategic Decision Committee so as to ensure the terms are commercially reasonable and within the market range.

Additionally, the administration and finance department of the Company will monitor the continuing connected transactions and monitor the cumulative transaction amounts incurred under the New Yongmao Master Agreement and report to the management of the Company and the Group on a quarterly basis to ensure compliance with the pricing policy, terms of the continuing connected transactions and the annual caps. To ensure strict adherence to these annual caps, specific control procedures will be implemented, including real-time tracking whereby the cumulative transaction amount will be updated following each new transaction with Yongmao. We noted 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 and the appropriate management of the Company 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. This reporting mechanism demonstrates a robust tracking system to ensure the transaction amounts do not exceed the annual caps. This confirms that a thorough approval process and monitoring system are in place to ensure compliance with the annual caps.

(iv) Annual Review and External Auditing

The internal controls include a comprehensive ex-post monitoring mechanism mandated by Chapter 14A of the Listing Rules. With reference to the 2024/2025 Annual Report, the Company's auditor was engaged to report on the continuing connected transactions (including the transactions under the Existing Yongmao Master Agreement) for the year ended 31 March 2025. The Company's auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules. The Independent Non-executive Directors have also reviewed the continuing connected transactions (including the transactions under the Existing Yongmao Master Agreement) for the year ended 31 March 2025 and confirmed that they have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Based on our review of the internal control reports, the established pricing policies, and the sample transaction documents (specifically the quotation/contract review record and associated quotation/contract), we are of the view that the Group has established effective internal control procedures. We are satisfied that the internal control measures and procedures are adequate and effective in ensuring that the transactions contemplated under the New Yongmao Master Agreement will be entered on normal commercial terms and are comparable to, or no less favorable than, market prices and terms.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the New Yongmao Master Agreement and the transactions contemplated thereunder (including the New Annual Caps) are (i) entered in the ordinary and usual course of business of the Group; (ii) on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the relevant resolutions regarding the New Yongmao Master Agreement at the EGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited

Charles Li*
Managing Director

* *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

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 recorded 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**") as set out in Appendix C3 to the Listing Rules, 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 San Tiong ("**Mr. Ng**")	Trustee *(Notes 1 and 2)*	813,532,387 ordinary Shares	69.72%
		940,000 ordinary Shares	0.08%
Mr. Yau Kok San	Beneficial owner	4,957,135 ordinary Shares	0.42%
Mr. Lin Han-wei	Beneficial owner	6,344,137 ordinary Shares	0.54%

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

Name of Director	**Name of associated corporation**	**Capacity**	**Approximate percentage of interest**
Mr. Ng *(Notes 1, 2 and 3)*	Chwee Cheng & Sons Pte. Ltd. ("**Chwee Cheng & Sons**")	Trustee	38.33%
		Beneficial owner	13.64%

Notes:

1. Tat Hong China Equipment (China) Pte. Ltd. ("**Tat Hong China**") directly holds approximately 68.87% of the issued capital of the Company and held approximately 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 38.33% 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. TH Investments Pte Ltd directly held approximately 0.08% of the issued capital of the Company. Chwee Cheng & Sons owns 100% of the shares of Tat Hong Investments Pte Ltd, which in turn owns 100% of the shares of TH Investments Pte Ltd. 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 Sun Giam and Ng San Wee as the joint trustees), owns approximately 38.33% of the shares of Chwee Cheng & Sons. By virtue of the SFO, each of Chwee Cheng & Sons, Tat Hong Investments Pte Ltd, 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 TH Investments Pte Ltd is interested.

3. 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. Mr. Ng is also a director of TH Investments Pte Ltd and Tat Hong Investments Pte Ltd.

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 recorded 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 and short positions of substantial Shareholders in the Shares and underlying Shares

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 *(Note 1)*	Beneficial owner and interest in controlled corporations	813,532,387 Shares	69.72%
Tat Hong International *(Note 1)*	Interest in controlled corporations	813,532,387 Shares	69.72%
Tat Hong Holdings *(Note 1)*	Interest in controlled corporations	813,532,387 Shares	69.72%
THSC Investments *(Note 1)*	Interest in controlled corporations	813,532,387 Shares	69.72%
TH60 Investments *(Note 1)*	Interest in controlled corporations	813,532,387 Shares	69.72%

Name	**Capacity/ Name of Interest**	**Number of Shares held/ interested**	**Approximate percentage of shareholding in the Company**
Chwee Cheng & Sons *(Notes 1 and 2)*	Interest in controlled corporations	813,532,387 Shares	69.72%
		940,000 Shares	0.08%
Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee *(Notes 1 and 2)*	Trustee	813,532,387 Shares 940,000 Shares	69.72% 0.08%
Phillip Capital (HK) Limited *(Note 3)*	Beneficial owner	64,738,000 Shares	5.55%
Lim Hua Min *(Note 3)*	Interest in controlled corporations	64,738,000 Shares	5.55%

Notes:

1. Tat Hong China is interested in approximately 68.87% 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 38.33% 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. TH Investments Pte Ltd directly held approximately 0.08% of the issued capital of the Company. Chwee Cheng & Sons owns 100% of the shares of Tat Hong Investments Pte Ltd, which in turn owns 100% of the shares of TH Investments Pte Ltd. Mr. Ng, Ng Sun Ho, Ng Sun Giam and Ng San Wee, as joint trustees of the Chwee Cheng Trust, owns approximately 38.33% of the shares of Chwee Cheng & Sons. By virtue of the SFO, each of Chwee Cheng & Sons, Tat Hong Investments Pte Ltd, 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 TH Investments Pte Ltd is interested.

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

As at the Latest Practicable Date, (i) Mr. Yau and Mr. Lin Han-wei has entered into a service agreement with the Company for a term of three years, which may be terminated by not less than three months' notice in writing served by either party; and (ii) the remaining directors has entered into a service contract with the Company for a term of three years, which may be terminated by not less than one month's notice in writing served by either party on the other.

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 which will not expire or is not determinable by the Company 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 2025, 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 2025, 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
Pelican Financial 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 2025 (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, 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 New Yongmao Master Agreement;

(b) the letter from the Board, the text of which is set out on pages 4 to 15 of this circular;

(c) the letter from the Independent Board Committee, the text of which is set out on pages 16 to 17 of this circular;

(d) the letter from the Independent Financial Adviser, the text of which is set out on pages 18 to 38 of this circular;

(e) the written consent referred to in the paragraph headed "8. Expert and Consent" in this appendix; and

(f) this circular.

TAT HONG

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 the ("**EGM**") of Tat Hong Equipment Service Co., Ltd. (the "**Company**") will be held at 10:00 a.m. on Wednesday, 15 April 2026 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 24 March 2026.

ORDINARY RESOLUTION

"**THAT:**

(i) the New 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 New 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 New 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, 24 March 2026

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
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://evoting.vistra.com) 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 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, 10 April 2026 to Wednesday, 15 April 2026 (both days inclusive). The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be Wednesday, 15 April 2026. 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, 9 April 2026.

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. 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.