

YONGMAO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200510649K)

**INCORPORATION OF JOINT VENTURE COMPANY
– CHANGZHOU TAT HONG ZHAOMAO EQUIPMENT RENTAL CO., LTD.**

The Board of Directors of Yongmao Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that its 38.21%-owned associated company Beijing Tat Hong Equipment Rental Co., Ltd. (“BJTHZM”) and 6.77%-owned investee company, Jiangsu Zhongjian Tat Hong Equipment Rental Co., Ltd. (“ZJTH”) have formed a joint venture company, Changzhou Tat Hong Zhaomao Equipment Rental Co., Ltd. (“CZTH”), in the People’s Republic of China.

CZTH is owned 51% by ZJTH and 49% by BJTHZM, giving the Company an effective interest of 22.17%. The Company’s substantial shareholder, Tat Hong Holdings Ltd (“Tat Hong”) holds the effective interest of 77.53% while Shanghai Zhaomao Construction Machinery Co., Ltd. (“SHZM”) holds the remaining effective interest of 0.3% in CZTH. CZTH has a paid-up capital of RMB400,000 (approximately S\$80,000) and a registered capital of RMB2,000,000 (approximately S\$400,000). The principal activities of CZTH are the rental of plant and machinery for construction, engineering, manufacturing and general use, the erecting, operating, and repairing of plant and machinery for construction and engineering and the purchase and wholesale of plant and machinery.

Mr Sun Zhao Lin and his brother-in-law, Mr Tian Cheng Tian, have equity interest of 60% and 40% respectively in SHZM. Mr Sun Zhao Lin is an Executive Chairman and controlling shareholder of the Company and also a Director of SHZM.

The incorporation of CZTH is not expected to have any material impact on the net tangible assets and earnings per share of the Company and the Group for the financial year ending 31 March 2014.

Save as disclosed above and Mr Ng San Tiong is also an Executive Director of Tat Hong, none of the remaining Directors or controlling shareholders has any, direct or indirect interest (other than through their shareholdings in the Company), in the aforesaid transaction.

By Order of the Board
Yongmao Holdings Limited

Tian Ruo Nan
Executive Director/Chief Executive Officer

21 August 2013