

## YONGMAO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200510649K)

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### INCREASE IN PAID UP SHARE CAPITAL IN JIANGSU ZHONGJIAN TATHONG EQUIPMENT RENTAL CO., LTD. BY 25% OWNED ASSOCIATED COMPANY, TAT HONG ZHAOMAO INVESTMENT CO., LTD., IN THE PEOPLE'S REPUBLIC OF CHINA

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#### 1. Background

The Board of Directors of Yongmao Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) refers to its announcements dated 17 July 2012 and 28 August 2012 in relation to the increase in the registered share capital of Tat Hong Zhaomao Investment Co., Ltd. (“**THZMI**”) in the People’s Republic of China (the “**PRC**”) respectively.

The Company wishes to update that THZMI has injected USD1.6 million (the “**Capital Injection**”) into the paid up share capital of Jiangsu Zhongjian Tathong Equipment Rental Co., Ltd. (“**ZJTH**”) (formerly known as Jiangsu Zhenghe Tat Hong Equipment Rental Co., Ltd.), resulting in THZMI now has an effective interest of 13.8% in ZJTH. The other two shareholders of ZJTH are Tat Hong Equipment (China) Pte Ltd (“**THEC**”) and Shanghai Tat Hong Equipment Rental Co., Ltd. (“**SHTH**”) with a 47.4% and 38.8% effective interest in ZJTH respectively.

THZMI is a 25% owned associated company of the Company and 75% owned subsidiary of THEC, an indirect wholly owned subsidiary of Tat Hong Holdings Ltd (“**Tat Hong**”).

SHTH is a 34.2% owned by THZMI, 64.3% owned by THEC and 1.5% owned by Shanghai Zhaomao Construction Machinery Co., Ltd. (“**SHZM**”), in which Mr Sun Zhao Lin and his brother-in-law, Mr Tian Cheng Tian, have equity interest of 60% and 40% respectively. Mr Sun Zhao Lin is an Executive Chairman of the Company and also a Director of SHZM.

As a result of THZMI's aforesaid investment in ZJTH, the Group's effective interest in ZJTH has increased from 3.9% to 6.8%.

#### 2. Interested Person Transactions under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”)

##### 2.1 Details of the Interested Persons

As at the date of this announcement, Tat Hong holds 23.95% of the issued and paid up share capital of the Company and is therefore, a Controlling Shareholder of the Company. Chwee Cheng & Sons Pte Ltd (“**CCS**”) is deemed to be interested in the shares of the Company by virtue of the shares held by Tat Hong. Mr Ng San Tiong (“**Mr Ng**”), who is a Director of the Company, is a Director and Shareholder of CCS. CCS and Mr Ng are substantial shareholders of Tat Hong. Mr Ng is also an Executive Director of Tat Hong. Accordingly, Tat Hong is an “interested person” of the Company under Chapter 9 of the Listing Manual of the SGX-ST.

##### 2.2 Terms of the Interested Person Transactions

The Capital Injection is an interested person transaction (“**IPT**”) within the meaning of Chapter 9 of the Listing Manual of the SGX-ST. As the IPT (based on the Company's effective interest in the Capital Injection) of approximately USD400,000 (equivalent to approximately RMB2,540,000 based on the exchange rate of RMB6.3499: USD1.00 as at 5 September 2012) represents approximately 0.5% of the Group's 2012 audited net tangible asset of approximately RMB476,473,000 as at 31 March 2012, and the aggregate value of all transactions entered into with the same interested person during the same financial year exceeded 3% but less than 5% of the Group's 2012 latest audited net tangible assets. The Capital Injection will therefore require immediate disclosure to the SGX-ST for the IPT as required under Rule 905 of the Listing Manual of the SGX-ST.

## 2.3 Audit Committee Statement

The Audit Committee of the Company is of the view that the Capital Injection is on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

## 2.4 Total Value of Interested Person Transactions

The total value of the interested person transactions since 1 April 2012 with Tat Hong, Mr Ng and their associates whose transactions are the subject of the announcement (excluding transactions conducted under the Shareholders' Mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST):

No.	Nature of transaction	Announcement Date	Amount (RMB'000)	Aggregate percentage of latest audited NTA (%)
1	Increase in paid up share capital in Shanghai Tat Hong Equipment Rental Co., Ltd.	24 July 2012	1,277	0.3
2	Disposal of Jiangsu Hengxingmao Financial Leasing Co., Ltd.	30 July 2012	16,765	3.5
3	Capital Injection in ZJTH	Current	2,540	0.5
<b>Total</b>			<b>20,582</b>	<b>4.3</b>

Total value of the interested person transactions since 1 April 2012 with Tat Hong, Mr Ng and their associates whose transactions are the subject of the announcement (excluding transactions conducted under the Shareholders' Mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST) not required to comply with Rule 906 per Rule 916 of Chapter 9 of the Listing Manual of the SGX-ST:

Nature of transaction	Announcement Date	Amount (RMB'000)	Aggregate percentage of latest audited NTA (%)
Increase in paid up share capital in Tat Hong Zhaomao Investment Co., Ltd.	17 July 2012 and 28 August 2012	7,396	1.6

As at 31 August 2012, the total value of all interested person transactions for the financial period from 1 April 2012 to 31 August 2012 is as follow:

	Total value of all interested person transactions conducted under the Shareholders' Mandate pursuant to Rule 920 (RMB'000)	Total value of all interested person transactions (RMB'000)
Value of interested person transactions for the financial period from 1 April 2012 to 31 August 2012	101,763	132,809

**3. Rationale for and Benefit of the Capital Injection**

The Capital Injection will enable the Group to continue to expand into the rental of towercranes business in various locations in the PRC.

**4. Intended Use of the Proposed Capital Injection**

ZJTH intends to use the Capital Injection for its working capital.

**5. Interests of Directors and Controlling Shareholders in the Capital Injection**

Save as disclosed above, none of the 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

6 September 2012