

YONGMAO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200510649K)

CORPORATE GUARANTEE FOR TERM LOAN FACILITY PROVIDED TO BEIJING TAT HONG ZHAOMAO EQUIPMENT RENTAL CO., LTD

The Board of Directors of Yongmao Holdings Limited (the “**Company**”) wishes to announce that the Company is a corporate guarantor in respect of a new term loan facility of up to RMB95 million (the “**Term Loan Facility**”) granted by Standard Chartered Bank (“**SCB**”) to Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd (“**BJTHZM**”) pursuant to the facility agreement dated 2 January 2013. BJTHZM is a 38.21% associated company of the Company in the People’s Republic of China. The Term Loan Facility has a tenor of 5 years and is for the purpose of re-financing existing bank facilities.

The Company’s substantial shareholder, Tat Hong Holdings Ltd (“**Tat Hong**”) indirectly owns the remaining 61.79% in BJTHZM. The availability of the Term Loan Facility to BJTHZM is subject to the joint venture partners in BJTHZM, i.e., Tat Hong and the Company, providing their corporate guarantee for the Term Loan Facility in proportion to their effective shareholding in BJTHZM (the “**Guarantee**”). The Company has thus guaranteed its share of up to RMB36.3 million (38.21%) and Tat Hong has guaranteed its share of up to RMB58.7 million (61.79%) of the Term Loan Facility granted by SCB to BJTHZM.

The Guarantee falls within the exception as provided in Rule 916(3) of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited in relation to Interested Persons Transactions, as follows:

- (a) The risks and rewards are in proportion to the equity of each JV Partner. The Guarantee is extended by all JV Partners in proportion to the equity of each JV Partner in accordance with the terms as agreed upon between the two parties;
- (b) The interested person, Tat Hong, does not have an existing equity interest in BJTHZM prior to the participation of the entity at risk (i.e., the Company) in BJTHZM; and
- (c) The Audit Committee of the Company is of the view that the risks and rewards of BJTHZM are in proportion to the equity of each JV Partner and the Guarantee is not prejudicial to the interests of the Company and its minority shareholders;

Save as disclosed above and that Mr Ng San Tiong is also an executive director of Tat Hong, 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

2 January 2013