

**ESTABLISHMENT OF A NEW SINO-FOREIGN EQUITY JOINT VENTURE ENTERPRISE
IN THE PEOPLE'S REPUBLIC OF CHINA ("PRC")**

The Board of Directors of Yongmao Holdings Limited ("Yongmao" or the "Company") wishes to announce that the Company's 45% owned associated company, Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd ("BJTH") has, on August 4, 2009, entered into an Equity Joint Venture Agreement ("EJVA") with Tat Hong Equipment (China) Pte Ltd ("THEC"), a 100% owned subsidiary of Tat Hong Holdings Limited ("Tat Hong"), and Mr. Yuan Zheng to jointly establish a sino-foreign equity joint venture enterprise in the PRC to be named Si Chuan Tat Hong Yuan Zheng Machinery Construction Co., Ltd ("SCTHYZ") for the purpose of engaging in the business of rental of towercranes in the PRC, particularly in the southern and south-western region in the PRC (the "Proposed Transaction"). Pursuant to the EJVA, BJTH, THEC and Mr. Yuan Zheng will hold interests of 45%, 25% and 30% in SCTHYZ, respectively. Mr. Yuan Zheng is the founder and major shareholder of Guangzhou Hailin Resources Co., Ltd ("GZHL"), an established towercrane rental company in southern and south-western region in the PRC, with offices in Hainan, Guangdong, Guangxi, Hubei, Hunan, Yunnan and Chongqing. Mr Yuan Zheng is an independent party and is not related to any director or controlling shareholder (and its associates) of Yongmao.

Under the EJVA, the initial registered capital of SCTHYZ shall be RMB140 million. BJTH and THEC shall pay up its respective equity interests in SCTHYZ by cash, and Mr. Yuan Zheng shall inject the relevant assets comprising towercranes and related finance leases of GZHL into SCTHYZ for his 30% interests in SCTHYZ. Yongmao will fund its share of the cash contribution through BJTH from its internal resources.

Pursuant to the EJVA, BJTH is entitled to appoint three directors (including the chairman) to the Board of SCTHYZ. The EJVA is subject to the satisfactory completion of due diligence and the necessary approvals from the relevant authorities of the PRC.

As the Proposed Transaction involves Tat Hong, a controlling shareholder of Yongmao, the Proposed Transaction would be regarded as an interested person transaction under Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST") (the "Listing Manual").

The Proposed Transaction falls within the exception as provided in Rule 916(2) of Chapter 9 of the Listing Manual as follows:-

- (a) The risks and rewards are in proportion to the equity of each joint venture partner in accordance with the terms as set out in the EJVA;
- (b) The Audit Committee of the Company is of the view that the risks and rewards of SCTHYZ are in proportion to the equity of each joint venture partner and the terms of the EJVA are not prejudicial to the interests of the Company and its minority shareholders; and
- (c) The interested person, Tat Hong, does not have an existing equity interest in SCTHYZ as SCTHYZ is an entity to be established.

The Proposed Transaction is not expected to have any material impact on the Group's earnings per share or net tangible assets for the financial year ending March 31, 2010.

Save as disclosed above and Mr. Ng San Tiong is also an executive director in Tat Hong, none of our directors (and their associates) have any interests, direct or indirect, in the Proposed Transaction.

By Order of the Board
Tian Ruo Nan
Chief Executive Officer
4 August 2009

The initial public offering of the Company's shares was sponsored by CIMB-GK Securities Pte. Ltd. (the "Issue Manager"). The Issue Manager assumes no responsibility for the contents of this announcement.