

YONGMAO HOLDINGS LIMITED
(Company Registration Number: 200510649K)

Establishment of a new Joint Venture enterprise in the People's Republic of China ('PRC')

The Board of Directors of Yongmao Holdings Ltd (the "Company") wishes to announce that the Company via its 100%-owned subsidiary Fushun Yongmao Construction Machinery Co., Ltd ("Fushun Yongmao") has, on 23 July 2008, entered into a joint venture agreement ("JV Agreement") with Wuxi Jushen Crane Co. Ltd (无锡市巨神起重机有限公司 ("WXJS")) to establish a joint venture enterprise in the People's Republic of China ("PRC") to be named Wuxi Yongmao Towercrane Co. Ltd (无锡永茂塔机有限公司 ("WXYM")) for the purpose of engaging in the business of manufacturing towercranes, bridge & gantry cranes, roof top cranes and related construction equipment (the "Business").

Under the terms of the JV Agreement, the registered capital shall be RMB 30 million. Fushun Yongmao and WXJS will hold 80% and 20% of WXYM respectively. As such, Fushun Yongmao shall contribute RMB24 million (80% of company) in cash while WXJS shall contribute RMB6 million (20% of company) worth of assets.

Fushun Yongmao's investment in the joint venture will be funded by its internal resources.

The Board of Directors of the Company believes that this joint venture arrangement will enable the Company to boost its production capacity and thereby cater to the increasing orders. In addition, the joint venture will allow the Company to establish a presence in Eastern China, and consequently strengthen its foothold in the PRC.

The Board expects the joint venture to contribute positively to the Company. However, the contribution is not expected to have a material impact on the net tangible assets and earnings per share of the Company for the financial year ending 31 March 2009.

None of the directors or controlling shareholders has any direct or indirect interest in the aforesaid transaction.

By order of the Board

Executive Director
Tian Ruo Nan
Dated: 23 July 2008