

YONGMAO HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 200510649K)

UPDATE ON THE LEGAL PROCEEDINGS AGAINST SICHUAN TAT HONG YUANZHENG MACHINERY CONSTRUCTION CO., LTD. IN THE PEOPLE'S REPUBLIC OF CHINA

The Board of Directors of Yongmao Holdings Limited (the "Company" and together with its subsidiaries, the "Group") refers to its announcement of 7 February 2012 regarding the conclusion of a legal mediation between the Company's wholly-owned subsidiary, Fushun Yongmao Construction Machinery Co., Ltd. ("FSYM") and Sichuan Tat Hong Yuanzheng Machinery Construction Co., Ltd. ("SCTHYZ") in relation to trade debts of RMB33.6 million owing by SCTHYZ to FSYM pursuant to which the relevant court of the People's Republic of China has given a judgement to FSYM to undertake a public auction of SCTHYZ's assets for the purpose of realising cash proceeds which will go towards settling, inter-alia, the trade debts owing by SCTHYZ to FSYM. The trade debts owing by SCTHYZ to FSYM arose from the sale, by FSYM, of towercranes to SCTHYZ.

The Company wishes to announce that the aforesaid public auction carried out by a court appointed auctioneer has taken place and that the Company's investee company Shanghai Tat Hong Equipment Rental Co., Ltd ("SHTH") had participated in the open bidding for the SCTHYZ assets which comprise mainly towercranes.

The Company has been informed that SHTH's bid of RMB62.7 million for the SCTHYZ assets was accepted by the auctioneer. The SCTHYZ assets had a net book value of about RMB140.0 million.

The consequence of the aforesaid sale by public auction of the SCTHYZ's assets is that SCTHYZ will incur a loss of about RMB77.0 million.

As a result of the above transactions, FSYM will be able to recover the trade debts of RMB33.6 million in full. The effective one-off accounting loss to the Group, after taking into account the breach penalties payable by SCTHYZ to FSYM, is expected to be about RMB3.9 million which will crystallise once the legal transfer of the SCTHYZ assets is effected. This is expected to have a negative impact on the financial results of the Group for the fourth quarter and financial year ending 31 March 2012.

SCTHYZ is a 45.0% owned associated company of Beijing Tat Hong Zhaomao Equipment Rental Co., Ltd. ("BJTHZM") which is a joint venture associated company with Tat Hong Holdings Ltd ("Tat Hong"). The Company has effective interest of 36.5% and 16.4% in BJTHZM and SCTHYZ respectively.

SHTH is a 11.8% investment of Tat Hong Zhaomao Investment Co., Ltd., which is our 25% owned associated company.

Save as disclosed above and Mr Ng San Tiong is also an executive director in 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 matter.

By Order of the Board
Yongmao Holdings Limited

Tian Ruo Nan
Executive Director/Chief Executive Officer

14 February 2012