

CHINA YONGSHENG LIMITED
(Company Registration No: 197302032R)

LETTER OF INTENT FOR DISPOSAL OF SUBSIDIARY

The Board of Directors of China Yongsheng Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Assetgold Finance Limited (“**Assetgold**”) and Suzhou Yongsheng Concrete Co., Ltd (“**SY Concrete**”), both wholly-owned subsidiaries of the Company, have on 23 October 2014 entered into a legally binding letter of intent (the “**LOI**”) with Shanghai Jiangong Construction Material Co., Ltd (“**SJCM**”) and Shanghai Construction Overseas (Holdings) Limited (collectively, the “**Purchasers**”), pursuant to which it is proposed that Assetgold and SY Concrete shall sell their entire equity interest in Suzhou Industrial Park Yongsheng Concrete Co., Ltd (“**SIP Yongsheng**”) to the Purchasers (the “**Disposal**”).

Assetgold and SY Concrete currently hold 25% and 75% respectively of the equity interest in SIP Yongsheng. The consideration for the Disposal (the “**Consideration**”) is intended to be based on the assessed value of SIP Yongsheng’s assets as at 31 October 2014 pursuant to a financial audit and asset valuation of SIP Yongsheng to be carried out by a qualified accounting firm and an asset appraisal firm recognised by the State-owned Assets Supervision and Administration Commission.

Pursuant to the LOI, SJCM shall pay a deposit of RMB 4,000,000 (the “**Deposit**”) to SY Concrete within ten days of the signing of the LOI. The Deposit shall be retained by SY Concrete if the Purchasers terminate the LOI without cause or refuse to enter into a formal sale and purchase agreement. Conversely, if Assetgold and SY Concrete terminate the LOI without cause or refuse to enter into a formal sale and purchase agreement, SY Concrete shall refund the Deposit to SJCM and pay to SJCM an additional amount equivalent to the Deposit. Upon the execution of a formal sale and purchase agreement, the Deposit will form part of the Consideration.

Shareholders should note that the principal terms of the Disposal as set out in the LOI are subject to a formal sale and purchase agreement to be entered into between the parties.

The Company would like to caution Shareholders that at this stage, no definitive agreement has been entered into in relation to the abovementioned subject matter and there is no certainty that any transactions will result from the abovementioned event, or that if they do, it would be on the terms referred to above.

The Company will make further announcements relating to the Disposal at the appropriate time.

By Order of the Board of
China Yongsheng Limited

Sun Jianming
Executive Chairman
23 October 2014

This announcement has been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Exchange. The Company’s Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are:

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