

CHINA YONGSHENG LIMITED

(Company Registration No: 197302032R)
(the “Company”)

PROPOSED DISPOSAL OF SUBSIDIARY – SUPPLEMENTARY AGREEMENT

Reference is made to the announcement dated 10 March 2015 (the “**Announcement**”) relating to the sale and purchase agreement relating to the proposed disposal of 100% equity interest in the Company’s subsidiary, Suzhou Industrial Park Yongsheng Concrete Co., Ltd (“**SIP Yongsheng**”) (the “**Proposed Disposal**”). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement.

Supplementary SPA

The Board of Directors of the Company wishes to announce that the parties to the SPA, namely, Assetgold Finance Limited (“**Assetgold**”) and Suzhou Yongsheng Concrete Co., Ltd (“**SY Concrete**”) (collectively, the “**Vendors**”), and Shanghai Jiangong Construction Material Co., Ltd (“**Shanghai Jiangong**”) and Shanghai Construction Overseas (Holdings) Limited (“**Shanghai Construction**”) (collectively, the “**Purchasers**”) have entered into a supplementary agreement dated 30 April 2015 (the “**Supplementary SPA**”), pursuant to which the parties agreed to, *inter alia*, the following:

- (a) pursuant to the SPA, during the period commencing 31 October 2014, being the base date of the assets evaluation, until completion (the “**Transitional Period**”), any profits or losses incurred by SIP Yongsheng shall be for the account of the Vendors. Based on the SIP Yongsheng Auditing Report issued by Shanghai Zhong Jia Yong Xin Certified Public Accountants Co., Ltd. on 15 April 2015, the losses incurred by SIP Yongsheng in the Transitional Period is RMB 6,773,077. The consideration for the Transfer shall hence be adjusted from RMB 36,849,401 to RMB 30,076,324 (the “**Adjusted Consideration**”);
- (b) accordingly, the Adjusted Consideration shall be payable as follows:
 - (i) Shanghai Jiangong has paid RMB 23,952,111 (including the deposit of RMB 4,000,000 paid on 24 October 2014 subsequent to the signing of the letter of intent), being approximately 65% of the original consideration, to SY Concrete. Within 7 working days of the date the signing of the Supplementary SPA, SY Concrete shall refund the amount of RMB 4,402,500 to Shanghai Jiangong;
 - (ii) Shanghai Construction shall pay 25% of the Adjusted Consideration equal to RMB 7,519,081 to Assetgold within 7 working days of the date the change of registration in administration for industry and commerce in respect of the Proposed Disposal has been duly completed and SIP Yongsheng has obtained the new business license; and
 - (iii) Shanghai Jiangong shall pay 10% of the Adjusted Consideration equal to RMB3,007,632 in cash to SY Concrete within 7 working days after SY Concrete completes the transfer of Existing Credits and Debts (as defined in the SPA) in accordance with the terms of the SPA; and
- (c) all the equity interests held by SY Concrete and Assetgold in SIP Yongsheng and the rights attached to such equity interests (including but not limited to the property right, voting right, personnel right, right to know and other rights), obligations and liabilities have been respectively transferred to Shanghai Jiangong and Shanghai Construction on 1 April 2015 and the date of completion of the Transfer is deemed to be 1 April 2015.

Gain from the Proposed Disposal

The Adjusted Consideration of RMB 30,076,324 represents an excess of approximately RMB 7,700,000 over the unaudited net asset value of the Disposal Shares as at 31 March 2015. The amount of gain from the Proposed Disposal is estimated to be approximately RMB 7.7 million before taking into account the associated costs related to the Proposed Disposal.

Relative Figures Computed on the Bases set out in Rule 1006 of the Catalist Rules

Taking into account the Supplementary SPA and based on the audited consolidated financial statements of the Company for the financial period ended 31 December 2014 ("**Audited FY2014 Results**"), the relative figures computed on the relevant bases set out in Rule 1006(a) and Rule 1006(b) of the Catalist Rules in respect of the Proposed Disposal remain unchanged at 6% and 2% respectively. The relative figure computed on the relevant base set out in Rule 1006(c) of the Catalist Rules in respect of the Proposed Disposal decreased from 24%⁽¹⁾ to 23%⁽²⁾

Notes:

- (1) Based on computations set out in the 10 March 2015 Announcement.
- (2) The weighted average price for trades done on SGX-ST on 29 April 2015 being the last market day immediately preceding the date of this announcement is S\$0.017. The number of shares of the Company in issue is 1,663,900,000. Market capitalisation is determined by taking the weighted average price multiplied by 1,663,900,000 shares in issue. Foreign Exchange Rate used in this Announcement is as at 29 April 2015: 1 S\$ = 4.6992 RMB.

Accordingly, the Proposed Disposal remains as a "discloseable transaction" under Chapter 10 of the Catalist Rules and is not conditional upon shareholders' approval.

Financial Effects of the Proposed Disposal

The Supplementary SPA has no material impact on the financial effects of the Proposed Disposal on the consolidated NTA of the Group.

Taking into account the Supplementary SPA, assuming that the Proposed Disposal had been completed on 1 January 2014 and based on the Audited FY2014 Results, the financial effects of the Proposed Disposal on the consolidated EPS of the Group are such that the EPS will increase from approximately RMB 0.8 cents to RMB 1.1 cents (instead of RMB 1.6 cents as set out in the Announcement).

By Order of the Board of
China Yongsheng Limited

Sun Jianming
Executive Chairman
30 April 2015

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.

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