



CHINA YONGSHENG LIMITED

Company Registration No. 197302032R

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting ("AGM") of the Company will be held at Orchard Hotel, 442 Orchard Road, Singapore 238879 on Thursday, 2 April 2015 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

- To receive and adopt the Audited Accounts for the financial year ended 31 December 2014 together with the Reports of the Directors and the Auditors of the Company. **(Resolution 1)**
- To re-elect Mr Sun Jianming who is retiring under Article 102 of the Company's Articles of Association. **(Resolution 2)**
- To re-elect Mr Bernard Tay Ah Kong who is retiring under Article 102 of the Company's Articles of Association.
Mr Bernard Tay Ah Kong will, upon re-election as a Director of the Company, remain a Non-Executive and Independent Director of the Company as well as the Chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nominating Committee and will be considered independent of Management. **(Resolution 3)**
- To consider and, if thought fit, pass the following resolution:
"That Mr Sun Jinnan, who is above 70 years of age and whose office as Director shall be vacant at the conclusion of this AGM in accordance with section 153(2) of the Companies Act, Cap 50 ("Act") be and is hereby re-appointed as a Director of the Company to hold office until the next AGM." **(Resolution 4)**
- To consider and, if thought fit, pass the following resolution:
"That Mr Frank Liu, who is above 70 years of age and whose office as Director shall be vacant at the conclusion of this AGM in accordance with section 153(2) of the Act be and is hereby re-appointed as a Director of the Company to hold office until the next AGM."
Mr Frank Liu will, upon re-appointment as a Director of the Company, remain a Non-Executive and Independent Director of the Company as well as the Chairman of the Nominating Committee, a member of the Audit Committee and a member of the Remuneration Committee and will be considered independent of Management. **(Resolution 5)**
- To consider and, if thought fit, pass the following resolution:
"That Mr Tan Gim Soo, who is above 70 years of age and whose office as Director shall be vacant at the conclusion of this AGM in accordance with section 153(2) of the Act be and is hereby re-appointed as a Director of the Company to hold office until the next AGM."
Mr Tan Gim Soo will, upon re-appointment as a Director of the Company, remain a Non-Executive and Independent Director of the Company as well as the Chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nominating Committee and will be considered independent of Management. **(Resolution 6)**
- To approve the Directors' fees of S\$400,000 (year ended 31 December 2014 : S\$400,000) payable to the Independent Directors of the Company for the financial year ending 31 December 2015. **(Resolution 7)**
- To re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
- To transact any other business that may be transacted at an AGM.

SPECIAL BUSINESS

- To consider and, if thought fit, pass the following ordinary resolution with or without any modifications:
"That pursuant to Section 161 of the Act and the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual ("Catalist Rules"), the Directors of the Company ("Directors") be authorised and empowered to:
(a) (i) issue Shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or
(ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require Shares to be issued, including but not limited to the creation or issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,
at any time and upon such terms and conditions, for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuant to any Instruments made or granted by the Directors while this Resolution was in force,
provided always that:
(I) the aggregate number of Shares (including shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to the Shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below);
(II) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (I) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the Company at the time of the passing of this Resolution, after adjusting for:
(i) new Shares arising from the conversion or exercise of any convertible securities;
(ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
(iii) any subsequent bonus issue, consolidation or subdivision of Shares;
(III) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
(IV) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held whichever is the earlier."
[See Explanation Note (i)] **(Resolution 9)**
- To consider and, if thought fit, pass the following ordinary resolution with or without any modifications:
"That the Directors be and are hereby authorised to offer and grant Options in accordance with the provisions of the China Yongsheng Employee Share Option Scheme ("Scheme") pursuant to section 161 of the Act, to allot and issue and/or transfer from time to time such number of fully paid-up Shares in the capital of the Company as may be required to be issued and/or transferred pursuant to the exercise of the Options under the Scheme, provided that the aggregate number of Shares available under the Scheme when added to the number of new Shares issued and/or issuable and/or existing Shares transferred and/or transferrable in respect of all Options granted under the Scheme and any other share scheme which the Company may implement from time to time, will not exceed 15% of the total issued Shares in the capital of the Company (excluding treasury shares)."
[See Explanation Note (ii)] **(Resolution 10)**
- To consider and, if thought fit, pass the following ordinary resolution with or without any modifications:
"That, subject to and contingent upon the passing of ordinary resolution 10, the Directors be and are hereby authorised to grant Options in accordance with the rules of the Scheme with exercise prices set at a discount to the Market Price (as defined below), provided that such discount does not exceed the relevant limits set by the SGX-ST.
In this notice, "Market Price" is defined to be the average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date of the Option, provided always that in the event that Shares are not traded on the SGX-ST on a particular Market Day, the last dealt price for Shares traded on the SGX-ST on the immediate preceding Market Day shall be deemed as the last dealt price of Shares which are not traded on the SGX-ST on a following Market Day."
[See Explanation Note (iii)] **(Resolution 11)**

By Order of the Board

Ong Beng Hong/Tan Swee Gek (Company Secretaries)
18 March 2015

Explanatory Notes:

- The Ordinary Resolution 9 in item 10 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to Shareholders.
For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares) will be calculated based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.
- The Ordinary Resolution 10 proposed under item 11 above, if passed, will authorise the Directors to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Act to allot and issue Shares in the Company up to a number not exceeding 15% of the total issued Shares in the capital of the Company (excluding treasury shares). The Scheme was first approved by the Shareholders of the Company in the Extraordinary General Meeting held on 29 April 2011. Please refer to the Company's Circular to Shareholders dated 11 April 2011 for further details.
- The Ordinary Resolution 11 proposed under item 12 above, if passed, will authorise the Directors to grant options in accordance with the rules of the Scheme with exercise prices set at a discount to the Market Price, the quantum of such discount to be determined by the Remuneration Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any Option shall not exceed 20% of the Market Price (or such other percentage or amount prescribed or permitted by the SGX-ST). Please refer to the Company's Circular to Shareholders dated 11 April 2011 for further details.

Notes:

- A member entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #17-02, Singapore 068898 at least 48 hours before the time fixed for the AGM.
- This notice has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this notice.
This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.
The details of the contact person for the Sponsor are:
Name: Mr Tan Chong Huat (Registered Professional, RHT Capital Pte. Ltd.)
Address: Six Battery Road #10-01, Singapore 049909 Tel: 6381 6757

Personal Data Privacy: By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.