

China Yongsheng Limited
(Incorporated in Singapore under Registration No. 197302032R)

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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:

Name: Mr Tan Chong Huat (Registered Professional, RHT Capital Pte. Ltd.)
Address: Six Battery Road #10-01 Singapore 049909
Telephone: 6381 6757

China Yongsheng Limited
(Incorporated in Singapore under Registration No. 197302032R)

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2014

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3) AND FULL YEAR RESULTS

1(a) Consolidated statement of comprehensive income for China Yongsheng Limited (the “Company”) and its subsidiaries (the “Group”), together with comparative statement for the corresponding period of the immediately preceding financial year.

	Group Third quarter ended				Group 9 months period ended			
	30 September 2014 Rmb'000	30 September 2013 Rmb'000	Increase / (decrease)		30 September 2014 Rmb'000	30 September 2013 Rmb'000	Increase / (decrease)	
			Rmb'000	%			Rmb'000	%
Revenue	167,131	190,522	(23,391)	(12)	490,684	502,182	(11,498)	(2)
Cost of sales	(138,739)	(173,726)	(34,987)	(20)	(431,973)	(464,089)	(32,116)	(7)
Gross profit	28,392	16,796	11,596	69	58,711	38,093	20,618	54
Other operating income	1,949	603	1,346	223	4,668	2,323	2,345	101
Selling and distribution expenses	(2,906)	(3,782)	(876)	(23)	(9,295)	(12,155)	(2,860)	(24)
General and administrative expenses	(8,062)	(7,595)	467	6	(22,819)	(26,533)	(3,714)	(14)
Other operating expenses	(308)	(768)	(460)	(60)	(1,064)	(1,904)	(840)	(44)
Share of (loss)/profit of associate	(210)	(189)	21	11	965	(62)	1,027	N.M.
Finance income	10,399	4,192	6,207	148	15,422	11,717	3,705	32
Finance expenses	(4,137)	(4,688)	(551)	(12)	(14,258)	(13,966)	292	2
Profit/(Loss) before income tax	25,117	4,569	20,548	450	32,330	(2,487)	34,817	N.M.
Income tax expense								
- current year	(4,959)	(2,639)	2,320	88	(8,899)	(5,277)	3,622	69
- prior years	(15)	-	15	N.M.	(15)	1	16	N.M.
Profit/(Loss) for the period, representing total comprehensive income for the period	20,143	1,930	18,213	944	23,416	(7,763)	31,179	N.M.

The Group's profit/(loss) before income tax is arrived at after charging/(crediting) the following:

	Group		Group	
	Third quarter ended		9 months period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Depreciation of property, plant and equipment	4,316	4,466	13,021	13,825
Loss/(Gain) on disposal of property, plant and equipment	6	15	62	(228)
Property, plant and equipment written off	-	-	51	124
Amortisation of land use rights	46	46	138	138
Net allowance for doubtful debts/Bad debts written off	682	130	3,117	1,579
Foreign currency exchange loss/(gain)	16	7	(109)	(34)
Allowance for inventory obsolescence	-	-	-	460

Note:

N.M. – Not Meaningful

1(b)(i) Statements of financial position for the Group and the Company, together with comparative statements as at the end of the immediately preceding financial year

	Group		Company	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Non-current assets				
Property, plant and equipment	103,304	116,067	16	23
Land use rights	6,987	7,125	-	-
Subsidiaries	-	-	236,112	236,112
Due from a subsidiary (non-trade)	-	-	98,694	98,926
Associate	4,633	3,668	-	-
Deferred tax assets	10,889	10,889	-	-
	<u>125,813</u>	<u>137,749</u>	<u>334,822</u>	<u>335,061</u>
Current assets				
Inventories	3,846	4,346	-	-
Trade and other receivables	821,380	903,689	11,228	10,617
Cash and cash equivalents	72,889	83,053	777	415
	<u>898,115</u>	<u>991,088</u>	<u>12,005</u>	<u>11,032</u>
Assets classified as held for sale	22,675	22,675	-	-
	<u>920,790</u>	<u>1,013,763</u>	<u>12,005</u>	<u>11,032</u>
Total assets	<u><u>1,046,603</u></u>	<u><u>1,151,512</u></u>	<u><u>346,827</u></u>	<u><u>346,093</u></u>

	Group		Company	
	30 September 2014 Rmb'000	31 December 2013 Rmb'000	30 September 2014 Rmb'000	31 December 2013 Rmb'000
Capital and reserves				
Share capital	182,405	182,405	653,285	653,285
Reserves	74,297	74,297	-	-
Accumulated profits/(losses)	135,736	112,320	(308,183)	(308,530)
Total equity	<u>392,438</u>	<u>369,022</u>	<u>345,102</u>	<u>344,755</u>
Non-current liability				
Mortgage loans	<u>1,190</u>	<u>6,747</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	407,501	527,471	1,725	1,338
Short-term bank borrowings	219,535	218,850	-	-
Mortgage loans	8,625	15,152	-	-
Income tax payable	9,027	5,983	-	-
	<u>644,688</u>	<u>767,456</u>	<u>1,725</u>	<u>1,338</u>
Liabilities directly associated with assets classified as held for sale	<u>8,287</u>	<u>8,287</u>	<u>-</u>	<u>-</u>
	<u>652,975</u>	<u>775,743</u>	<u>1,725</u>	<u>1,338</u>
Total liabilities	<u>654,165</u>	<u>782,490</u>	<u>1,725</u>	<u>1,338</u>
Total equity and liabilities	<u>1,046,603</u>	<u>1,151,512</u>	<u>346,827</u>	<u>346,093</u>

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

	As at 30 September 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Amount repayable in one year or less, or on demand				
Mortgage loans	8,625	-	15,152	-
Short-term bank borrowings and bills payables	297,435	-	326,575	-
	<u>306,060</u>	<u>-</u>	<u>341,727</u>	<u>-</u>
Amount repayable after one year				
Mortgage loans	<u>1,190</u>	<u>-</u>	<u>6,747</u>	<u>-</u>

Details of any collateral:

Mortgage loans, short-term bank borrowings and bills payables are secured by property, plant and equipment, land use rights and bank balances pledged by certain subsidiaries, and guarantees of certain directors, related parties and a non-related party.

1(c) Consolidated statement of cash flows for the Group, together with comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	Third quarter ended		9 months period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Operating activities				
Profit/(Loss) before income tax	25,117	4,569	32,330	(2,487)
Adjustments for:				
Depreciation of property, plant and equipment	4,316	4,466	13,021	13,825
Loss/(Gain) on disposal of property, plant and equipment	6	15	62	(228)
Property, plant and equipment written off	-	-	51	124
Amortisation of land use rights	46	46	138	138
Allowance for impairment loss on trade receivables/Bad debts written off	682	130	3,117	1,347
Allowance for impairment loss on other receivables/Bad debts written off	-	-	-	232
Allowance for inventories	-	-	-	460
Share of loss/(profit) of associate	210	189	(965)	62
Finance income	(10,399)	(4,192)	(15,422)	(11,717)
Finance expenses	4,137	4,688	14,258	13,966
Operating cash flows before movements in working capital	24,115	9,911	46,590	15,722
Trade and other receivables	76,301	30,744	93,208	31,639
Inventories	744	197	500	1,220
Trade and other payables	(46,405)	15,577	(120,354)	18,748
Cash generated from operations	54,755	56,429	19,944	67,329
Income tax paid	(3,077)	(2,755)	(5,870)	(4,693)
Net cash from operating activities	51,678	53,674	14,074	62,636

	Group		Group	
	Third quarter ended		9 months period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Investing activities				
Purchase of property, plant and equipment	(99)	(2,284)	(429)	(5,963)
Proceeds from disposal of property, plant and equipment	22	30	74	1,466
Amount received from the intended sale of a subsidiary	-	300	-	3,545
Interest received	239	147	914	1,016
Net cash from/(used in) investing activities	<u>162</u>	<u>(1,807)</u>	<u>559</u>	<u>64</u>
Financing activities				
Mortgage loan repayments	(3,418)	(4,137)	(12,084)	(12,183)
Loan from related party	-	-	-	12,000
Repayment of loans from related party	-	-	-	(12,000)
Repayments of short-term bank borrowings	(53,600)	(32,782)	(263,750)	(298,062)
Proceeds from short-term bank borrowings	21,749	27,150	264,528	272,062
Interest paid	(3,999)	(4,598)	(13,491)	(12,909)
(Increase)/Decrease in pledged bank balances	(12,253)	(15,721)	14,678	24,038
Net cash used in financing activities	<u>(51,521)</u>	<u>(30,088)</u>	<u>(10,119)</u>	<u>(27,054)</u>
Net increase in cash and cash equivalents	319	21,779	4,514	35,646
Cash and cash equivalents at beginning of the period	<u>25,138</u>	<u>20,813</u>	<u>20,943</u>	<u>6,946</u>
Cash and cash equivalents at end of the period	<u>25,457</u>	<u>42,592</u>	<u>25,457</u>	<u>42,592</u>
Cash and cash equivalents include:				
Cash at bank and on hand	72,889	93,044	72,889	93,044
Assets classified as held for sale	23	23	23	23
Pledged bank balances	(47,455)	(50,475)	(47,455)	(50,475)
	<u>25,457</u>	<u>42,592</u>	<u>25,457</u>	<u>42,592</u>

1(d)(i) Statements for the Group and the Company showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital Rmb'000	Reserves Rmb'000	Accumulated profits Rmb'000	Total equity Rmb'000
<u>Group</u>				
At 1 January 2013	182,405	69,838	112,578	364,821
Loss for the period, representing total comprehensive income for the period	-	-	(7,763)	(7,763)
At 30 September 2013	182,405	69,838	104,815	357,058
At 1 January 2014	182,405	74,297	112,320	369,022
Profit for the period, representing total comprehensive income for the period	-	-	23,416	23,416
At 30 September 2014	182,405	74,297	135,736	392,438
	Share capital Rmb'000	Accumulated losses Rmb'000	Total equity Rmb'000	
<u>Company</u>				
At 1 January 2013	653,285	(301,099)	352,186	
Loss for the period, representing total comprehensive income for the period	-	(5,932)	(5,932)	
At 30 September 2013	653,285	(307,031)	346,254	
At 1 January 2014	653,285	(308,530)	344,755	
Profit for the period, representing total comprehensive income for the period	-	347	347	
At 30 September 2014	653,285	(308,183)	345,102	

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not issue any new capital during the financial period ended 30 September 2014.

There are no outstanding convertibles or treasury shares as at 30 September 2014 and 30 September 2013 respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company did not hold any treasury shares as at the end of the current financial period reported on and as at the end of the immediately preceding financial year. The total number of issued shares of the Company as at 30 September 2014 and as at 31 December 2013 is 1,663,900,000.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in section 5 below, the Group has adopted the same accounting policies and methods of computation for the current financial period ended 30 September 2014 as compared with the audited consolidated financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted various new/revised Financial Reporting Standards (FRS) and Interpretations of FRSs (INT FRSs) which took effect for the financial year beginning on 1 January 2014. The adoption of these new/revised FRS and INT FRSs did not result in any significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group Third quarter ended		Group 9 months period ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	Rmb	Rmb	Rmb	Rmb
(a) Based on weighted average number of ordinary shares (cents/share)	1.21	0.12	1.41	(0.47)
(b) Based on fully diluted basis (cents/share)	1.21	0.12	1.41	(0.47)
Weighted average number of shares ('000) in issue used for calculation of earnings per share	1,663,900	1,663,900	1,663,900	1,663,900

Earnings per share is calculated based on the Group's profit/(loss) for the period attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial period.

The Group does not have any potential dilutive ordinary shares in existence for the financial periods ended 30 September 2014 and 30 September 2013.

7. **Net asset value for the Group and the Company per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
- (b) **immediately preceding financial year.**

	Group		Company	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	Rmb	Rmb	Rmb	Rmb
Net asset value per ordinary share based on issued share capital as at the end of the period (cents/share)	23.59	22.18	20.74	20.72
Number of shares in issue as at end of the period ('000)	1,663,900	1,663,900	1,663,900	1,663,900

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Performance – 3rd Quarter of FY2014

Revenue

Revenue decreased from Rmb190.5 million in the third quarter of FY2013 to Rmb167.1 million in the third quarter of FY2014 mainly due to lower construction activities experienced in this quarter.

Cost of sales

Cost of sales decreased from Rmb173.7 million in the third quarter of FY2013 to Rmb138.7 million in the third quarter of FY2014, mainly in line with the decrease in revenue.

Gross profit

Gross profit increased from Rmb16.8 million in the third quarter of FY2013 to Rmb28.4 million in the third quarter of FY2014 mainly due to higher gross profit margin resulting from the increase in average unit selling price of concrete sales and the decrease in average unit cost of production.

Other operating income

Other operating income increased from Rmb0.6 million in the third quarter of FY2013 to Rmb1.9 million in the third quarter of FY2014 mainly due to higher compensation received from customers for late payment of debts.

Selling and distribution expenses

Selling and distribution expenses decreased from Rmb3.8 million in the third quarter of FY2013 to Rmb2.9 million in the third quarter of FY2014 mainly due to lower marketing expenses incurred during the period.

Other operating expenses

Other operating expenses decreased from Rmb0.8 million in the third quarter of FY2013 to Rmb0.3 million in the third quarter of FY2014 mainly due to absence of workmen benefits in this quarter.

Share of loss of associate

The increase in share of loss of associate was due to higher losses reported by the associate.

Finance income

The effect of the discounting of trade receivables which are contractually collectible after one year is debited against revenue whereas the subsequent unwinding effect of discounting is recognised as finance income. Finance income increased from Rmb4.2 million in the third quarter of FY2013 to Rmb10.4 million in the third quarter of FY2014 mainly due to higher unwinding effect of the discounting in the third quarter of FY2014.

Finance expenses

Finance expenses decreased from Rmb4.7 million in the third quarter of FY2013 to Rmb4.1 million in the third quarter of FY2014 mainly due to lower interest expenses from reduced mortgage loans in this quarter.

Income tax expense

Income tax expense of Rmb5.0 million incurred in the third quarter of FY2014 was mainly attributable to taxable income generated by profitable subsidiaries.

Review of Performance – 9 months period ended 30 September 2014

Gross profit

Gross profit increased from Rmb38.1 million in the 9 months period ended 30 September 2013 to Rmb58.7 million in the 9 months period ended 30 September 2014 mainly due to higher gross profit margin resulting from the increase in average unit selling price of concrete sales being greater than the increase in average unit cost of production.

Other operating income

Other operating income increased from Rmb2.3 million in the 9 months period ended 30 September 2013 to Rmb4.7 million in the 9 months period ended 30 September 2014 mainly due to higher compensation received from customers for late payment of debts.

Selling and distribution expenses

Selling and distribution expenses decreased from Rmb12.2 million in the 9 months period ended 30 September 2013 to Rmb9.3 million in the 9 months period ended 30 September 2014 mainly due to lower marketing expenses incurred during the period.

General and administrative expenses

General and administrative expenses decreased from Rmb26.5 million in the 9 months period ended 30 September 2013 to Rmb22.8 million in the 9 months period ended 30 September 2014 mainly due to lower personnel costs.

Other operating expenses

Other operating expenses decreased from Rmb1.9 million in the 9 months period ended 30 September 2013 to Rmb1.1 million in the 9 months period ended 30 September 2014 mainly due to absence of allowance for inventory obsolescence.

Finance income

The effect of the discounting of trade receivables which are contractually collectible after one year is debited against revenue whereas the subsequent unwinding effect of discounting is recognised as finance income. Finance income increased from Rmb11.7 million in the 9 months period ended 30 September 2013 to Rmb15.4 million in the 9 months period ended 30 September 2014 mainly due to higher unwinding effect of the discounting in the period.

Income tax expense

Income tax expense of Rmb8.9 million incurred in the 9 months period ended 30 September 2014 was mainly attributable to taxable income generated by profitable subsidiaries.

Review of Financial Position

Property, plant and equipment decreased from Rmb116.1 million as at 31 December 2013 to Rmb103.3 million as at 30 September 2014 mainly due to depreciation for the period.

Investment in associate increased from Rmb3.7 million as at 31 December 2013 to Rmb4.6 million as at 30 September 2014 due to recognition of share of profit of associate.

Inventories decreased from Rmb4.3 million as at 31 December 2013 to Rmb3.8 million as at 30 September 2014 mainly due to decrease in raw materials prices.

Mortgage loans decreased from Rmb21.9 million as at 31 December 2013 to Rmb9.8 million as at 30 September 2014 due to repayment made during the period.

Trade and other payables decreased from Rmb527.5 million as at 31 December 2013 to Rmb407.5 million as at 30 September 2014 mainly due to decrease in trade payables.

Income tax payable increased from Rmb6.0 million as at 31 December 2013 to Rmb9.0 million as at 30 September 2014 mainly due to tax provisions being made.

Review of Cash Flows

The Group reported positive cash flows from operating activities of Rmb51.7 million in the third quarter of FY2014 mainly due to movements in working capital, where the decrease in trade and other receivables is greater than the decrease in trade and other payables.

Cash flows from investing activities in the third quarter of FY2014 amounting to Rmb0.2 million were mainly attributable to interest received which was partially offset by purchase of property, plant and equipment during the period.

Cash flows used in financing activities in the third quarter of FY2014 amounting to Rmb51.5 million were mainly attributable to net repayments of short-term bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to the shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues to operate in a challenging and competitive environment amidst the continuing weaknesses in the building and housing industries in the PRC.

The Company has announced on 23 October 2014 that the Board has received a formal proposal (the "Proposal") from an entity related to certain executive directors of the Company that may result in the delisting of the Company. The Board is currently considering the terms of the Proposal and no decision has been reached by the Board on any possible transaction as yet, accordingly there is no certainty as to whether a possible transaction will take place pursuant to the Proposal.

The Company has also announced on 23 October 2014 that Assetgold Finance Limited ("Assetgold") and Suzhou Yongsheng Concrete Co., Ltd ("SY Concrete"), both wholly-owned subsidiaries of the Company, have 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"). 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.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared during the current financial period reported on?

Nil

(b) Corresponding period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

(c) Date Payable.

Not applicable.

(d) Book closure date.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended.

13. Interested Person Transactions (“IPT”)

If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The aggregate value of transactions entered into by the Group with interested persons and their affiliates, as defined in the SGX Listing Manual, are as follows:

	Aggregate value of all transactions (excluding transactions less than S\$100,000 and conducted under a shareholders’ mandate pursuant to Rule 920) 9 months period ended 30 September 2014 Rmb’000	Aggregate value of all transactions conducted under a shareholders’ mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000) 9 months period ended 30 September 2014 Rmb’000
Interested Persons (“IP”)		
Suzhou Lingyun Concrete Co., Ltd (“Lingyun”)	338	-
Suzhou Huaqing Co., Ltd (“Huaqing”)	324	-

Transactions between the Group and Lingyun or Huaqing are deemed to be transactions between the Group with the same interested person as Huaqing owns 57.55% interest in Lingyun.

The Group does not have any general mandate from shareholders for the current financial period pursuant to Rule 920.

Confirmation By The Board

We, Sun Jianming and Zhao Deming, being two Directors of China Yongsheng Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 9 months period ended 30 September 2014 as set out above to be false or misleading in any material aspect.

For and on behalf of the Board

Sun Jianming

Zhao Deming