



CHINA YONGSHENG LIMITED

(Incorporated in the Republic of Singapore) (Company Registration No: 197302032R)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting ("AGM") of the Company will be held at Orchard Hotel, 442 Orchard Road, Singapore 238879 on Thursday, 28 April 2016 at 10.00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Accounts for the financial year ended 31 December 2015 together with the Directors' Statement and the Auditors' Report of the Company. **(Resolution 1)**
2. To re-elect Mr Zhao Lei who is retiring under Article 102 of the Company's Constitution. **(Resolution 2)**
3. To re-elect Mr Low Beng Tin who is retiring under Article 102 of the Company's Constitution. **(Resolution 3)**
Mr Low Beng Tin will, upon re-election as a Director of the Company, remain the Lead Independent Director of the Company as well as a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nominating Committee and will be considered independent of Management.
4. To re-appoint Mr Sun Jinnan as a Director of the Company. [See Explanation Note (i)] **(Resolution 4)**
5. To re-appoint Mr Frank Liu as a Director of the Company. **(Resolution 5)**
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. [See Explanation Note (i)]
6. To re-appoint Mr Tan Gim Soo as a Director of the Company. **(Resolution 6)**
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. [See Explanation Note (i)]
7. To approve the Directors' fees of S\$400,000 (financial year ended 31 December 2015: S\$400,000) payable to the Independent Directors of the Company for the financial year ending 31 December 2016. **(Resolution 7)**
8. To re-appoint Deloitte & Touche LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**
9. To transact any other business that may be transacted at an AGM.

SPECIAL BUSINESS

10. To consider and, if thought fit, pass the following ordinary resolution with or without any modifications: **(Resolution 9)**
"That pursuant to Section 161 of the Companies Act (Cap. 50 of Singapore) ("**Act**") and the Rules of Catalyst 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 Catalyst Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution 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 (iii)]
11. To consider and, if thought fit, pass the following ordinary resolution with or without any modifications: **(Resolution 10)**
"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 (iii)]
12. To consider and, if thought fit, pass the following ordinary resolution with or without any modifications: **(Resolution 11)**
"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 (iv)]

By Order of the Board

Ong Beng Hong/Tan Swee Gek Company Secretaries 28 March 2016

Explanation Notes:

- i. Each of Mr Sun Jinnan, Mr Frank Liu and Mr Tan Gim Soo was last re-appointed to the Board at the AGM of the Company held on 2 April 2015 pursuant to section 153(6) of the Act which was in force immediately before 3 January 2016. Pursuant to section 153(6) of the Act, such re-appointment was until the next AGM. Accordingly, as the appointment of each of Mr Sun Jinnan, Mr Frank Liu and Mr Tan Gim Soo lapses at the forthcoming AGM of the Company, each of Mr Sun Jinnan, Mr Frank Liu and Mr Tan Gim Soo is subject to re-appointment at the forthcoming AGM of the Company. Subject to each of their re-appointment at the conclusion of the forthcoming AGM of the Company, the re-appointment of Mr Sun Jinnan, Mr Frank Liu and Mr Tan Gim Soo will no longer be subject to Shareholders' approval under section 153(6) of the Act as it has been repealed and each of them will then be subject to retirement by rotation pursuant to the Company's Constitution.
- ii. 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.
- iii. 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.
- iv. 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:

- 1) (a) A member who is not a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
(b) A member who is a relevant intermediary (as defined in Section 181 of the Act) is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- 2) A proxy need not be a member of the Company.
- 3) 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.
- 4) 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.
- 5) A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the AGM unless his name appears on the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289) 72 hours before the time fixed for the AGM.
- 6) This notice has been reviewed by the Company's Sponsor, Provenance 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: Ms Wong Bee Eng, Chief Executive Officer
Address: 96 Robinson Road, #13-01, SIF Building, Singapore 068899 Tel: 6227 1580 Email: wongbe@provenancecapital.com

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.