YONGSHENG CAPITAL INC.
Management's Discussion and Analysis
Six Months Ended May 31, 2024

The following discussion and analysis of the results of operations and financial condition ("MD&A") for YongSheng Capital Inc. ("the Company") should be read in conjunction with the unaudited interim financial statements for the six months ended May 31, 2024 and the audited financial statements for the year ended November 30, 2023 and related notes thereto. The financial information in this MD&A is derived from the Company's interim financial statements for the six months ended May 31, 2024 prepared in accordance with IFRS (International Financial Reporting Standards). These interim financial statements have been prepared by management and have not been reviewed by the Company's external auditors. The effective date of this MD&A is July 30, 2024.

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. Such statements reflect the current belief of the management of the Company, and are based on currently available information. Accordingly, such statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

DESCRIPTION OF BUSINESS

Yongsheng Capital Inc. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations on March 3, 2011. The head office, principal address and registered and records office of the Company are located at 7th Floor, 595 Burrard Street, Vancouver, BC, V7X 1S8, Canada. The Company is a capital pool company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange ("TSX Venture" or the "Exchange"). The principal business of the Company is the identification and evaluation of assets or business with a view of completing a Qualifying Transaction ("QT").

As a CPC, the principal business of the Company is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction under Exchange rules and policies. Until completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. The Company is actively engaged in the search for a suitable Qualifying Transaction.

On April 20, 2012, the Company announced that, it successfully completed its initial public offering (the "IPO") of 2,000,000 common shares in the capital of the Company at a price of $0.10 per common share for gross proceeds of $200,000 (the "Proceeds"), and commenced trading on the TSX-V under the symbol YSC.P. The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds or $210,000, whichever is less, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company as defined under the policies of TSX Venture Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

Pursuant to the policy 2.4 of the TSX Venture Exchange (the "TSXV"), effective at the opening on July 22, 2014, the Company's listing was transferred to the NEX Board of TSX Venture Exchange and trading was reinstated in the securities of the Company due to the Company's failure to complete a Qualifying Transaction within the time period allotted by the TSXV policies. The trading symbol for the Company changed from YSC.P to YSC.H. There is no change in the Company's name, no change in its CUSIP number and no consolidation of capital. The symbol extension differentiates NEX symbols from Tier 1 or Tier 2 symbols within the TSX Venture market. In connection with the transfer to NEX, 2,850,000 escrowed shares of the Company have been cancelled on July 10, 2014.

The Company's ability to continue as a going concern is dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

As at May 31, 2024 and the date of this report, the Company had no source of operating revenues, had accumulated deficit of $430,501 (November 30, 2023- $415,887) since inception and a working capital of $13,651 (November 30, 2023 - $28,265). The operations of the Company have primarily been funded by the issuance of common shares. Continued operations of the Company are dependent on the Company's ability to complete equity financing and to locate a qualifying transaction. Management's plan in this regard is to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms.

OVERALL PERFORMANCE

The following discussion of the Company's financial performance is based on the unaudited interim financial statements for the six months ended May 31, 2024.

As of May 31, 2024, the Company had cash and total asset of $14,789 (November 30, 2023 - $31,113).

As of May 31, 2024, the Company's Shareholders' equity is comprised of share capital of $392,570 (November 30, 2023- $392,570), contributed surplus of $51,582 (November 30, 2023 - $51,582) and accumulated deficit of $430,501 (November 30, 2023 - $415,887) for a net of $13,651 (November 30, 2023 - $28,265).

As at May 31, 2024 and the date of this report, 5,150,000 common shares of the Company were issued and outstanding.

RESULTS OF OPERATIONS

The Company has no business operations. The Company has not generated revenue since its inception. Until such time as the Company completes a Qualifying Transaction as required by the Exchange, corporate expenditures will be restricted to costs of raising equity financing, administrative costs to maintain the Company in good standing and costs to identify and evaluate potential business opportunities.

Six months ended May 31, 2024 in comparison to the six months ended May 31, 2023

For the six months ended May 31, 2024, the Company reported a net loss of $14,614 compared to a net loss of $15,412 for the six months ended May 31, 2023. Expense comparisons to the previous period are as follows.

For the six months ended		**May 31, 2024**		**May 31, 2023**
Accounting and audit	$	7,455	$	7,455
Listing and filing fees		6,075		7,073
Office and administrative expenses		1,084		11
Transfer agent fees		-		873
	$	**14,614**	**$**	**15,412**

During the six months ended May 31, 2024, the Company incurred $1,050 on services related to a non-binding letter of intent and recorded it as general and administrative expense, which did not take place in the six months ended May 31, 2023; during the six months ended May 31, 2024 the Company incurred no transfer agent fees as the transfer agent agreed to not charge Company during the period when there were no equity transactions; listing and filings fees decreased from $7,073 in the six months ended May 31, 2023 to $6,075 in the six months ended May 31, 2024, as in 2023 the Company was invoiced filing fees for services received in prior periods.

Three months ended May 31, 2024 in comparison to the three months ended May 31, 2023

For the three months ended May 31, 2024, the Company reported a net loss of $11,101 compared to a net loss of $12,070 for the three months ended May 31, 2023. Expense comparisons to the previous period are as follows.

For the three months ended		May 31, 2024		May 31, 2023
Accounting and audit	$	6,405	$	6,405
Listing and filing fees		4,662		5,660
Office and administrative expenses		34		5
	$	**11,101**	**$**	**12,070**

Listing and filings fees decreased from $5,660 in three months ended May 31, 2023 to $4,662 in the three months ended May 31, 2024, as in 2023 the Company was invoiced filing fees for services received in prior periods. Audit and accounting fees are consistent during the two periods. Office and administrative expenses include bank charges during the periods.

Year ended November 30, 2023 in comparison to the year ended November 30, 2022

For the year ended November 30, 2023, the Company reported a loss of $20,866 compared with a loss of $25,852 for the year ended November 30, 2022. The decrease in loss was mainly due to the decrease in audit fees from $8,164 in 2022 to $5,250 in 2023 and decrease in transfer agent fees from $3,801 in 2022 to $873 in 2023.

SUMMARY OF QUARTERLY RESULTS

The below table summarizes the results of the Company by quarter.

	Quarter Ended 5/31/2024	Quarter Ended 2/29/2024	Quarter Ended 11/30/2023	Quarter Ended 8/31/2023	Quarter Ended 5/31/2023	Quarter Ended 2/28/2023	Quarter Ended 11/30/2022	Quarter Ended 8/31/2022
Loss for the period ($)	(11,101)	(3,513)	(2,991)	(2,463)	(12,070)	(3,342)	(3,954)	(3,460)
Loss per Share - Basic & Diluted ($)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of common shares outstanding - Basic & Diluted	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000	5,150,000

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $14,789 at May 31, 2024 (November 30, 2023 - $31,113). The Company is seeking capital through various means including the issuance of equity and/or debt.

The Company's working capital position at May 31, 2024 was $13,651 compared to $28,265 at November 30, 2023.

Current liabilities as at May 31, 2024 consisted of accounts payable and accrued liabilities of $1,138 (November 30, 2023 - $2,848).

The Company has no operating income. The proceeds raised are expected to provide the Company with a minimum of funds with which to identify and evaluate businesses or assets with a view to complete a Qualifying Transaction.

However, if the Company identifies a target business, asset or property as its Qualifying Transaction, it is anticipated and highly probable that the Company will have to seek additional financing.

There is no assurance that the Company will be able to identify a suitable Qualifying Transaction. Furthermore, even if a Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this report, May 31, 2024 and November 30, 2023, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the six months ended May 31, 2024 and May 31, 2023.

All related party transactions were entered into in the normal course of business and are recorded at the exchange amount established and agreed to between the related parties.

OUTSTANDING SHARE DATA

As at the date of this report and May 31, 2024, the Company had 5,150,000 common shares issued and outstanding, which 3,150,000 of these common shares were held in escrow.

The Company granted to its directors' and officers' incentive stock options to acquire 525,000 common shares at a price of $0.10 per share, exercisable for a period of five years from the date the Company's shares are listed on the Exchange, which expired on April 20, 2017.

RISKS AND UNCERTAINTIES

The Company has no active business. The Company does not have a history of earnings, nor has it paid any dividends, and will not be in a position to generate earnings or pay dividends until at least after completion of the Qualifying Transaction. It is possible the Company may never generate earnings or be in a position to pay dividends. The directors and officers of the Company will only devote part of their time and efforts to the affairs of the Company.

The Company has only limited funds available to identify and evaluate potential Qualifying Transactions and thereby cannot provide assurance the Company will be able to identify or complete a suitable Qualifying Transaction. Until completion of the Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses for the purpose of completing the Qualifying Transaction.

SIGNIFICANT ACCOUNTING POLICIES

This MD&A should be read in conjunction with the unaudited interim financial statements for the six months ended May 31, 2024 and audited financial statements and related notes as at and for the year ended November 30, 2023. The audited financial statements outline the accounting principles and policies used to prepare the Company's financial statements. Accounting policies are critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on reported results or financial position.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

Share-based payment

The Company uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of grant. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Changes in these assumptions can materially affect the fair value estimate.

Significant areas of critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the statements of financial position are:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the six months ended May 31, 2024 and May 31, 2023. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there are significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

CHANGES IN ACCOUNTING POLICIES

New accounting standard issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Overview

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high credit quality financial institutions. Management believes the risk associated with receivables is not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are currently invested in business and savings accounts and GIC with high-credit quality financial institutions which are available on demand by the Company for its programs. As at May 31, 2024, the Company had cash balance of $14,789 (November 30, 2023 – $31,113) to settle current liabilities of $1,138 (November 30, 2023 – $2,848).

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned, but management believes there is no significant interest rate risk.

Capital Management

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at May 31, 2024, the Company's shareholders' equity was $13,651 (November 30, 2023 - $28,265). The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Fair Value

The fair value of the Company's cash and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data.

The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

DISCLOSURE OF OUTSTANDING SHARE DATA

The following is a breakdown of the share capital of the Company, on an annual basis and the date of this report:

	July 30, 2024	May 31, 2024	November 30, 2023
Common shares	5,150,000	5,150,000	5,150,000
Stock Options	-	-	-
Fully Diluted Shares	5,150,000	5,150,000	5,150,000

For additional details of outstanding share capital, refer to the unaudited interim financial statements for the six months ended May 31, 2024.

ADDITIONAL INFORMATION

Additional information is available on SEDAR at www.sedar.com.