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Yongsheng Advanced Materials Company Limited
（永盛新材料有限公司）

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3608)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules).

The Board wishes to inform the Shareholders and potential investors that based on preliminary review by the Group's management of the unaudited management accounts of the Group for the year ended 31 December 2013, the Group is expected to record a substantial increase in the consolidated total comprehensive income for the year ended 31 December 2013 as compared to the year ended 31 December 2012, which was primarily attributable to (1) increase in the Group's overall gross profit, mainly contributed by the increase in the gross profit of polyester filament yarn production business and dyeing and processing business, and (2) reduction in net finance costs.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Yongsheng Advanced Materials Company Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders ("**Shareholders**") of the Company and potential investors that based on preliminary review by the Group's management of the unaudited management accounts of the Group for the year ended 31 December 2013, the Group is expected to record a substantial increase in the consolidated total comprehensive income of the Group for the year ended 31 December 2013 as compared to the year ended 31 December 2012.

The Board considered that the expected increase in the consolidated total comprehensive income of the Group for the year ended 31 December 2013 as compared to the year ended 31 December 2012 was primarily attributable to (1) increase in the Group's overall gross profit, mainly contributed by the increase in the gross profit of polyester filament yarn production business and dyeing and processing business, and (2) reduction in net finance costs.

As the Company is still in the process of finalizing the results of the Group for the year ended 31 December 2013, the information contained in this announcement is only a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and is not based on any figures or information that have been audited or reviewed by the auditors of the Company. The actual results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2013 which is expected to be published before the end of March 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Yongsheng Advanced Materials Company Limited
Li Cheng
Chairman and Executive Director

Hong Kong, 20 January 2014

As at the date of this announcement, the executive Directors are Mr. Li Cheng, Mr. Zhao Jidong, Mr. Li Conghua and Mr. Ma Qinghai; and the independent non-executive Directors are Mr. Duan Xiaoping, Ms. Wong Wai Ling and Mr. Shiping James Wang.