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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)

CLARIFICATION ANNOUNCEMENT

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report (the “**Annual Report**”) of Yongsheng Advanced Materials Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020 published on 26 April 2021. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Annual Report.

The Board would like to clarify that in relation to the defined contribution Mandatory Provident Fund retirement benefit scheme operating by the Group under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the employees of the Group’s subsidiaries which operate in Hong Kong, there was no forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) which may be used by the employer to reduce the existing level of contributions for the year ended 31 December 2020. Disclosure of the pension fund payments in accordance with paragraph 26(2) of Appendix 16 to the Listing Rules as disclosed in the paragraph headed “Other employee benefits – Pension scheme” in note 2.4 to the consolidated financial statements on page 147 of the Annual Report shall read as follows:

“The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for the employees of the Group’s subsidiaries which operate in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme. The contributions are recognised as employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income when they are due. No contributions have been forfeited during the year ended 31 December 2020. As at 31 December 2020, the Group had no forfeited contributions available to reduce its contributions to the MPF Scheme in future years (2019: nil).”

Save as disclosed in this announcement, the Board confirms that all other information and contents in the Annual Report remain unchanged.

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

Hong Kong, 31 August 2021

As at the date of this announcement, the executive Directors are Mr. Li Cheng, Mr. Li Conghua, Mr. Ma Qinghai and Mr. Xu Wensheng; and the independent non-executive Directors are Ms. Wong Wai Ling, Mr. He Chengying and Dr. Wang Huaping.