

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**DISCLOSEABLE TRANSACTION –
SECOND SHANGHAI INTERNATIONAL TRUST AGREEMENT**

THE SECOND SHANGHAI INTERNATIONAL TRUST AGREEMENT

Reference is made to the announcement of the Company dated 24 March 2017 regarding the First Shanghai International Trust Agreement.

On 28 June 2017 (after trading hours), Yongsheng Dyeing (as asset entrustor) entered into the Second Shanghai International Trust Agreement with Shanghai International (as trustee), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by Shanghai International and to deposit to the designated account with Shanghai Pudong Development Bank Shanghai Branch an investment amount of RMB30,000,000 in total, which will be funded by the internal resources of the Group.

Pursuant to Rule 14.22 of the Listing Rules, the relevant applicable percentage ratios of the investment amounts under the First Shanghai International Trust Agreement and the Second Shanghai International Trust Agreement are required to be aggregated.

As one or more of the applicable percentage ratios in respect of the First Shanghai International Trust Agreement and Second Shanghai International Trust Agreement is more than 5% but less than 25%, the transactions contemplated under the Second Shanghai International Trust Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE SECOND SHANGHAI INTERNATIONAL TRUST AGREEMENT

On 28 June 2017 (after trading hours), Yongsheng Dyeing (as asset entrustor) entered into the Second Shanghai International Trust Agreement with Shanghai International (as trustee), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by Shanghai Trust and to deposit to the designated account with Shanghai Pudong Development Bank Shanghai Branch an investment amount of RMB30,000,000 in total, which will be funded by the internal resources of the Group.

Principal terms of the Second Shanghai International Trust Agreement is summarised below:

Date:	28 June 2017
Effective date:	29 June 2017
Parties:	(1) Yongsheng Dyeing as the asset entrustor; and (2) Shanghai International as the trustee.
Investment amount:	RMB30,000,000
Investment scope:	Mainly invest in trust plans including Shanghai International fixed income sector sub-trust (E-4101 series) and idle cash will be put in bank deposits.
Expected annual rate of return:	5.4% per annum
Fees:	Yongsheng Dyeing shall pay, among other fees and charges, a fee to Shanghai International if the returns on asset management exceed the expected annual rate of return of 5.4% (as stated above) and the amount of fee payable shall be calculated based on the investment amount in accordance with the terms set out in the Second Shanghai International Trust Agreement.

Term: 146th days from the date of depositing the investment amount into the designated custodian account.

Designated account: The investment amount under the Second Shanghai International Trust Agreement will be deposited into a designated custodian account maintained with Shanghai Pudong Development Bank Shanghai Branch for investing in the investment products under the Second Shanghai International Trust Agreement.

Governing law: PRC law.

Withdrawal of entrusted assets: Upon the maturity of 146th days from the date of deposit.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND SHANGHAI INTERNATIONAL TRUST AGREEMENT

By entering into the Second Shanghai International Trust Agreement and entrusting funds in accordance therewith, the Group intends to increase the rate of return of its cash and cash equivalents which can improve both the investment income and the profits of the Group. The Directors (including independent non-executive Directors) are therefore of the view that the terms of the Second Shanghai International Trust Agreement and entrusting funds in accordance therewith are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

INFORMATION OF SHANGHAI INTERNATIONAL

Shanghai International is a company established in the PRC with limited liability and licensed with financial license granted by China Banking Regulatory Commission. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shanghai International and its ultimate beneficial owners are Independent Third Parties. The principal business of Shanghai International includes but not limited to the establishment and issuance of asset management plans in relation to fund-raising activities for clients.

INFORMATION OF YONGSHENG DYEING

Yongsheng Dyeing is a company established in the PRC with limited liability on 8 August 2003 and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in dyeing and processing of differentiated polyester filament fabrics and investment holdings.

INFORMATION OF THE GROUP

The Group is principally engaged in the development and manufacturing of polyester filament yarns and three-dimensional printing filaments, the provision of dyeing services of differentiated polyester filament fabric and trading of polyester filament yarn products in the PRC.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the relevant applicable percentage ratios of the investment amounts under the First Shanghai International Trust Agreement and the Second Shanghai International Trust Agreement are required to be aggregated.

As one or more of the applicable percentage ratios in respect of the First Shanghai International Trust Agreement and Second Shanghai International Trust Agreement is more than 5% but less than 25%, the transactions contemplated under the Second Shanghai International Trust Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	the board of Directors;
“Company”	Yongsheng Advanced Materials Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“First Shanghai International Trust Agreement”	the trust agreement dated 24 March 2017 entered into among Yongsheng Dyeing (as asset entrustor) and Shanghai International (as trustee) in relation to an investment amount of RMB75,000,000 in total with expected rate of return of 5.0% per annum with maturity day ranging from 58 days to 177 days from the date of depositing the investment amount into the designated account with Shanghai Pudong Development Bank Shanghai Branch;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Parties”	parties who are independent from the Company and the connected persons (as defined under the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“percentage ratios”	has the meaning ascribed to it under the Listing Rules;
“PRC”	the People’s Republic of China, excluding Taiwan, Hong Kong and the Macao Special Administrative Region of the PRC for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Shanghai International Trust Agreement”	the trust agreement dated 28 June 2017 entered into among Yongsheng Dyeing (as asset entrustor) and Shanghai International (as trustee) in relation to an investment amount of RMB30,000,000 in total with expected rate of return of 5.4% per annum with maturity day of 146th days from the date of depositing the investment amount into the designated account with Shanghai Pudong Development Bank Shanghai Branch;
“Shanghai International”	Shanghai International Trust Co., Limited* (上海國際信託有限公司), as the trustee under the First Shanghai International Trust Agreement and the Second Shanghai International Trust Agreement, and is a company established in the PRC with limited liability;
“Shanghai Pudong Development Bank Shanghai Branch”	Shanghai Pudong Development Bank Co. Limited Shanghai Branch* (上海浦東發展銀行股份有限公司上海分行), as the asset custodian under the First Shanghai International Trust Agreement and the Second Shanghai International Trust Agreement, and is a joint stock limited company established in the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Yongsheng Dyeing”

Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited* (杭州滙維仕永盛染整有限公司), a company established in the PRC with limited liability on 8 August 2003, an indirect wholly-owned subsidiary of the Company; and

“%”

per cent.

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

Hong Kong, 28 June 2017

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 Ms. Wong Wai Ling, Mr. Shiping James Wang and Dr. Wang Huaping.

* *For identification purposes*