

*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 ASSET MANAGEMENT AGREEMENT**

The Board is pleased to announce that on 15 March 2018 (after trading hours), Yongsheng Dyeing (as asset entrustor) entered into the Asset Management Agreement with FOTIC (as asset manager) and CMB BJ CW Sub-Branch (as asset custodian), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by FOTIC and to deposit an investment amount of RMB40,000,000 into the designated account with CMB BJ CW Sub-branch, which will be funded by the internal resources of the Group.

As one or more of the applicable Percentage Ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transaction contemplated thereunder constitute 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 ASSET MANAGEMENT AGREEMENT

On 15 March 2018 (after trading hours), Yongsheng Dyeing (as asset entrustor) entered into the Asset Management Agreement with FOTIC (as asset manager) and CMB BJCW Sub-Branch (as asset custodian), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by FOTIC and to deposit an investment amount of RMB40,000,000 into the designated account with CMB BJ CW Sub-branch, which will be funded by the internal resources of the Group.

Principal terms of the Asset Management Agreement are summarised below:

Date:	15 March 2018
Effective Date:	15 March 2018
Maturity Date:	23 November 2018
Parties:	(1) Yongsheng Dyeing as the asset entrustor; (2) FOTIC as the asset manager; and (3) CMB BJ CW Sub-Branch as the asset custodian.
Investment amount/ Entrusted assets:	RMB40,000,000
Investment scope:	Mainly invest in (i) money market funds; (ii) bank deposits; (iii) money market wealth management products; (iv) money market trusts; and (v) money market asset management products, etc.
Expected annual rate of return:	6.3% per annum

Designated account:	The investment amount under the Asset Management Agreement will be deposited into a designated custodian account maintained with CMB BJ CW Sub-Branch for investing in the investment products under the Asset Management Agreement.
Governing law:	PRC law
Withdrawal of entrusted assets:	Upon the maturity of the two hundred fifty fourth (254th) days from the date of the deposit.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSET MANAGEMENT AGREEMENT**

By entering into the Asset Management 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 Asset Management 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 FOTIC**

FOTIC is a company established in the PRC with limited liability and a holder of the financial license approved by the China Banking Regulatory Commission\* (中國銀行業監督管理委員會). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, FOTIC and its ultimate beneficial owners are Independent Third Parties. The principal business of FOTIC includes but not limited to the provision of asset management services, securities investment trust, capital trust etc..

## **INFORMATION OF CMB BJ CW SUB-BRANCH**

CMB BJ CW Sub-Branch is one of the branches of China Merchant Bank Co., Ltd, which is a licensed bank established under the laws of the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CMB BJ CW Sub-Branch and its ultimate beneficial owners are Independent Third Parties. CMB BJ CW Sub-Branch is principally engaged in the provision of a range of banking services and related financial services.

## **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 developing and manufacturing of polyester filament yarns, the provisions of dyeing services of differentiated polyester filament fabric and trading of polyester filament yarn products in the PRC.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios in respect of the Asset Management Agreement are more than 5% but less than 25%, the Asset Management Agreement and the transaction contemplated thereunder 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:

“Asset Management Agreement”	the asset management agreement dated 15 March 2018 entered into among Yongsheng Dyeing (as asset entrustor), FOTIC (as asset manager) and CMB BJ CW Sub-Branch (as asset custodian);
“Board”	the board of Directors;
“CMB BJ CW Sub-Branch”	The Beijing Chaowai Street Sub-Branch of China Merchant Bank Co., Ltd* (招商銀行股份有限公司北京朝外大街支行), as the asset custodian under the Asset Management Agreement. China Merchant Bank Co., Ltd is a joint stock limited company established in the PRC;
“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;
“FOTIC “	China Foreign Economy and Trade Trust Co., Ltd (中國對外經濟貿易信託有限公司), as the asset manager under the Asset Management Agreement, is a company established in the PRC with limited liability and a holder of the financial license approved by the China Banking Regulatory Commission* (中國銀行業監督管理委員會);
“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 Macao Special Administrative Region of the PRC for the purpose of this announcement;
“RMB”	Renminbi, the lawful currency of 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, 15 March 2018

*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*