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Harmonic Ease Ventures Limited
(和安創投有限公司)
(Incorporated in the British Virgin Islands with limited liability)

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)

JOINT ANNOUNCEMENT

DELAY IN DESPATCH OF COMPOSITE DOCUMENT IN RELATION TO PROPOSED PRIVATISATION BY WAY OF VOLUNTARY GENERAL CASH OFFERS BY HALCYON SECURITIES ON BEHALF OF THE OFFEROR TO ACQUIRE ALL OF THE ISSUED SHARES IN THE COMPANY (OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED TO BE ACQUIRED BY THE OFFEROR AND/OR THE BVI PAC) AND TO CANCEL ALL OUTSTANDING SHARE OPTIONS

Financial Adviser to the Offeror



Halcyon Capital Limited

Independent financial adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

Reference is made to the joint announcement (the “**Joint Announcement**”) jointly issued by Harmonic Ease Ventures Limited (the “**Offeror**”) and Yongsheng Advanced Materials Company Limited (the “**Company**”) dated 23 June 2023, in relation to, among others, the voluntary conditional general cash offers by Halcyon Securities for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned and/or agreed to be acquired by the Offeror and/or the BVI PAC) and to cancel all the outstanding Share Options. Capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement, unless the context requires otherwise.

Pursuant to Rule 8.2 of the Takeovers Code, unless the Executive’s consent is obtained, the Composite Document is required to be despatched to the Shareholders and the Optionholders within 21 days of the date of the Joint Announcement, being no later than 14 July 2023.

As additional time is required to finalise certain information of the Composite Document, including but not limited to (i) the updated property valuation report using 31 May 2023 as the reference date such that the property valuation date will not be more than three months from the date of the Composite Document and hence considered current under Rule 11.4 of the Takeovers Code; (ii) the indebtedness statement of the Company and its subsidiaries as at 30 June 2023; (iii) the letter from the Independent Financial Adviser; (iv) the translation and bulk printing of the Composite Document; (v) the updated no material change statement to include information disclosed in the interim results announcement (“**Interim Results**”) of the Company after its publication in mid-August; and (vi) the updated financial information of the Group after the publication of the Interim Results, the Composite Document cannot be despatched in accordance with the requirement of Rule 8.2 of the Takeovers Code. An application has been made to the Executive for a waiver from strict compliance with the requirements under Rule 8.2 of the Takeovers Code and to grant consent for an extension of time for despatch of the Composite Document to a date falling on or before 31 August 2023. The Executive has indicated that it is minded to grant its consent to such wavier application.

Further announcement(s) will be jointly made by the Offeror and the Company when the Composite Document (accompanied by the relevant form(s) of acceptance) is despatched or in the event of any other changes to the expected timetable as and when appropriate in compliance with the Takeovers Code.

WARNING

The Offers are subject to the satisfaction and/or waiver (where applicable) of the Conditions. Accordingly, the Offers may or may not become unconditional. Shareholders, holders of securities and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the sole director of
Harmonic Ease Ventures Limited
(和安創投有限公司)

LI Cheng
Sole director

By order of the Board of
Yongsheng Advanced Materials Company Limited
永盛新材料有限公司

MA Qinghai
Executive Director

Hong Kong, 14 July 2023

As at the date of this joint announcement, the sole director of the Offeror is Mr. Li Cheng.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror in his capacity as the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.