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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

**VOLUNTARY CONDITIONAL CASH OFFERS BY
HALCYON SECURITIES LIMITED
ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL ISSUED SHARES OF 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**

- (1) COMPULSORY ACQUISITION;
(2) CLOSURE OF REGISTER OF MEMBERS;
AND
(3) SUSPENSION OF TRADING AND
WITHDRAWAL OF LISTING OF THE SHARES**

Financial Adviser to the Offeror



Halcyon Capital Limited

INTRODUCTION

Reference is made to the (i) announcement (the “**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 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 of the Company; (ii) the announcement dated 14 July 2023 and jointly issued by the Company and the Offeror in relation to the delay in despatch of the composite document; (iii) the announcement dated 15 August 2023 and jointly issued by the Company and the Offeror in relation to the monthly update on the Offers pursuant to the Takeovers Code; (iv) the composite offer and response document (the “**Composite Document**”) and the Form(s) of Acceptance dated 31 August 2023 and jointly issued by the Company and the Offeror in relation to the Offers; (v) the announcement dated 21 September 2023 and jointly issued by the Company and the Offeror in relation to the Offers having become unconditional in all respects; and (iv) the announcement dated 5 October 2023 and jointly issued by the Company and the Offeror in relation to, among others, the closing and results of the Offers (“**Final Closing Announcement**”).

Capitalised terms used herein shall have the same meanings as those defined in the Composite Document and the Final Closing Announcement, unless the context requires otherwise.

COMPULSORY ACQUISITION

As stated in the Final Closing Announcement, the Offeror received (i) 175,230,265 Offer Shares (“**Acceptance Shares**”) under the Share Offer, representing approximately (a) 95.3% of the Offer Shares; and (b) 24.7% of the entire issued share capital of the Company as at the date of the Final Closing Announcement; and (ii) valid acceptance of the Option Offer in respect of 13,938,200 Share Options, i.e. the Acceptance Share Options, representing 100% of the Offer Options, resulting the Company being required to cancel all the Share Options. The Acceptance Shares consisted of 2,675,677 Offer Shares held and accepted by Mr. Ma, resulting the Offeror had received valid acceptance of the Share Offer in respect of 172,554,588 Disinterested Shares, representing approximately 95.2% of the Disinterested Shares.

As the Offeror has received valid acceptances in respect of not less than 90% of the Offer Shares (by virtue of the acceptances of the Share Offer or otherwise) and not less than 90% of the Disinterested Shares, the Offeror will privatise the Company by exercising its right to compulsorily acquire the Remaining Offer Shares on the same terms as the Share Offer (i.e. at the Offer Price of HK\$1.0 per Offer Share).

As stated in the Final Closing Announcement, the Offeror is expected to issue the Compulsory Acquisition Notices pursuant to section 88 of the Cayman Islands Companies Act to all Shareholders holding the Remaining Offer Shares (the “**Remaining Offer Shareholders**”) on Wednesday, 3 January 2024. Once the Compulsory Acquisition Notices are despatched, the Offeror will be entitled and bound to acquire the Remaining Offer Shares on the same terms of the Share Offer (i.e. at the Offer Price of HK\$1.0 per Offer Share) (the “**Compulsory Acquisition Consideration**”) on the expiration of one month from the date on which the Compulsory Acquisition Notices are given, unless the Grand Court makes an order to the contrary upon the application of any dissenting Remaining Offer Shareholder.

CLOSURE OF THE REGISTER OF MEMBERS OF THE COMPANY

In order to facilitate the despatch of the Compulsory Acquisition Notices and determine entitlements under the Compulsory Acquisition, the register of members of the Company will be closed from Thursday, 28 December 2023 onwards. Any person wishing to lodge a share transfer for entry into the register of members of the Company must lodge such transfer accompanied by the relevant share certificates with the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible, but in any event it must reach the Registrar by no later than 4:30 p.m. on Wednesday, 27 December 2023.

As the Offeror intends to despatch the Compulsory Acquisition Notices during the closure of the register of members of the Company, and owing to the closure of the register of members of the Company, no further transfers of the Offer Shares or other documents submitted by the Shareholders or any other persons will be accepted or considered in any way to be effective after 4:30 p.m. on Wednesday, 27 December 2023.

SUSPENSION OF TRADING AND WITHDRAWAL OF LISTING OF THE SHARES

The Company has applied to the Stock Exchange for the withdrawal of listing of the Shares from the Stock Exchange under Rule 6.15(1) of the Listing Rules.

It is expected that the last day of trading in the Shares on the Stock Exchange will be 21 December 2023. Trading in the Shares will be suspended from 9:00 a.m. on 27 December 2023 until withdrawal of listing of the Shares. Assuming completion of the Compulsory Acquisition occurs on 6 February 2024, it is expected that listing of the Shares will be withdrawn from the Stock Exchange with effect from 9:00 a.m. on 7 February 2024.

The timetable set forth below is indicative only with reference to the requirements under the Cayman Islands Companies Act and is subject to change. Further announcement(s) will be made in the event that there is any change to this indicative timetable:

Event	Date
Last day of trading in the Shares on the Stock Exchange	Thursday, 21 December 2023
Latest time for lodgment of any share transfer for registration in the Register for determining entitlements under the Compulsory Acquisition	4:30 p.m. on Wednesday, 27 December 2023
Closure of register of members of the Company for despatch of Compulsory Acquisition Notices for determining entitlements under the Compulsory Acquisition	From Thursday, 28 December 2023 onwards
Despatch of the Compulsory Acquisition Notices	Wednesday, 3 January 2024
Completion of Compulsory Acquisition	Tuesday, 6 February 2024

Event	Date
Announcement with respect to completion of the Compulsory Acquisition and withdrawal of listing of the Shares from the Stock Exchange	Expected to be published on or before 8:30 a.m. on 6 February 2024 or as early as possible after close of business on 6 February 2024

Expected effective date of withdrawal of listing of Shares on the Stock Exchange	9:00 a.m. on Wednesday, 7 February 2024
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Despatch of cheque with respect to the Compulsory Acquisition Consideration	As soon as practicable after Wednesday, 7 February 2024 and in any event no later than end of February 2024
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Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser. If they are in doubt as to their rights and obligations under the Cayman Islands Companies Act in respect of the compulsory acquisition of the Remaining Offer Shares, they should consult a solicitor or other professional adviser qualified to advise on matters of Cayman Islands law.

Further announcement(s) will be made with respect to despatch of the Compulsory Acquisition Notices when required.

Unless otherwise stated, all time references in this announcement refer to Hong Kong time.

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

LI Cheng
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, 15 November 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.