
THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this Notice you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Yongsheng Advanced Materials Company Limited, you should immediately hand this Notice to the purchaser(s) or transferee(s) or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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)

NOTICE OF COMPULSORY ACQUISITION
OF THE SHARES IN
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)

(Section 88(1) of the Companies Act (As Revised) of the Cayman Islands

(“Companies Act”))

Following a voluntary conditional general cash offer by Halcyon Securities
Limited on behalf of
Harmonic Ease Ventures Limited
to acquire all the issued ordinary shares of HK\$0.01 each in Yongsheng
Advanced Materials Company Limited (other than those already owned and/
or agreed to be acquired by the Offeror and/or the BVI PAC)

To: Holders of Remaining Offer Shares (“Remaining Offer Shareholders”)

DEFINED TERMS

Terms used but not defined in this Notice have the same meanings as those used in the Composite Document, the Final Closing Announcement or the Update Announcement (each as defined below) or the Companies Act.

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INTRODUCTION

Reference is made to (i) the composite offer and response document jointly issued by the Offeror and the Company dated 31 August 2023 in respect of the voluntary conditional general cash offers by Halcyon Securities Limited on behalf of the Offeror to acquire all of the issued Shares in the Company (other than those already owned and/or agreed to be acquired by the Offeror and/or the BVI PAC) (the “**Composite Document**”); (ii) the announcement jointly published by the Offeror and the Company on 21 September 2023 in relation to the Offers having become unconditional in all respects; (iii) the announcement jointly published by the Offeror and the Company on 5 October 2023 in relation to, inter alia, the closing and results of the Offers (“**Final Closing Announcement**”); and (iv) the announcement jointly published by the Offeror and the Company on 15 November 2023 in relation to, inter alia, the compulsory acquisition and closure of register of members (“**Update Announcement**”).

As at 4:00 p.m. on 5 October 2023, the Offeror had received valid acceptances in respect of 175,230,265 Offer Shares (“**Acceptance Shares**”) under the Share Offer, representing approximately 95.3% of the Offer Shares, as at the date of the Final Closing Announcement.

NOTICE OF COMPULSORY ACQUISITION

Pursuant to the provisions of Section 88(1) of the Companies Act, the Offeror, being the registered holder of not less than ninety per cent of the Offer Shares, hereby gives you notice:

- (a) that the Offeror intends to compulsorily acquire the Offer Shares registered in your name at the date of this Notice (“**Compulsory Acquisition**”) for the Offer Price, being HK\$1.0 per Offer Share (less seller’s ad valorem stamp duty) (the “**Compulsory Acquisition Consideration**”); and
- (b) that unless an application is made to the Grand Court of the Cayman Islands (the “**Court**”) by any Remaining Offer Shareholder within one month of this Notice and the Court thinks fit to order otherwise, the Offeror will be entitled and bound to acquire all Remaining Offer Shares on or around 6 February 2024 (“**Completion Date**”).

The Remaining Offer Shares will be acquired on the Completion Date free from all liens, charges, encumbrances, pre-emptive rights and any other third party rights of any nature and together with all rights and benefits attaching to the Remaining Offer Shares as at the date when the Share Offer became unconditional or when subsequently attached to them, including the right to receive all dividends, other distributions and return of capital, if any, announced, declared, made or paid after the Closing Date.

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The Form of Notice to Dissenting Shareholders prescribed by the Companies (Forms) Rules (1998 Revision) is set out in Appendix I to this Notice.

The provisions of Section 88 of the Companies Act are set out in Appendix II to this Notice for reference only. This Notice is not to be construed as legal advice on Cayman Islands law. Remaining Offer Shareholders who wish to exercise any rights under Section 88 of the Companies Act, or otherwise, should obtain a complete copy of the Companies Act and/or seek legal advice from a law firm authorised to practice Cayman Islands law without delay.

PROCEDURE FOR TRANSFER AND SETTLEMENT

To facilitate the despatch of the cheques for the Compulsory Acquisition Consideration (“**Compulsory Acquisition Cheques**”), the register of members of the Company (“**Register**”) was closed since 28 December 2023.

Under the Companies Act, the Offeror is required to pay the aggregate Compulsory Acquisition Consideration to the Company on the Completion Date (rather than to the Remaining Offer Shareholders) and the Company is required to hold the monies in a separate bank account (the “**Account**”) on trust for the benefit of the Remaining Offer Shareholders. Monies due to Remaining Offer Shareholders who are untraceable (see below) and any remittances which are returned or which are unclaimed will be held by the Company in the Account (which will be non-interest bearing) for a period of six years from the Completion Date after which the monies shall be forfeited and shall revert to the Offeror. Remaining Offer Shareholders who subsequently wish to receive any monies from the Offeror in respect of the Compulsory Acquisition should contact the Offeror within applicable limitation periods.

Sellers’ ad valorem Hong Kong stamp duty arising on the transfer of the Remaining Offer Shares to the Offeror will be payable by Remaining Offer Shareholders at the rate of 0.1% of the amount of the consideration and will be deducted from the amount due to the Remaining Offer Shareholders. On the Completion Date, the Offeror intends to execute a consolidated transfer form and a sold note in respect of all Remaining Offer Shares for the purposes of having the transfer form and sold note stamped and the required Hong Kong stamp duty paid on behalf of the Remaining Offer Shareholders.

The Company will send the Compulsory Acquisition Cheques by post to the Remaining Offer Shareholders at their respective addresses which appear in the Register (or, in the case of joint holders of Remaining Offer Shares, at the address of the joint holder whose name stands first in the Register in respect of the relevant joint holding) as soon as practicable after 7 February 2024.

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The Register will be updated after stamping of the transfer documentation to reflect the Compulsory Acquisition and the Offeror will be registered as the holder of the Remaining Offer Shares. Share certificates relating to the Remaining Offer Shares will be cancelled and will cease to be prima facie evidence of title from the date of completion of Compulsory Acquisition.

UNTRACEABLE REMAINING OFFER SHAREHOLDERS

Remittances may not be sent to Remaining Offer Shareholders who are untraceable. A Remaining Offer Shareholder shall be deemed to be untraceable if (i) a Remaining Offer Shareholder has no registered address in the Register; or (ii) on the last two consecutive occasions on which a dividend or distribution has been paid by the Company, a cheque payable to the Remaining Offer Shareholder either (a) has been sent to the Remaining Offer Shareholder and has been returned undelivered or has not been cashed; or (b) has not been sent to the Remaining Offer Shareholder because on an earlier occasion a cheque for a dividend or distribution has been returned undelivered and in any such case no valid claim in respect thereof has been communicated in writing to the Company; or (iii) this Notice has been sent to the Remaining Offer Shareholder and has been returned undelivered.

Dated: 3 January 2024

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

NOTES

All communications, notices, share certificates or documents of title and remittances to be delivered by or sent to Remaining Offer Shareholders will be delivered by or sent to them or their designated agents at their own risk and neither the Offeror nor the Company accepts any liability for any loss which may arise as a result.

This Notice and all transfers of Remaining Offer Shares pursuant thereto is/are governed by the laws of the Cayman Islands.

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APPENDIX I

**Form of Notice to Dissenting Shareholders prescribed
by the Companies (Forms) Rules (1998 Revision)**

**COMPANIES ACT
(As Revised)**

NOTICE TO DISSENTING SHAREHOLDERS
(pursuant to section 88(1) of the Companies Act (As Revised))

In the matter of **YONGSHENG ADVANCED MATERIALS COMPANY LIMITED 永盛新材料有限公司** (Stock Code: 3608) (hereinafter called the “**transferor company**”)

Notice by **HARMONIC EASE VENTURES LIMITED (和安創投有限公司)**

(hereinafter called the “**transferee company**”)

To: *(name and address of dissenting shareholder)*

WHEREAS on 31 August 2023, the transferee company made an offer to all the holders of ordinary shares of HK\$0.01 each in the transferor company AND **WHEREAS** up to 5 October 2023, being a date within four months after the making thereof, such offer was approved by the holders of not less than ninety per cent in value of the said ordinary shares.

NOW THEREFORE the transferee company in pursuance of section 88(1) of the Companies Act (As Revised), hereby gives you notice that it desires to acquire the ordinary shares held by you in the transferor company AND further take notice that, unless on an application made by you within one month from the date on which this notice is given, the Court thinks fit to order otherwise, the transferee company will be entitled and bound to acquire the ordinary shares held by you in the transferor company on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company.

Signed

LI Cheng

Director

Harmonic Ease Ventures Limited

(和安創投有限公司)

3 January 2024

APPENDIX II

Section 88 of the Companies Act (As Revised)

88. Power to acquire shares of dissentient shareholders
- (1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as “**the transferor company**”) to another company, whether a company within the meaning of this Act or not (in this section referred to as “**the transferee company**”) has, within four months after the making of the offer in that behalf by the transferee company, been approved by the holders of not less than ninety per cent in value of the shares affected, the transferee company may, at any time within two months after the expiration of the said four months, give notice in the prescribed manner to any dissenting shareholder that it desires to acquire that person’s shares, and where such notice is given the transferee company shall, unless on an application made by the dissenting shareholder within one month from the date on which the notice was given, the Court thinks fit to order otherwise, be entitled and bound to acquire those shares on the terms on which under the scheme or contract the shares of the approving shareholders are to be transferred to the transferee company.
 - (2) Where a notice has been given by the transferee company under this section and the Court has not, on an application made by the dissenting shareholder, ordered to the contrary, the transferee company shall, on the expiration of one month from the date on which the notice has been given or, if an application to the Court by the dissenting shareholder is then pending, after that application has been disposed of, transmit a copy of the notice to the transferor company and pay or transfer to the transferor company the amount or other consideration representing the price payable by the transferee company for the shares which by virtue of this section that company is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.
 - (3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sum or other consideration were respectively received.
 - (4) In this section- “**dissenting shareholder**” includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer that person’s shares to the transferee company, in accordance with the scheme or contract.

Note: “**Court**” is defined to mean the Grand Court of the Cayman Islands by section 2(1) of the Companies Act (As Revised).