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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

**(1) LEVEL OF ACCEPTANCE OF
THE PROPOSED PRIVATISATION
BY WAY OF
VOLUNTARY CONDITIONAL GENERAL CASH OFFERS BY
HALCYON SECURITIES LIMITED
ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL 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;
(2) THE OFFERS HAVE BECOME UNCONDITIONAL
IN ALL RESPECTS;
AND
(3) THE OFFERS REMAIN OPEN FOR ACCEPTANCE**

Financial Adviser to the Offeror



Halcyon Capital Limited

Independent financial adviser to the Independent Board Committee



SOMERLEY CAPITAL LIMITED

INTRODUCTION

Reference is made to the (i) joint announcement 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; and (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.

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

ACCEPTANCE LEVEL OF THE OFFERS AS OF THE FIRST CLOSING DATE

As at 4:00 p.m. on Thursday, 21 September 2023, being the First Closing Date, the Offeror had received (i) valid acceptances of the Share Offer in respect of 172,157,956 Shares (the “**Acceptance Shares**”), representing approximately (a) 93.6% of the Offer Shares; (b) 24.3% of the entire issued share capital of the Company, as at the date of this joint announcement; and (ii) valid acceptance of the Option Offer in respect of 13,938,200 Share Options (the “**Acceptance Share Option**”), representing 100% of the Offer Options. The Acceptance Shares consisted of 2,675,677 Offer Shares held and accepted by Mr. Ma, resulting the Offeror had received valid acceptances of the Share Offer in respect of 169,482,279 Disinterested Shares, representing approximately 93.5% of the Disinterested Shares.

As a result, taking into account the Acceptance Shares and the 526,738,667 Shares already owned by the Offeror and the Offeror Concert Parties, the Offeror and the Offeror Concert Parties would hold an aggregate of 698,896,623 Shares, representing approximately 98.7% of the total issued share capital of the Company as at the date of this joint announcement.

Accordingly, the Offeror announces that Condition (i) set out in the section headed “Letter from Halcyon Securities – The Offers – Conditions of the Offers” in the Composite Document relating to the level of acceptance of the Share Offer, the text of which is set out in the Composite Document, has been satisfied.

OFFERS HAVING BECOME UNCONDITIONAL IN ALL RESPECTS

As all the Conditions set out in the section headed “Letter from Halcyon Securities – The Offers – Conditions of the Offers” in the Composite Document, the text of which is set out in the Composite Document, have now been satisfied, the Offeror announces that the Offers have become unconditional in all respects.

Save (a) 526,738,667 Shares already owned by the Offeror and the Offeror Concert Parties; and (b) 4,400,000 Share Options granted to Mr. Ma, neither the Offeror nor the Offeror Concert Parties (i) held, controlled or directed any Shares and rights over Shares immediately before the commencement of the Offer Period; or (ii) save for the Acceptance Shares and the Acceptance Share Options, has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period up to and including the date of this joint announcement. Neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to and including the date of this joint announcement.

THE OFFERS REMAIN OPEN FOR ACCEPTANCE

Pursuant to Rules 15.1 and 15.3 of the Takeovers Code, the Offers must remain open for acceptance for at least 14 days after the Offers become unconditional in all respects, but in any case at least 21 days following the Despatch Date (i.e. 31 August 2023). Accordingly, the Offers will remain open for acceptance until 4:00 p.m. on Thursday, 5 October 2023 (or such other time and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code). All other terms of the Offers as set out in the Composite Document and the Form(s) of Acceptance remain unchanged.

Further announcement on the result of the Offers will be made by 7:00 p.m. on 5 October 2023 in accordance with Rule 19.1 of the Takeovers Code.

Independent Shareholders and/or the Optionholders are strongly advised to read the Composite Document and the Form(s) of Acceptance carefully, including the recommendation from the Independent Board Committee and the advice from the Independent Financial Adviser, before deciding whether or not to accept the Share Offer and/or the Option Offer (as the case may be), and for the details of acceptance procedures if they wish to accept the Share Offer and/or the Option Offer (as the case may be).

SETTLEMENT OF THE OFFERS

Remittances in respect of the cash consideration in respect of the acceptances of the Offers will be despatched to the accepting holders of the Offer Shares and Optionholders (as applicable) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days of the later of (i) the date of this joint announcement, being Thursday, 21 September 2023; or (ii) the date on which all the relevant documents of title in respect of such acceptances received by the Registrar (as regards the Share Offer) or the Company Secretary (as regards to the Option Offer) to render each such acceptance complete and valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder or Optionholder who accepts the Share Offer or the Option Offer respectively will be rounded up to the nearest cent.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF 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 those Offer Shares not already owned and/or agreed to be acquired by the Offeror and/or the BVI PAC under the Share Offer.

Upon completion of the compulsory acquisition, the Company will become directly and wholly-owned by the Offeror and the Offeror Concert Parties, and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15(1) of the Listing Rules.

Further announcement(s) will be made as and when appropriate in respect of details and timing of the compulsory acquisition and withdrawal of listing of the Shares.

WARNING:

Shareholders, Optionholders and potential investors of the Company are advised to exercise caution when dealing in the relevant securities of the Company. If any Shareholders, Optionholders or potential investors of the Company are in any doubt about their position, they should consult their own 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, 21 September 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.