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If you have sold or transferred all your shares in Yongsheng Advanced Materials Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**RENEWAL OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
DECLARATION OF FINAL DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held on 25 May 2018 (Friday) at 2:30 p.m. at Admiralty Conference Centre, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (no later than 2:30 p.m. on 23 May 2018 (Hong Kong time)). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so desire.

20 April 2018

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held on 25 May 2018 (Friday) at 2:30 p.m. at Admiralty Conference Centre, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong;
“AGM Notice”	the notice convening the AGM set out on pages 16 to 20 of this circular;
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“close associates”	has the meaning ascribed thereto under the Listing Rules;
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	Yongsheng Advanced Materials Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares set out as resolution no. 5 in the AGM Notice;

DEFINITIONS

“Latest Practicable Date”	16 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the memorandum of association of the Company;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares set out as resolution no. 6 in the AGM Notice;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	holder(s) of (a) Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers; and
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Li Cheng (*Chairman*)
Mr. Zhao Jidong (*Chief Executive Officer*)
Mr. Li Conghua
Mr. Ma Qinghai

Independent non-executive Directors:

Ms. Wong Wai Ling
Mr. Shiping James Wang
Dr. Wang Huaping

Registered Office:

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman
KY1-1001
Cayman Islands

Place of Business in Hong Kong:

Office 1616, 16th Floor,
Tower Two Lippo Centre,
No. 89 Queensway,
Hong Kong

20 April 2018

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AND
DECLARATION OF FINAL DIVIDEND**

INTRODUCTION

The purpose of this circular is to provide you with details of (i) the proposed Issue Mandate and the proposed Repurchase Mandate and the extension of the Issue Mandate by addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate; (ii) the explanatory statement regarding the Repurchase Mandate; (iii) the proposed re-election of Directors; (iv) the declaration of final dividend; and to give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

Ordinary resolutions will be proposed at the AGM to grant to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares on the Stock Exchange not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM).

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, a total of 400,925,600 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 80,185,120 Shares, representing 20% of the aggregate number of the issued Shares as at the Latest Practicable Date.

Each of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Law or the Articles to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

LETTER FROM THE BOARD

RETIREMENT OF DIRECTORS AND RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 108(a) of the Articles, Mr. Zhao Jidong, Mr. Li Conghua and Ms. Wong Wai Ling will retire from office as Directors by rotation and being eligible, each of Mr. Zhao Jidong, Mr. Li Conghua and Ms. Wong Wai Ling will offer himself/herself for re-election at the AGM.

Particulars of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

CLOSURE OF REGISTER OF MEMBERS AND FINAL DIVIDEND

For the purpose of ascertaining Shareholders' right to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 21 May 2018 to Friday, 25 May 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfer documents accompanied by the relevant share certificate(s) and the transfer forms must be lodged with the Company's branch share registrar in Hong Kong, namely Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 May 2018.

As stated in the announcement of the Company dated 26 March 2018 relating to the annual results of the Group for the year ended 31 December 2017, the Board recommends the payment of a final dividend of HK\$0.045 per Share to the Shareholders whose names appear on the register of members of the Company on Tuesday, 5 June 2018 (the "**Final Dividend**"). The payment of the proposed Final Dividend is subject to approval by the Shareholders at the AGM and a resolution will be proposed to the Shareholders for voting at the AGM.

The register of members of the Company will be closed from Friday, 1 June 2018 to Tuesday, 5 June 2018, both days inclusive, and the proposed Final Dividend (if approved by the Shareholders at the AGM) is expected to be paid on Thursday, 28 June 2018. In order to qualify for the proposed Final Dividend, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Thursday, 31 May 2018.

LETTER FROM THE BOARD

ADOPTION OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND THE AUDITORS

The annual report for the year ended 31 December 2017 incorporating, among other things, the audited consolidated financial statements of the Company and its subsidiaries and the reports of the Directors and the auditors for the year ended 31 December 2017 will be sent together with this circular to the Shareholders on the same date. The audited consolidated financial statements have been reviewed by the audit committee of the Company.

RE-APPOINTMENT OF AUDITORS

The Board (which has agreed with the recommendation of the audit committee of the Company) has recommended that, subject to the approval of the Shareholders at the AGM, Ernst & Young be re-appointed as the auditors of the Company for the year ending 31 December 2018.

AGM

A notice convening the AGM to be held on 25 May 2018 (Friday) at 2:30 p.m. at Admiralty Conference Centre, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong is set out on pages 16 to 20 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a proxy form for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM (no later than 2:30 p.m. on 23 May 2018 (Hong Kong time)). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of poll by the Shareholders.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the re-election of the retiring Directors and the declaration of the Final Dividend are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions as set out in the AGM Notice at the AGM.

By Order of the Board
Yongsheng Advanced Materials Company Limited
Li Cheng
Chairman and Executive Director

This appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved by shareholders in advance by an ordinary resolution at a general meeting, either by way of a general mandate or by a specific approval of a particular transaction and that the shares to be repurchased must be fully paid up.

2. FUNDING AND IMPACT OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands. As compared with the financial position of the Company as at 31 December 2017 (being the date to which the latest audited accounts of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

4. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 400,925,600 Shares in issue.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to repurchase a maximum of 40,092,560 Shares, being 10% of the aggregate number of the issued Shares as at the Latest Practicable Date.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and in accordance with the Memorandum and the Articles.

6. EFFECT OF THE TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as that term is defined in the Takeovers Code), depending on the level of increase of the shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors are aware of, the substantial Shareholder was Ever Thrive Global Limited ("**Ever Thrive**") which owned 206,471,700 Shares (approximately 51.50% of the issued share capital of the Company). Mr. Li Cheng ("**Mr. Li**"), the Chairman of the Board and an executive Director, is deemed or taken to be interested in all the Shares owned by Ever Thrive for the purpose of the SFO as Mr. Li owned approximately 95.71% of the issued share capital of Ever Thrive and is the sole director of Ever Thrive. In the event that the Repurchase Mandate was exercised in full, assuming that the issued share capital of the Company remains unchanged up to the date of the AGM, (i) the interest of Ever Thrive in the Company will be increased from approximately 51.50% to approximately 57.22%; and (ii) the interest of Mr. Li in the Company will be increased from approximately 51.50% to approximately 57.22%. On the basis of the aforesaid increase of shareholding, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. Moreover, the Directors do not intend to exercise the power to repurchase Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code or to such extent that will result in the level of shareholdings in the Company held by the public float below the prescribed minimum percentage of 25%.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best knowledge and belief of the Directors, having made all reasonable inquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorized to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) during the six months ended on the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous 12 months from the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2017		
April	1.83	1.75
May	1.84	1.75
June	1.81	1.65
July	1.80	1.68
August	1.96	1.60
September	2.02	1.83
October	2.01	1.87
November	1.99	1.77
December	1.99	1.73
2018		
January	1.86	1.66
February	1.80	1.60
March	1.94	1.63
April (till the Latest Practicable Date)	1.90	1.71

Set out below are details of the proposed Directors to be re-elected at the AGM.

EXECUTIVE DIRECTOR

Mr. Zhao Jidong (Mr. Zhao), aged 53, is an executive Director and chief executive officer (the “**Chief Executive Officer**”) of the Company and one of the authorised representatives of the Company. Mr. Zhao is also a member of the remuneration committee under the Board. Mr. Zhao has more than 30 years of experience in textile industry, and is mainly responsible for general management and overall operations of the Group. Mr. Zhao has joined Xiaoshan Yongsheng Chemical Fiber Company Limited (currently known as Hangzhou Yongsheng Group Limited, “**Yongsheng Group**”) as the chief executive officer since June 2010. Mr. Zhao was previously a director of Yongsheng Group. From July 1985 to October 2006, Mr. Zhao had worked in Yangzhou Cloth Factory and he served previously as the factory director. He had also served as the deputy director and director of Yangzhou Textile Research Institute from February 1990 to October 2006. From September 2006 to July 2011, Mr. Zhao had been the director of Shanghai Huayuan Company Limited, a company which is listed on the Shanghai Stock Exchange (stock code: 600094). From November 2006 to July 2011, Mr. Zhao had been the deputy general manager and chief engineer of Shanghai Huayuan Company Limited.

Mr. Zhao obtained his bachelor degree majoring in textile engineering from Wuxi Light Industry Institute (currently known as Jiangnan University) in July 1985. Mr. Zhao has also completed the Senior Training Course for Young Entrepreneur in Financial Control and Capital Operation offered by Tsinghua University in December 2011. Mr. Zhao was elected as a council member of Yangzhou City Textile Construction Association in June 1991. He joined the Jiangsu Textile Engineering Association as a product professional committee member in January 2004, and has granted the government special allowance certificate by the State Council of the PRC in 2000. He completed and passed the Training Course for Senior Management of Listed Companies offered by China Securities Regulatory Commission Shanghai Regulatory Bureau respectively in 2007 and 2008. He was also accredited as a senior engineer on textile engineering by the Job Title Reform Office of Jiangsu Province Textile Industry Bureau and professor level senior engineer by Jiangsu Department of Personnel respectively in 1995 and 2000. Mr. Zhao was engaged by the Graduate School of Donghua University as an off-campus mentor in September 2012.

Mr. Zhao has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since December 2016. Mr. Zhao also obtained a number of awards, including the national five one labor medal awarded by All-China Federation of Trade Unions, the "3rd prize of Yangzhou Science and Technology Advancement Awards" and the "1st prize of Yangzhou Science and Technology Advancement Awards" awarded by Yangzhou Science and Technology Advancement Awards Judging Committee, the "National Textile Labour Working Role Model" awarded by China Textile Industrial Bureau, the "Yangzhou City Technology Contributor" awarded by Yangzhou City, the "Central Enterprise Labour Working Role Model" awarded jointly by the National Ministry of Personnel and State-owned Assets Supervision and Administration Commission of the State Council, and the "2nd Prize of Sang Ma Textile Technology" by the Sang Ma Trust Fund. Mr. Zhao was awarded the "3rd prize of Jiangsu Province Science and Technology Advancement Awards" on his projects of "High Stimulation Twisted Peach Skin flannel" and "The Ultrafine Composite Fabric Thread", and was awarded the "2nd prize of Jiangsu Province Science and Technology Advancement Awards" on his project of "The Sea-island Ultrafine Composite Synthetic Chamois Leathers" by the Jiangsu Province Science and Technology Advancement Awards Judging Committee. He has been selected as one of the "Candidates of the First Batch National Engineering Talents of the National New Century Project" by the Ministry of Personnel of the PRC in April 2004 and passed its advanced training in July 2005.

As at the latest Practicable Date, Mr. Zhao is entitled to exercise an aggregate of 6,300,000 outstanding options, which have been granted to Mr. Zhao on 6 January 2015 and 30 December 2015 pursuant to the share option scheme adopted by the Company on 7 November 2013 (the "**Share Option Scheme**"), of these (i) 1,050,000 options be vested on 2 April 2016 under the Share Option Scheme at the exercise price of HK\$1.480 per Share; (ii) 1,750,000 options be vested on 1 April 2017 under the Share Option Scheme at the exercise price of HK\$1.480 per Share; (iii) 1,750,000 options be vested on 2 April 2017 under the Share Option Scheme at the exercise price of HK\$1.520 per Share; and (iv) 1,750,000 options be vested on 1 April 2018 under the Share Option Scheme at the exercise price of HK\$1.520 per Share. As at the Latest Practicable Date, Mr. Zhao is also deemed to be interested in 3,876,427 Shares owned by his spouse.

Save as disclosed above, Mr. Zhao did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointment and professional qualifications.

Mr. Zhao does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and, save disclosed herein, he has no interests in the Shares which are required to disclosed pursuant to Part XV of the SFO.

Mr. Zhao has entered into a Director's service agreement with the Company for a term of three years commencing on 7 November 2016, which may be terminated by either party thereto giving to the other not less than three months' prior written notice and is entitled to receive a Director's remuneration of HK\$100,000 per annum which is determined with reference to the prevailing market price, the Company's remuneration policy, his duties and responsibilities within the Group and a discretionary bonus depending on the profit of the Company in that particular year.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Zhao that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Li Conghua (Mr. Li CH), aged 43, is an executive Director and a director of Hangzhou Huvis Yongsheng Chemical Fiber Company Limited. Mr. Li CH has more than 15 years of experience in the textile industry, and was mainly responsible for management and supervision of ordinary operation of the Group's trading business before the disposal of the trading business of textile-related products by the Group in May 2015. Mr. Li CH is currently responsible for conducting product market trend analysis. He worked as a chemical fiber materials salesperson in the chemical fiber department in Xiaoshan Yongsheng Trading Company Limited from June 1997 to December 2000, and worked as a department manager in chemical fiber department of Yongsheng Group from January 2000 to December 2004. Mr. Li CH has also completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by Zhejiang University in January 2008. Mr. Li CH is the nephew of Mr. Li Cheng.

Save as disclosed above, Mr. Li CH did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointment and professional qualifications.

Save as disclosed above, Mr. Li CH does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he has no interest in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Mr. Li CH has entered into a Director's service agreement with the Company for a term of three years commencing on 7 November 2016, which may be terminated by either party thereto giving to the other not less than three months' prior written notice and is entitled to receive a Director's remuneration of HK\$100,000 per annum which is determined with reference to the prevailing market price, the Company's remuneration policy, his duties and responsibilities within the Group.

Save as disclosed above, there are no other matters relating to the re-election of Mr. Li CH that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wong Wai Ling (Ms. Wong), aged 56, is an independent non-executive Director. She is also the chairlady of the audit committee and the remuneration committee under the Board. Ms. Wong has more than 25 years of experience in accounting and auditing, and mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993.

Ms. Wong is an independent non-executive director and the chairperson of the audit committees of AVIC International Holdings Limited (Main Board stock code: 161), China Ruifeng Renewable Energy Holdings Limited (Main Board stock code: 527) and Overseas Chinese Town (Asia) Holdings Limited (Main Board stock code: 3366). Ms. Wong is a non-executive director of Hin Sang Group (International) Holding Co. Limited (Main Board stock code: 6893). Ms. Wong was an executive director of Tonking New Energy Group Holdings Limited (previously known as JC Group Holdings Limited) (GEM stock code: 8326) and an independent non-executive director of Glory Flame Holdings Limited (GEM stock code: 8059), and resigned on 18 October 2016 and 22 March 2016 respectively.

Ms. Wong obtained a Bachelor of Arts degree from University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a Certified Public Accountant in Hong Kong since June 1991. Ms. Wong has become a fellow member of the Association of Chartered Certified Accountants (“**FCCA**”) and a fellow member of Hong Kong Institute of Certified Public Accountants (“**FCPA**”) since May 1995 and February 2001, respectively. Ms. Wong has been appointed as an independent non-executive Director since 7 November 2013.

Save as disclosed above, Ms. Wong did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or any other position with the Company and other members of the Group or other major appointment and professional qualifications.

Ms. Wong does not have any relationship with other Directors, senior management, substantial or controlling shareholders of the Company and he had no interests in the Shares which are required to be disclosed pursuant to Part XV of the SFO.

Ms. Wong has entered into a Director's service agreement with the Company for a term of three years commencing on 7 November 2016, which may be terminated by either party thereto giving to the other not less than three months' prior written notice and is entitled to receive a Director's remuneration of HK\$130,000 per annum which is determined with reference to the prevailing market price, the Company's remuneration policy, her duties and responsibilities within the Group.

Save as disclosed above, there are no other matters relating to the re-election of Ms. Wong that need to be brought to the attention of the Shareholders and there is no other information that should be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of Yongsheng Advanced Materials Company Limited (the “**Company**”) will be held on 25 May 2018 (Friday) at 2:30 p.m. at Admiralty Conference Centre, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated accounts and reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 December 2017.
2. To approve and declare a final dividend of HK\$0.045 per share for the year ended 31 December 2017 to the shareholders of the Company which shall be paid out of the share premium account of the Company.
3. To re-appoint Ernst and Young as auditors of the Company and to authorise the board of directors (the “**Directors**”) of the Company to fix their remuneration.
4.
 - (a) Mr. Zhao Jidong be re-elected as an executive Director and the board of Directors be authorised to fix his Director’s remuneration;
 - (b) Mr. Li Conghua be re-elected as an executive Director and the board of Directors be authorised to fix his Director’s remuneration; and
 - (c) Ms. Wong Wai Ling be re-elected as an independent non-executive Director and the board of Directors be authorised to fix her Director’s remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;
- (C) the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme adopted by the Company or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares in the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the aggregate number of the issued shares of the Company at the time of passing this resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company's articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

6. “**THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the issued share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate number of the issued shares of the Company as at the time of passing this resolution and the said approval shall be limited accordingly; and

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(D) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the first annual general meeting of the Company following the passing of this resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the Company’s articles of association to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of Resolutions 5 and 6 as set out in this notice convening the Meeting of which this Resolution forms part, the general mandate granted to the Directors pursuant to Resolution 5 as set out in this notice convening the Meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the issued share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6 as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of passing this Resolution.”

By Order of the Board
Yongsheng Advanced Materials Company Limited
Li Cheng
Chairman and Executive Director

Hong Kong, 20 April 2018

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Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting (no later than 2:30 p.m. on 23 May 2018 (Hong Kong time)) or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution no. 6 as set out in this notice is enclosed.
8. The transfer books and register of members of the Company will be closed from 21 May 2018 to 25 May 2018, both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 18 May 2018.
9. The transfer books and register of members of the Company will be closed from 1 June 2018 to 5 June 2018, both days inclusive. During such period, no share transfers will be effected. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 31 May 2018.
10. Details of each of the retiring directors proposed to be re-elected as a Director at the Meeting are set out in Appendix II to this circular.
11. A form of proxy for use at the Meeting is enclosed.