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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)**

## **SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTIONS**

Reference is made to the announcement of Yongsheng Advanced Materials Company Limited (“**Company**”, together with its subsidiaries, the “**Group**”) dated 17 July 2018 (“**Announcement**”) in relation to discloseable transactions involving the Asset Management Agreements. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As stated in the Announcement, Yongsheng Dyeing (as asset entrustor), Minsheng Wealth (as asset manager) and CMS (as asset custodian) entered into the First Minsheng Asset Management Agreement on 10 January 2018. The Company would like to provide further information regarding the First Minsheng Asset Management Agreement.

## FIRST MINSHENG ASSET MANAGEMENT AGREEMENT

On 10 January 2018, Yongsheng Dyeing (as asset entrustor) entered into the First Asset Management Agreement with Minsheng Wealth (as asset manager) and CMS (as asset custodian), pursuant to which Yongsheng Dyeing agreed to participate in the asset management plan operated by Minsheng Wealth and to deposit an investment amount of RMB20,000,000 into the designated account with CMS, which was funded by the internal resources of the Group. As all the applicable percentage ratios in respect of the First Minsheng Asset Management Agreement were below 5%, the First Minsheng Asset Management Agreement and the transaction contemplated thereunder was exempted from the requirements of Chapter 14 of the Listing Rules.

Principal terms of the First Minsheng Asset Management Agreement are summarised below:

Date:	10 January 2018
Effective Date:	10 January 2018
Maturity Date:	10 October 2018
Parties:	(1) Yongsheng Dyeing as the asset entrustor; (2) Minsheng Wealth as the asset manager; and (3) CMS as the asset custodian.
Investment amount/ Entrusted assets:	RMB20,000,000
Investment scope:	Mainly invest in (i) money market trusts; (ii) private investment funds; (iii) money market asset management products; (iv) bond repurchase; (v) money market funds; and (vi) bank deposits etc..
Expected annual rate of return:	7.1% per annum

Term: Two hundred and seventy four (274) days from the date of depositing the investment amount into the designated custodian account with CMS.

Designated account: The investment amount under the First Minsheng Asset Management Agreement will be deposited into a designated custodian account maintained with CMS for investing in the investment products under the First Minsheng Asset Management Agreement.

Governing law: PRC law

Withdrawal of entrusted assets: Upon the maturity of the two hundred and seventy fourth (274th) day from the date of the deposit.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FIRST MINSHENG ASSET MANAGEMENT AGREEMENT**

By entering into the First Minsheng Asset Management Agreement and entrusting funds in accordance therewith, the Group intended to increase the rate of return of its cash and cash equivalents which can improve both the investment income and the profits of the Group. The Directors (including independent non-executive Directors) were therefore of the view that the terms of the First Minsheng Asset Management Agreement and entrusting funds in accordance therewith were fair and reasonable and were in the interests of the Group and its Shareholders as a whole.

The above additional information does not affect other information contained in the Announcement.

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

Hong Kong, 19 July 2018

*As at the date of this announcement, the executive Directors are Mr. Li Cheng, Mr. Zhao Jidong, Mr. Li Conghua and Mr. Ma Qinghai; and the independent non-executive Directors are Ms. Wong Wai Ling, Mr. Shiping James Wang and Dr. Wang Huaping.*