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YONGAN HOLDINGS

浙江永安融通控股股份有限公司

ZHEJIANG YONGAN RONGTONG HOLDINGS CO., LTD*

(a joint stock limited company incorporated in the People's Republic of China)

(Stock code: 8211)

**INSIDE INFORMATION
IN RELATION TO THE POSSIBLE INVESTMENT IN THE FUND**

This announcement is made pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 July 2017 in which the Company announced that it was negotiating with certain independent third parties in respect of the Possible Transaction.

The Company was informed that on 12 August 2017, Fujian Start announced on the Shanghai Stock Exchange that its board of directors had approved a proposed investment in the Fund. Fujian Start further disclosed in its announcement that the Company would be a party to the possible investment in the Fund.

If the Possible Transaction proceeds, it may constitute a major transaction for the Company, and may be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As of the date of this announcement, no legally binding agreement or contract relating to the Possible Transaction has been entered into by the Group.

Shareholders and potential investors of the Company should note that the Possible Transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares of the Company.

Further announcement will be made by the Company in due course pursuant to the relevant requirements of the GEM Listing Rules.

INTRODUCTION

This announcement is made pursuant to Rule 17.10(2)(a) of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 28 July 2017 in which the Company announced that it was negotiating with certain independent third parties in respect of the Possible Transaction, which if materialises, may constitute a major transaction for the Company under the GEM Listing Rules.

The Company was informed that on 12 August 2017, Fujian Start announced on the Shanghai Stock Exchange that its board of directors had approved a proposed investment in the Fund. Fujian Start further disclosed in its announcement that the Company would be a party to the possible investment in the Fund.

FUJIAN START'S ANNOUNCEMENT

It was disclosed in Fujian Start's announcement that the principal terms for setting up the Fund are as follows:

- Parties:** (1) Shenzhen Nanshan Yongcheng, as General Partner;
(2) the Company, as Limited Partner;
(3) Shenzhen Huitong, as Limited Partner; and
(4) Fujian Start, as Limited Partner.
- Name of the Fund:** 深圳南山金融科技雙創股權投資基金(有限合夥)
(Shenzhen Nanshan Fintech Entrepreneurship and Innovation Equity Investment Fund (Limited Liability Partnership)*)
- Location:** Shenzhen Nanshan District
- Business scope:** Equity investment, investment management (not restricted projects); entrusted asset management (not to engage in trust, financial asset management, securities asset management and other restricted projects); project investment (specific items to be approved). For projects requiring approval from the relevant departments, the approval should be obtained before commencing business activities.
- Investment period and payback period:** The investment period would be the first four years of the duration of the Limited Partnership. After the investment period, it would be the payback period for the remaining duration of the Limited Partnership, and the Limited Partnership shall not make any further investment during the payback period.
- Duration of the Fund:** Seven years from the date of establishment of the Limited Partnership, extendable to an aggregate period of not more than 10 years upon unanimous consent of all partners for such extension.
- Purpose:** The Fund is expected to be used in investment of financial technology sector, including block chain, big data, artificial intelligence, and cloud computing. At least 60% of the total amount of investment of the Fund shall be invested in enterprises in financial technology.

Fund size:

The target Fund size is expected to be RMB300 million, with the respective contribution from the parties being set out below:

Name of Partner	Type of Partnership	Capital contribution amount (RMB million)	Percentage (%)
Shenzhen Nanshan Yongcheng	General Partner	3.000	1.000
The Company	Limited Partner	73.911	24.637
Shenzhen Huitong	Limited Partner	73.980	24.660
Fujian Start	Limited Partner	<u>149.109</u>	<u>49.703</u>
	TOTAL:	<u>300.000</u>	<u>100.000</u>

Exit of investment:

The Limited Partnership may exit from the investment in the following manners:

- (1) to dispose of the project company's shares owned by the Limited Partnership in the securities market on which the project company is listed;
- (2) to transfer all or part of the shares, equity, assets or business of the project company to other investors;
- (3) to enter into a share repurchase agreement with the project company or its major shareholders to repurchase the shares held by the Limited Partnership;
- (4) to sell the project company in its entirety;
- (5) to liquidate the project company;
- (6) to dispose of in the way as decided by the investment decision committee of the Fund.

Allocation of income: The investment income of the Limited Partnership includes the distributable total income of the Limited Partnership from the disposal of the project, as well as dividends, interest and other similar income received from the project company, and after deduction of tax expenses, the unpaid Fund expenses and other expenses. The investment income shall be distributed according to the progress of the investment exit.

Non-investment income refers to non-project investment income received by the Limited Partnership and other cash distributions attributable to the Limited Partnership, after deduction of the relevant taxes and charges, including but not limited to liquidated damages and late fees payable by the default partner for the overdue contribution to the Limited Partnership. Non-investment income shall be distributed within 5 days after the end of each financial year and the Limited Partnership has obtained the previous financial year's audit report.

Investment decision committee: The investment decision committee of the Fund comprises of six committee members, who will be nominated by the General Partner and to be unanimously approved at the partners' meeting.

The committee decides on the investment made by the Fund.

Information of the parties

Shenzhen Nanshan Yongcheng is a company established under the laws of the PRC. It is principally engaged in asset management and investment management businesses.

The Company is a joint stock limited company incorporated in the PRC and the H Shares of which are listed on GEM.

Shenzhen Huitong is a limited liability company in the PRC. It is principally engaged in asset management and investment management businesses.

Fujian Start is a company listed on Shanghai Stock Exchange and established under the laws of the PRC. It is principally engaged in real estate and technological products businesses.

GENERAL

As disclosed in the Company's announcement of 28 July 2017, the Company was negotiating with certain independent third parties in respect of the Possible Transaction.

If the Possible Transaction proceeds, it may constitute a major transaction for the Company, and may be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As of the date of this announcement, no legally binding agreement or contract relating to the Possible Transaction has been entered into by the Group.

Shareholders and potential investors of the Company should note that the Possible Transaction may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the H Shares of the Company.

Further announcement will be made by the Company in due course pursuant to the relevant requirements of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	浙江永安融通控股股份有限公司 (Zhejiang Yongan Rongtong Holdings Co., Ltd.*), a joint stock limited company incorporated in the PRC
“Director(s)”	the director(s) of the Company
“Fujian Start”	福建實達集團股份有限公司 (Fujian Start Group Co. Ltd.*), a company established under the laws of the PRC and listed on the Shanghai Stock Exchange

“Fund”	深圳南山金融科技雙創股權投資基金(有限合夥) (Shenzhen Nanshan Fintech Entrepreneurship and Innovation Equity Investment Fund (Limited Liability Partnership)*)
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“GEM”	the Growth Enterprise Market
“General Partner”	the general partner of the Fund
“Group”	the Company and its subsidiary
“H Share(s)”	overseas listed foreign shares in the ordinary share capital of the Company, with a nominal value of RMB0.10 each, which are listed on GEM and traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Limited Partner(s)”	the limited partner(s) of the Fund
“Limited Partnership”	the possible limited partnership for the operation of the Fund
“Possible Transaction”	the Company’s possible investment in the Fund
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of RMB0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shenzhen Huitong”	深圳市匯通金控基金投資有限公司 (Shenzhen Huitong Jinkong Funds Investment Co., Ltd.*)

“Shenzhen Nanshan Yongcheng”	深圳南山永晟實達股權投資基金管理有限公司 (Shenzhen Nanshan Yongcheng Start Equity Investment Fund Management Ltd.*)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Zhejiang Yongan Rongtong Holdings Co., Ltd.
Jiang Ning
Chairman

Zhejiang, the PRC, 13 August 2017

As at the date of this announcement, the executive Directors are Mr. Jiang Ning (Chairman), Mr. He Weifeng (Deputy Chairman), Ms. He Lianfeng (Chief Executive Officer) and Mr. Hu Hua Jun; the non-executive Directors are Mr. Chen Dong Chun and Mr. Tang Guo Ping; and the independent non-executive Directors are Mr. Xu Wei Dong, Ms. Zhang Li and Mr. Wang Weisong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company’s website at <http://zj-yongan.com>.

** For identification purpose only*