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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)

ANNOUNCEMENT

(1) PROPOSED CHANGE OF DIRECTORS; (2) PROPOSED RE-ELECTION OF SUPERVISOR; AND (3) PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES

PROPOSED CHANGE OF DIRECTORS

(i) Resignation of independent non-executive Directors

The Board announces that Mr. Wang Hui and Mr. Wang Zhong will resign as independent non-executive Directors due to their respective personal development with effect from the date of AGM.

(ii) Proposed re-election of executive Director

The Board announces that Ms. He Lianfeng, an executive Director and the Chief Executive Officer, will retire upon expiration of her term of office at the AGM and will offer herself for re-election as an executive Director at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval of the Shareholders at the AGM.

(iii) Proposed appointment of independent non-executive Directors

The Board proposes to appoint Mr. Leng Peng and Mr. Zhu Weizhou as independent non-executive Directors. Pursuant to the Articles, such appointments will only become effective after obtaining approval of the Shareholders at the AGM.

PROPOSED RE-ELECTION OF SUPERVISOR

The Board announces that Ms. Wang Ai Yu will retire upon expiration of her term of office. Ms. Wang will offer herself for re-election as a Shareholder Representative Supervisor at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval from the Shareholders at the AGM.

PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES

Subject to the appointments of Mr. Leng and Mr. Zhu as independent non-executive Directors, the Board proposes to elect (i) Mr. Leng as the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee in order to replace the resignation of Mr. H. Wang and (ii) Mr. Zhu as the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee in order to replace the resignation of Mr. Z. Wang. Such appointments will only become effective after obtaining approval of the Shareholders for their appointments as independent non-executive Directors at the AGM.

AGM

A circular containing, among others, details of the (i) proposed change of Directors and (ii) proposed re-election of Supervisor, together with a notice convening the AGM, will be despatched to the Shareholders pursuant to the requirements under the GEM Listing Rules as soon as practicable.

PROPOSED CHANGE OF DIRECTORS

(i) Resignation of independent non-executive Directors

The Board announces that Mr. Wang Hui (王暉先生) (“**Mr. H. Wang**”) and Mr. Wang Zhong (王中先生) (“**Mr. Z. Wang**”) will resign as independent non-executive Directors due to their respective personal development with effect from the date of AGM.

Mr. H. Wang and Mr. Z. Wang have confirmed that they do not have any disagreement with the Board and that there is no matter relating to their resignations which needs to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its appreciation and gratitude to Mr. H. Wang and Mr. Z. Wang for their past valuable contributions and services made to the Company during their terms of office with the Company.

(ii) Proposed re-election of executive Director

The Board announces that Ms. He Lianfeng (何連鳳女士) (“**Ms. He**”), an executive Director and the Chief Executive Officer, will retire upon expiration of her term of office at the AGM and will offer herself for re-election as an executive Director at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval of the Shareholders at the AGM.

Biographical details of Ms. He are as follows:-

Ms. He, aged 45, is currently an executive Director, Chief Executive Officer and also a general manager of the Company. She is responsible for the sales and production of the Company. Before joining the Company, she acted as the workshop director of Zhejiang Yongli Warp Knitting Co. Ltd. (浙江永利經編股份有限公司) (“**Zhejiang Yongli Warp**”) from September 1990 to July 2007, the general manager assistant of Zhejiang Yongli Warp from August 2007 to February 2013. She is familiar with the trends of textile market in the PRC and has gained more than 23 years of valuable experience in production management in textile enterprises. In March 2013, she joined the Company as the deputy general manager. She has been appointed as an executive Director on 10 March 2014 and elected as a deputy chairman of the Board on the same day. She resigned as a deputy chairman of the Board on 28 February 2017.

The Company will enter into a service contract with Ms. He. The term of office of Ms. He shall be 3 years commencing upon approval by the Shareholders of her appointment at the AGM.

An ordinary resolution will be proposed at the AGM to re-elect Ms. He as an executive Director for a period of 3 years effective from the date of AGM, and to authorise the Board to enter into a service contract with Ms. He for a term of 3 years commencing from the date of AGM at an annual emolument of RMB72,000 plus a year-end discretionary bonus, which was determined with reference to the existing service contracts entered into between the Company and the existing executive Directors.

As at the date of this announcement, Ms. He and her spouse hold, in aggregate, approximately 0.039% of interests in Zhejiang Yongli. Zhejiang Yongli is an associated corporation (within the meaning of Part XV of the SFO) by virtue of being an ultimate holding company of the Company.

As at the date of this announcement, save as disclosed above, to the best knowledge, information and belief of the Board having made reasonable enquiry, (i) Ms. He has not been a director of any other listed company in Hong Kong or overseas in the last 3 years, and had no prior relationship, business or otherwise, with the Company and its subsidiaries; (ii) Ms. He does not have any relationship with any member of the Board, senior management, substantial shareholders or controlling shareholder of the Company (as respectively defined in the GEM Listing Rules); (iii) Ms. He does not have any interests in the Shares (within the meaning of Part XV of the SFO); (iv) Ms. He does not hold any other position in the Company or any other members of the Group; and (v) Ms. He does not have any other major appointments and professional qualifications.

In relation to the re-election of Ms. He as an executive Director, Ms. He has confirmed there is no other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

(iii) Proposed appointment of independent non-executive Directors

The Board announces that Mr. Leng Peng (冷鵬先生) (“**Mr. Leng**”) and Mr. Zhu Weizhou (朱偉洲先生) (“**Mr. Zhu**”) are proposed to be appointed as independent non-executive Directors. Pursuant to the Articles, such appointments will only become effective after obtaining approval of the Shareholders at the AGM.

Biographical details of Mr. Leng are as follows:-

Mr. Leng, aged 37, graduated from Shandong University (山東大學) with the Bachelor’s degree in economics in June 2004. From September 2004 to October 2006, he worked with Beijing Zhongwei Huahao CPA Firm* (北京中威華浩會計師事務所) as an audit assistant. From November 2006 to August 2008, he served as a senior project manager of Zhongxi CPA Firm* (中喜會計師事務所). From September 2008 to January 2009, he served as internal audit manager of Sheng Yuan Yingyang Shipin Co., Ltd.* (聖元營養食品有限公司). From February 2009 to May 2011, he served as senior audit manager of Zhongxi CPA Firm* (中喜會計師事務所). From June 2011 to April 2013, he acted as the director of business department of The Pacific Securities Co., Ltd. (太平洋證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601099). Since April 2013, he has been working as the general manager of the business department of the investment banking division of the Shenzhen Office of Shouchuang Securities Co., Ltd.* (首創證券有限責任公司) (“**Shouchuang Securities**”) and also as the deputy general manager of the Shenzhen branch office of Shouchuang Securities. Mr. Leng was registered as a PRC Certified Public Accountant in December 2008 and has changed to a non-practising member of The Chinese Institute of Certified Public Accountant since February 2016. He has also registered as a Chinese Certified Tax Agent since 2011.

The Company will enter into a letter of appointment with Mr. Leng. The term of office of Mr. Leng shall be 3 years commencing upon approval by the Shareholders of his appointment at the AGM.

An ordinary resolution will be proposed at the AGM to elect Mr. Leng as an independent non-executive Director for a period of 3 years effective from the date of AGM, and authorise the Board to enter into a letter of appointment with Mr. Leng for a term of 3 years commencing from the date of AGM at an annual emolument of RMB100,000 which was determined with reference to the existing contracts entered into between the Company and the existing independent non-executive Directors.

Biographical details of Mr. Zhu are as follows:-

Mr. Zhu, aged 53, graduated from East China University of Political Science and Law (華東政法大學) with the Bachelor's degree in law in July 1987. He also obtained a master degree from Cheung Kong Graduate School of Business (長江商學院) in October 2013. From August 2002 to December 2008, he worked as an assistant to the chairman of the board of directors of Guangsha Holding Group Co., Ltd.* (formerly known as Guangsha Holdings Venture Capital Co., Ltd.*) (廣廈控股集團有限公司(前稱為廣廈控股創業投資有限公司)). He served as a director of Gemdale Group Co., Ltd.* (金地(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600383), from September 2006 to April 2008. From September 2010 to March 2015, he acted as an independent non-executive director of Fortunet e-Commerce Group Limited (鑫網易商集團有限公司) (formerly known as Changfeng Axle (China) Company Limited (暢豐車橋(中國)有限公司)), a company listed on the main board of the Stock Exchange (stock code: 1039). Since October 2007, he has been the chairman of the board of directors of Xifu Investment Co., Ltd.* (西富投資有限公司).

The Company will enter into a letter of appointment with Mr. Zhu. The term of office of Mr. Zhu shall be 3 years commencing upon approval by the Shareholders of his appointment at the AGM.

An ordinary resolution will be proposed at the AGM to elect Mr. Zhu as an independent non-executive Director for a period of 3 years effective from the date of AGM, and authorise the Board to enter into a letter of appointment with Mr. Zhu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB100,000 which was determined with reference to the existing contracts entered into between the Company and the existing independent non-executive Directors.

As at the date of this announcement, save as disclosed above, to the best knowledge, information and belief of the Board having made reasonable enquiry, (i) each of Mr. Leng and Mr. Zhu has not been a director of any other listed company in Hong Kong or overseas in the last 3 years, and had no prior relationship, business or otherwise, with the Company and its subsidiaries; (ii) they do not have any relationship with any member of the Board, senior management, substantial shareholders or controlling shareholder of the Company (as respectively defined in the GEM Listing Rules); (iii) they do not have any interests in the Shares (within the meaning of Part XV of the SFO); (iv) they do not hold any other position in the Company or any other members of the Group; and (v) they do not have any other major appointments and professional qualifications.

In relation to the appointments of Mr. Leng and Mr. Zhu as independent non-executive Directors, Mr. Leng and Mr. Zhu have confirmed that there is no other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

PROPOSED RE-ELECTION OF SUPERVISOR

The Board announces that Ms. Wang Ai Yu (王愛玉女士) (“**Ms. Wang**”) will retire upon expiration of her term of office. Ms. Wang will offer herself for re-election as a Shareholder Representative Supervisor at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval from the Shareholders at the AGM.

Biographical details of Ms. Wang are as follows:

Ms. Wang, aged 56, is a Shareholder Representative Supervisor. She graduated from Chongqing University. She is currently an internal audit manager of the internal audit department of Zhejiang Yongli. Before joining Zhejiang Yongli, Ms. Wang was a teacher of Yangxunqiao Zhongxing Primary School* (楊汛橋中心小學) in Shaoxing County from February 1979 to January 1980 and worked in the accounting department of Shaoxing County Mijian Factory* (紹興市蜜餞廠) from February 1980 to February 1987. She has acted as an internal audit manager of Zhejiang Yongli since February 1987. Ms. Wang has an extensive experience in finance and is well versed of the national taxation law, the accounting rules and the relevant finance, taxation, audit rules and policies. She is good at analysis and has accumulated substantial experience in data analysis, capital operation from different finance projects. She has established a set of comprehensive rules and regulations for internal control for Zhejiang Yongli in order to reduce the investment risk of the enterprises. She also has standardised the audit method for the corporate finance of and enhanced the quality of financial information, thereby enhancing the supervision in finance and accounting. She was appointed as a Supervisor and a chairman of the Supervisory Committee since 10 March 2014.

The Company will enter into a service contract with Ms. Wang. The term of office of Ms. Wang shall be 3 years commencing upon the approval by the Shareholder at the AGM.

An ordinary resolution will be proposed at the AGM to re-elect Ms. Wang as a Supervisor for a period of 3 years effective from the date of AGM, and authorise the Board to enter into a service contract with Ms. Wang for a term of 3 years commencing from the date of AGM at an annual emolument of RMB36,000, which was determined with reference to the existing services contracts entered into between the Company and the existing Supervisors and will be paid by Zhejiang Yongli.

As at the date of this announcement, save as disclosed above, to the best knowledge, information and belief of the Board having made reasonable enquiry, (i) Ms. Wang has not been a director of any other listed company in Hong Kong or overseas in the last 3 years, and had no prior relationship, business or otherwise, with the Company and its subsidiaries; (ii) she does not have any relationship with any member of the Board, senior management, substantial shareholders or controlling shareholder of the Company (as respectively defined in the GEM Listing Rules); (iii) she does not have any interests in the Shares (within the meaning of Part XV of the SFO); (iv) she does not hold any other position in the Company or any other members of the Group; and (v) she does not have any other major appointments and professional qualifications.

In relation to the re-election of Ms. Wang as a Shareholder Representative Supervisor, Ms. Wang has confirmed that there is no other information required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES

Subject to the appointments of Mr. Leng and Mr. Zhu as independent non-executive Directors, the Board proposes to elect (i) Mr. Leng as the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee in order to replace the resignation of Mr. H. Wang and (ii) Mr. Zhu as the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee in order to replace the resignation of Mr. Z. Wang. Such appointments will only become effective after obtaining approval of the Shareholders for their appointment as independent non-executive Directors at the AGM.

AGM

A circular containing, among others, details of the (i) proposed change of Directors and (ii) proposed re-election of Supervisor, together with a notice convening the AGM, will be despatched to the Shareholders pursuant to the requirements under the GEM Listing Rules as soon as practicable.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company to be held on 15 May 2019
“Articles”	the articles of association of the Company
“Audit Committee”	audit committee of the Company
“Board”	the board of Directors
“Board Committees”	the Audit Committee, Nomination Committee and Remuneration Committee
“Chief Executive Officer”	the chief executive officer of the Company
“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)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Nomination Committee”	nomination committee of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Remuneration Committee”	remuneration committee of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shareholder Representative Supervisor”	the shareholder representative supervisor of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Zhejiang Yongli”	浙江永利實業集團有限公司 (Zhejiang Yongli Industry Group Co., Ltd.*) a company established in the PRC and is the ultimate holding company of the Company

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

Zhejiang, the PRC, 21 March 2019

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; and the independent non-executive Directors are Mr. Song Ke, Mr. Wang Hui and Mr. Wang Zhong.

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 www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.zj-yongan.com.

* For identification purposes only