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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)

**VOLUNTARY ANNOUNCEMENT
IMPACT OF NOVEL CORONAVIRUS (COVID-19) EPIDEMIC
ON BUSINESS OPERATIONS**

This announcement is issued by 浙江永安融通控股股份有限公司 (Zhejiang Yongan Rongtong Holdings Co., Ltd.*) (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in order to inform the shareholders of the Company and potential investors regarding the influence of the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) in China on the Group’s business operations.

Since the outbreak of the Epidemic in January 2020, a number of provinces and municipalities in China have activated the highest-level response to major public health emergencies, the Level 1 Response, and adopted various strict measures including limitation of travel within China and restriction on work resumption date after the Chinese New Year Holidays to curb the spread of the Epidemic.

The Group’s manufacturing factory of woven fabrics locates in Shaoxing of Zhejiang Province has, after around three weeks’ production halt, resumed production on 17 February 2020 after the Chinese New Year Holidays and the suspension period prescribed by the relevant government authority. However, due to the suspension or limited service of transportation facilities in certain area, certain workers are unable to return to work as planned, which result in a temporarily drop in the production capacity. It is expected that the production will experience delay in resuming their original production schedule and there will be late delivery of products in the coming few months. The problem of shortage of labour also happened to the raw material suppliers and dyeing factories which also causes impact to the production of the Group. It is expected that the shortage of labour as a result of the administrative measures arising from the Epidemic is temporary.

In addition, Wuhan which is one of the largest garment manufacturing center and woven fabrics consumers in China was locked-down due to the outbreak of Epidemic. The board of directors (“**BOARD**” or “**Directors**”) of the Company expects that the domestic sales of woven fabrics of the Group in 2020 will be affected.

In respect of the impact due to the Epidemic, the Group will use its best endeavours to fulfil its committed sales order and to liaise with its customers to adjust the delivery schedule to minimise any negative economic impact on both sides; and find other domestic sales channels to take up the downturn of sales. However, the measures adopted by the Company to mitigating such adverse impact can only be effective when the situation of the Epidemic is stabilised and under controlled as soon as possible.

The Board will continue to assess the impact of the Epidemic on the operation and financial performance of the Group, while closely monitoring the development of the Epidemic and the risks and uncertainties faced by the Group as a result of the Epidemic. The Company will take appropriate measures as necessary and make further announcement as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Zhejiang Yongan Rongtong Holdings Co., Ltd.*
Wang Hengzhuang
Chairman

Hong Kong, 20 February 2020

As at the date of this announcement, the executive Directors are Mr. Wang Hengzhuang (Chairman), Ms. He Lianfeng (Chief Executive Officer) and Mr. Hu Hua Jun; the non-executive Director is Mr. Ma Jinsong (Deputy Chairman); and the independent non-executive Directors are Mr. Song Ke, Mr. Leng Peng and Mr. Zhu Weizhou.

This announcement, for which all 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 Listed Company Information” 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.

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