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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: 08211)

Financial Adviser to the Company



**(i) QUARTERLY UPDATE ON STATUS OF RESUMPTION;
(ii) ADDITIONAL RESUMPTION GUIDANCE;
AND
(iii) CONTINUED SUSPENSION OF TRADING**

This announcement is made by Zhejiang Yongan Rongtong Holdings Co., Ltd. (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**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).

References are made to the announcements of the Company dated 19 February 2025, 3 March 2025, 19 March 2025, 2 April 2025, 30 April 2025, 20 May 2025, 3 June 2025, 2 July 2025, 29 July 2025 respectively in relation to, among other things, the inside information regarding the Non-compliance Advance Payments, the suspension of duties of an executive Director, formation of compliance committee, the Resumption Guidance, the Additional Resumption Guidance, the major and connected transaction in relation to provision of financial assistance, first quarterly update on status of resumption, update on repayment status under the Loan Agreement, proposed change of directors, change of chairman, proposed change of deputy chairman, change of member of nomination committee, resignation of an independent non-executive Director, update on resumption progress and continued suspension of trading (collectively, the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

Reference is further made to the announcement of the Company dated 29 July 2025, in relation to, among other things, Mr. Yu Weidong (“**Mr. Yu**”) has tendered his resignation as independent non-executive Director with effect from 29 July 2025. Following Mr. Yu’s resignation, the Company is not in compliance with the requirements of having (i) at least three independent non-executive Directors and at least one of the independent non-executive Directors with appropriate professional qualifications or accounting or related financial management expertise under GEM Listing Rule 5.05; and (ii) a minimum of three members in the audit committee, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise under GEM Listing Rule 5.28.

(i) QUARTERLY UPDATE ON STATUS OF RESUMPTION

Pursuant to the Resumption Guidance and Rule 17.26A of the GEM Listing Rules, the Company is required to announce quarterly update on its resumption progress. This announcement serves as the second quarterly update of the Company following the trading suspension of its shares on 21 February 2025.

The principal activities of the Group are (i) the manufacture, research and development and sale of woven fabrics; and (ii) the provision of subcontracting services. Notwithstanding the suspension of trading in the shares of the Company, up to the date of this announcement, the Group is carrying on its business operations as usual and will continue to closely monitor its financial position and business operations.

Set out below are the Resumption Guidance, the Additional Resumption Guidance and the Further Additional Resumption Guidance of the Stock Exchange and the Company’s resumption plan with details of actions that the Company has taken as at the date of this announcement or intends to take as well as the expected timeframe in fulfilling the Resumption Guidance, the Additional Resumption Guidance and Further Additional Resumption Guidance to resume trading in the Shares.

Resumption Guidance	Update on resumption progress and the expected timeline
<p>(a) conduct an appropriate independent forensic investigation into the Incident, announce the findings, assess the impact on the Company's business operation and financial position, and take appropriate remedial actions</p>	<p>The Forensic Investigator submitted its draft investigation report to the Compliance Committee and the Board for review, and the Company provided the draft investigation report to the Stock Exchange in July 2025.</p> <p>Upon considering the draft investigation report, the Stock Exchange issued a letter of preliminary queries and observations to the Company on 31 July 2025, which noted that the Controlling Shareholder's level of knowledge and involvement in the incident of Non-compliance Advance Payments remains unclear and that the repeated unauthorised loans may raise management integrity concerns at that level. The Company is addressing the Stock Exchange's comments and arranging supplemental forensic investigation work. In particular, the Compliance Committee has engaged Bird & Bird as investigating counsel to conduct interviews, including with director-level and senior management personnel of the Controlling Shareholder and the Company, in connection with the Non-compliance Advance Payments.</p> <p>The Company will announce the key findings of the Forensic Investigation and assess their impact on the Group's business operations and financial position in due course. Further announcement(s) will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.</p>

Resumption Guidance	Update on resumption progress and the expected timeline
<p>(b) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence</p>	<p>Pending the final results of the Forensic Investigation, as at the date of this announcement, the Company is in the process to further review any regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations.</p> <p>Further announcement(s) will be made by the Company as and when appropriate in relation to the final results of the Forensic Investigation.</p>
<p>(c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules</p>	<p>The Company has engaged PRO-WIS Risk Advisory Services Limited as the independent internal control consultant (the "IC Reviewer") to conduct a review of the Group's internal control system over the Non-compliance Advance Payments.</p> <p>As at the date of this announcement, the IC Reviewer is in progress to review the Group's internal control system over the Non-compliance Advance Payments.</p> <p>Upon availability of the final results of the Forensic Investigation, the IC Reviewer will refine the review scope to focus on root causes and any additional control gaps, with a view to demonstrating that the Company has in place adequate internal controls and procedures to meet its obligations under the GEM Listing Rules, in particular in managing its relationship with, and mitigating undue influence from the Controlling Shareholders. The Company aims to complete the first phase of rectification upon finalisation of the Forensic Investigation, and will then proceed with a second phase of targeted rectification to address issues revealed by the Forensic Investigation.</p>

Resumption Guidance	Update on resumption progress and the expected timeline
	<p>The Company will announce the findings of the internal control review and provide the Stock Exchange with the full report and the Company's written submission on: (i) whether and how the identified deficiencies have been remedied; (ii) the scope and implementation of the remedial measures, including how they will be monitored, enforced and documented; and (iii) how any incident similar to the Non-compliance Advance Payments will be prevented, monitored and detected in future and the individuals responsible/accountable for the proper operation of the mechanism. The Company will make further announcement(s) to update its shareholders and potential investors on the progress as and when appropriate.</p>
(d) demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules	<p>Since the suspension of trading in the Company's shares on 21 February 2025 and up to the date of this announcement, the Group has continued its business operations as usual and there has been no change in the business operations of the Group.</p>
(e) publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications	<p>The audit of the Group's annual results for the year ended 31 December 2024 remains in progress. Since the last quarterly update on 20 May 2025, the Group has provided SHINEWING (HK) CPA Limited with additional documents and analyses to support the recoverability of the outstanding balances from Zhejiang Yongli, including subsequent settlement records, financial statements, valuation report, etc. The auditor is reviewing these documents, however, the assessment of their implications and certain audit procedures cannot be finalised until final results of the Forensic Investigation are available. Subject to the timely completion of the Forensic Investigation and resolution of the outstanding audit matters, the Company expects to publish all outstanding financial results required under the GEM Listing Rules on or before 30 September 2025.</p>

Resumption Guidance	Update on resumption progress and the expected timeline
(f) Re-comply with GEM Listing Rules 5.05(1), 5.05(2) and 5.28	The Company is using its best endeavours to appoint suitable candidates and to reconstitute the Audit Committee within three months in accordance with GEM Listing Rules 5.06 and 5.33.
(g) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position	<p>On 31 July 2025, the Company despatched a circular in relation to the Loan Agreement, which formalises and governs the repayment terms of the Non-compliance Advance Payments. The circular also sets out proposed management and Board changes, including the resignation of Mr. Zhan as Chairman and executive Director and the proposed appointment of Mr. Cao Zheng as an executive Director and deputy chairman of the Company. An extraordinary general meeting will be held on 16 September 2025 to approve the resolutions above.</p> <p>On 30 May 2025, the Controlling Shareholder repaid RMB15 million, as disclosed in the announcement dated 3 June 2025. On 30 June 2025, the Controlling Shareholder further repaid RMB39,493.15 and, pursuant to the Loan Agreement, paid accrued interest upto 30 June 2025 of approximately RMB2.38 million, as disclosed in the announcement dated 2 July 2025.</p> <p>As disclosed in the Company's announcement dated 29 July 2025, Mr. Yu Weidong resigned as an independent non-executive Director and as a member of the audit committee, the remuneration committee, the nomination committee and the compliance committee on the same day. As a result, the Company had two independent non-executive Directors and was not in compliance with GEM Listing Rules 5.05(1), 5.05(2) and 5.28. The Company also received further additional guidance from the Stock Exchange in respect of the aforesaid. For further details, please refer to section headed "Further Additional Resumption Guidance" of this announcement below.</p> <p>The Company will continue to keep its Shareholders and potential investors informed of any material developments by making further announcement(s) as and when appropriate and in accordance with the GEM Listing Rules.</p>

(ii) FURTHER ADDITIONAL RESUMPTION GUIDANCE

On 19 August 2025, the Company received a letter from the Stock Exchange setting out further additional guidance for the resumption of trading in the shares of the Company on the Stock Exchange (the “**Further Additional Resumption Guidance**”). Pursuant to the Further Additional Resumption Guidance, the Company shall: -re-comply with GEM Listing Rules 5.05(1), 5.05(2) and 5.28.

The Stock Exchange further indicated that it may modify the resumption guidance and/or give further guidance as and when appropriate.

(iii) CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 21 February 2025 and will remain suspended until the Company has met all resumption guidance, remedied the issues causing its trading suspension and fully complied with the GEM Listing Rules to the satisfaction of the Stock Exchange.

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

By Order of the Board
Zhejiang Yongan Rongtong Holdings Co., Ltd.*
JIN LEI
Executive Director

Zhejiang, the PRC, 19 August 2025

As at the date of this announcement, the executive Directors are Mr. Jin Lei (Chairman), Ms. Zhou Youqin (Chief Executive Officer) and Mr. Zhan Fahui (duties suspended); the non-executive Director is Mr. Xia Zhenbo (Deputy Chairman); and the independent non-executive Directors are Mr. Yuan Lingfeng and Mr. Zhang Jianyong.

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 Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.zj-yongan.com>.

* For identification purposes only