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## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of the proposals referred to in this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Zhejiang Yonglong Enterprises Co., Ltd.**, (the “Company”), you should at once hand this circular and the accompanying form(s) of proxy to the purchaser or other transferee or to the licensed securities dealer, or to the bank, or to other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**浙江永隆實業股份有限公司**

**ZHEJIANG YONGLONG ENTERPRISES CO., LTD.\***

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

**(Stock Code : 8211)**

**(1) PROPOSED CHANGE OF DIRECTORS,  
(2) PROPOSED CHANGE OF SUPERVISORS,  
(3) PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 13 of this circular.

A notice convening an annual general meeting of the Company to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC, at 10:00a.m. on Friday, 15 May 2015 or any adjournment thereof is set out on pages 14 to 17 of this circular. A reply slip and a proxy form for use at the annual general meeting are enclosed herewith.

Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same, for holders of H Shares, to the Company's share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and for holders of Domestic Shares, to the Company's legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC as soon as possible and in any event not later than 24 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

*This circular will remain on the "Latest Company Announcements" page of the website of the GEM at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.zj-yonglong.com>.*

31 March 2015

*\* For identification purpose only*

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board and no assurance is given that there will be a liquid market in the securities trade on GEM.**

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

“AGM”	an annual general meeting to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC on Friday, 15 May 2015
“Announcement”	an announcement of the Company dated 18 March 2015 in relation to, inter alia, (i) proposed change of Directors, (ii) proposed change of Supervisors and (iii) proposed change of members of Board Committees
“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
“Company”	浙江永隆實業股份有限公司 (Zhejiang Yonglong Enterprises Co., Ltd.*), a joint stock limited company incorporated in the PRC
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.1 each in the share capital of the Company, which are subscribed for or credit as fully paid up in RMB
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange in effect from time to time
“H Share(s)”	Overseas listed foreign share(s) of nominal value of RMB0.1 each in the capital of the Company which are listed on GEM and subscribed for in Hong Kong dollars
“Latest Practicable Date”	26 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

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## THIS CIRCULAR IS IMPORTANT

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“Nomination Committee”	nomination committee of the Company
“PRC”	the People’s Republic of China
“Remuneration Committee”	remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	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 ultimate holding company of the Company

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## LETTER FROM THE BOARD

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浙江永隆實業股份有限公司  
**ZHEJIANG YONGLONG ENTERPRISES CO., LTD.\***  
*(a joint stock limited company incorporated in the People's Republic of China)*  
(Stock Code : 8211)

### Board of Directors

*Executive Directors:*

Mr. Wang Xinyi (*Chairman*)  
Ms. He Lianfeng  
*(Deputy Chairman and Chief Executive Officer)*  
Mr. Hu Hua Jun  
Mr. Chen Jian Jiang

*Legal Address:*

Yangxun Qiao Town  
Keqiao Qu, Shaoxing  
Zhejiang Province  
The People's Republic of China

*Non-Executive Director*

Mr. Chen Dong Chun

*Place of business in Hong Kong:*

Suites 06-12, 33<sup>rd</sup> Floor  
Shui On Centre  
6-8 Harbour Road  
Hong Kong

*Independent non-executive Directors:*

Mr. Xu Wei Dong  
Mr. Li Hui Peng  
Mr. Qin Fu

31 March 2015

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED CHANGE OF DIRECTORS,  
(2) PROPOSED CHANGE OF SUPERVISORS,  
(3) PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

Reference is made to the Announcement. The purpose of this circular is to provide you with further information regarding (i) proposed change of Directors, (ii) proposed change of Supervisors and (iii) proposed change of members of Board Committees, together with a notice of AGM.

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## LETTER FROM THE BOARD

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### PROPOSED CHANGE OF DIRECTORS

#### (i) Resignation of an executive Director

Mr. Chen Jian Jiang (“**Mr. JJ Chen**”) will resign as an executive Director for personal development with effect from 1 April 2015.

Mr. JJ Chen has confirmed that he does not have any disagreement with the Board and that there are no matters relating to his resignation which need to be brought to the attention of the Shareholders.

#### (ii) Re-election of Directors

Mr. Hu Hua Jun, an executive Director; Mr. Chen Dong Chun, a non-executive Director and Mr. Xu Wei Dong, an independent non-executive Director will retire upon expiration of the term of their office at the AGM and will offer themselves for re-election as an executive Director, a non-executive Director and an independent non-executive Director respectively at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval of the Shareholder at the AGM.

#### *Executive Director*

Biographical details of the re-election of Mr. Hu Hua Jun as an executive Director is as follows:-

**Mr. Hu Hua Jun (胡華軍先生) (“Mr. Hu”)**, aged 29, is currently an executive Director of the Company. He is responsible for all secretarial work of the chairman and the routine management of administrative department. Prior to joining the Company, Mr. Hu worked in the finance department and the general manager’s office of Zhejiang Yongli from July 2008 to May 2010 and from May 2010 to December 2010, respectively. He received a bachelor degree in Accounting at Economics and Management Faculty in 湖南南華大學 (University of South China, Hunan\*). He joined the Company in December 2010 and was appointed as an executive Director at the EGM held on 26 November 2012.

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

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## LETTER FROM THE BOARD

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An ordinary resolution will be proposed at the AGM to re-elect Mr. Hu as an executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. Hu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus, which was determined with reference to the existing contracts entered into between the Company and the existing executive Directors.

### *Non-Executive Director*

Biographical details of the re-election of Mr. DC Chen as a non-executive Director is as follows:-

**Mr. Chen Dong Chun (陳冬春先生) (“Mr. DC Chen”)**, aged 31, is currently a non-executive Director of the Company. He is a senior analyst who received a master degree in Accounting at Economics and Management Faculty, 上海交通大學 (Shanghai Jiao Tong University\*). Mr. Chen has been working as a senior analyst in 禹杉投資管理有限公司 (Yu Shan Finance and Investment Holding Company Limited\*) since January 2009. He has been a director of 上海西恩科技有限公司 (Shanghai Xien Technology Company Limited\*) since October 2011 and has strong practical experience and knowledge in securities investment and management in listed companies. Mr. Chen is also a director of Wing Hing Holdings (HK) Investment Limited, a substantial shareholder of the Company. He was appointed as a non-executive Director at the EGM held on 26 November 2012.

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

An ordinary resolution will be proposed at the AGM to re-elect Mr. DC Chen as a non-executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. DC Chen for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus, which was determined with reference to the existing contracts entered into between the Company and the existing executive Directors.



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## LETTER FROM THE BOARD

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### *Independent Non-Executive Director*

Biographical details of the re-election of Mr. Xu Wei Dong as an independent non-executive Director is as follows:-

**Mr. Xu Wei Dong (徐維棟先生) (“Mr. Xu”)**, aged 40, is currently an independent non-executive Director of the Company. He is a senior economist and certified public accountant. He graduated from Jiangxi University of Finance and Economics (江西財經大學) in July 1998 and has been working in 紹興天源會計師事務所有限責任公司 (Shaoxing Tianyuan CPA Co., Ltd\*) (formerly known as 紹興會計師事務所 (Shaoxing CPA firm\*) before transformation) since October 1998. Mr. Xu has over 10 years of experience in financial management and auditing. He was appointed as an independent non-executive Director at the EGM held on 26 November 2012.

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

An ordinary resolution will be proposed at the AGM to re-elect Mr. Xu as an independent non-executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. Xu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000, which was determined with reference to the existing contracts entered into between the Company and the existing independent non-executive Directors.

As at the Latest Practicable Date, save as disclosed above, to the best of knowledge, information and belief of the Board having made reasonable enquiry, (i) Mr. Hu Hua Jun, Mr. Chen Dong Chun and Mr. Xu Wei Dong have not been a director of any other listed company in Hong Kong or overseas in the past 3 years, and had no prior relationship, business or otherwise, with the Company; (ii) they have no relationship with any members of the Board, senior management, substantial Shareholders or controlling Shareholders of the Company (as respectively defined in the GEM Listing Rules); (iii) they do not have or are not deemed to have interests in any shares or underlying shares of the Company (within the meaning of Part XV of the SFO); (iv) they do not hold any other position in the Company; and (v) they do not have any other major appointments and professional qualifications.

In relation to the appointments of Mr. Hu Hua Jun as an executive Director, Mr. Chen Dong Chun as a non-executive Director and Mr. Xu Wei Dong as an independent non-executive Director, there is no information which is discloseable nor are / were they involved in any matters required to be disclosed pursuant to the requirements of the provisions under paragraphs 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.

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## LETTER FROM THE BOARD

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### (iii) Proposed appointment of Directors

#### *Non-Executive Director*

As a result of the nomination by Zhejiang Yongli, they have identified a suitable candidates, namely Mr. Tang Guo Ping to take up the position as a non-executive Director. Pursuant to the Articles, such appointments will only become effective after obtaining approval of the Shareholders at the AGM.

Biographical details of Mr. Tang Guo Ping as the proposed appointment of a non-executive Director is as follows:-

**Mr. Tang Guo Ping (唐國平先生) (“Mr. Tang”)**, aged 25, is currently an assistant to the chairman of Zhejiang Yongli. He is responsible for all secretarial work of the chairman of Zhejiang Yongli. Mr. Tang joined Zhejiang Yongli in February 2012. He received a bachelor degree in Sales and Marketing.

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

An ordinary resolution will be proposed at the AGM to elect Mr. Tang as a non-executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. Tang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus, which was determined with reference to the existing contracts entered into between the Company and the existing executive Directors and will be paid by Zhejiang Yongli.

#### *Independent Non-Executive Directors*

Mr. Li Hui Peng (“Mr. Li”) and Mr. Qin Fu (“Mr. Qin”) will retire as independent non-executive Directors upon expiration of the term of their respective service contracts with the Company at the AGM and members of the Board Committees and will not offer themselves for re-election as independent non-executive Directors. Ms. Zhang Li and Mr. Wang Weisong are proposed to be appointed as independent non-executive Directors and members of the Board Committees. The proposed appointments of Ms. Zhang Li and Mr. Wang Weisong as independent non-executive Directors and members of the Board Committees will only become effective after obtaining approval of the Shareholders at the AGM.

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## LETTER FROM THE BOARD

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Both Mr. Li and Mr. Qin have confirmed that they have no disagreement with the Board and they are not aware of any other matters relating to their retirement that need to be brought to the attention of the Shareholders.

Biographical details of the proposed appointment of independent non-executive Directors are as follows:-

**A. Ms. Zhang Li**

Ms. Zhang Li (張麗女士) (“Ms. Zhang”), aged 41, is a managing director at Siguler Guff and head of the firm’s Shanghai office. She oversees the firm’s investment activities in China. She is also a member of the Investment Committees for the BRIC Opportunities Funds. Prior to joining Siguler Guff in 2012, Ms. Zhang was a managing partner at Shanghai JH Investment Management Co., Ltd., where she focused on public equity research and portfolio construction in high-growth sectors in China such as consumer, pharmaceutical, technology, media and telecommunications. Previously, she was a senior director and head of M&A for the Asia-Pacific region at Anheuser-Busch InBev where she led acquisition and divestiture transactions in China and throughout Asia. Notably, Ms. Zhang was involved in the acquisition of Sedrin Beer, one of the largest brewery acquisitions in China to date, and led the divestiture of Oriental Breweries in South Korea during the financial crisis in 2009. Ms. Zhang holds a B.A. from the University of International Business and Economics in Beijing and an M.B.A. from the Harvard Business School.

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

An ordinary resolution will be proposed at the AGM to elect Ms. Zhang as an independent non-executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Ms. Zhang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000, which was determined with reference to the existing contracts entered into between the Company and the existing independent non-executive Directors.

**B. Mr. Wang Weisong**

Mr. Wang Weisong (“Mr. Wang”), aged 55, is an associate professor of School of Accountancy at Shanghai University of Finance and Economics. He also obtained a bachelor degree and a master degree in engineering, and a doctorate degree in management in Tongji University. He has been working for Shanghai University of Finance and Economics since 1982 and he served as the vice dean of School of Accountancy at Shanghai University of Finance and Economics. He currently also serves as a director of Shanghai Institute of Finance and Accounting and the vice chairman of Shanghai Yangpu Qu Accounting Association.

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## LETTER FROM THE BOARD

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

An ordinary resolution will be proposed at the AGM to elect Mr. Wang as an independent non-executive Director, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. Wang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000, which was determined with reference to the existing contracts entered into between the Company and the independent non-executive Directors.

As at the Latest Practicable Date, save as disclosed above, to the best of knowledge, information and belief of the Board having made reasonable enquiry, (i) Mr. Tang Guo Ping, Ms. Zhang Li and Mr. Wang Weisong have not been a director of any other listed company in Hong Kong or overseas in the past 3 years, and had no prior relationship, business or otherwise, with the Company; (ii) they have no relationship with any members of the Board, senior management, substantial Shareholders or controlling Shareholders of the Company (as respectively defined in the GEM Listing Rules); (iii) they do not have or are not deemed to have interests in any shares or underlying shares of the Company (within the meaning of Part XV of the SFO); (iv) they do not hold any other position in the Company; and (v) they do not have any other major appointments and professional qualifications.

In relation to the appointments of Mr. Tang Guo Ping as a non-executive Director and Ms. Zhang Li and Mr. Wang Weisong as independent non-executive Directors, there is no information which is discloseable nor are / were they involved in any matters required to be disclosed pursuant to the requirements of the provisions under paragraphs 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 SUPERVISORS**

Ms. Tong Jian Juan and Mr. Chen Wei, Supervisors and Mr. Pan Xing Biao, an independent Supervisor, will retire upon expiration of the term of their office until the expiry of the term of the second session of the Supervisory Committee. Ms. Tong Jian Juan and Mr. Chen Wei will offer themselves for re-election as Supervisors at the employee representatives general meeting of the Company while Mr. Pan Xing Biao will offer himself for re-election as an independent Supervisor at the AGM.

The appointment of Mr. Pan Xing Biao will only become effective after obtaining approval of the Shareholders at the AGM while the appointment of Ms. Tong Jian Juan and Mr. Chen Wei will only become effective after obtaining approval from the employee representatives general meeting of the Company and does not require the Shareholders' approval.

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## LETTER FROM THE BOARD

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Biographical details of the re-election of Supervisors are as follows:

**A. Ms. Tong Jian Juan**

Ms. Tong Jian Juan (童建娟女士) (“Ms. Tong”) aged 38, is currently the deputy manager of quality inspection department of the Company. She had been working as a warehouse supervisor and a deputy manager of quality inspection department of the Company since 2002. She has strong production technical knowledge and practical experience. She was appointed as a Supervisor at the EGM held on 26 November 2012.

The Company will enter into a service contract with Ms. Tong. The term of office of Ms. Tong shall be 3 years commencing upon the approval from the employee representatives general meeting of the Company and does not require the Shareholders’ approval.

Ms. Tong will be re-elected as a Supervisor, upon the approval from the employee representatives general meeting of the Company, for a period of 3 years effective from the date thereof, and the Board will be authorised to enter into a service contract with Ms. Tong for a term of 3 years commencing from the date thereof at an annual emolument of RMB12,000, which was determined with reference to the existing services contracts entered into between the Company and the existing Supervisors.

**B. Mr. Chen Wei**

Mr. Chen Wei (陳偉先生) (“Mr. W Chen”) aged 33, is currently the deputy manager of the production department of the Company since February 2007. He was a workshop supervisor in 浙江偉創紡織有限公司 (Zhejiang Wei Chuang Textiles Company Limited\*) from 1998 to January 2006 and a production manager in 萬邦紡織有限公司 (Wan Bang Textiles Company Limited\*) from 2006 to 2007. He was appointed as a Supervisor at the EGM held on 26 November 2012.

The Company will enter into a service contract with Mr. W Chen. The term of office of Mr. W Chen shall be 3 years commencing upon the approval from the employee representatives general meeting of the Company and does not require the Shareholders’ approval.

Mr. W Chen will be re-elected as a Supervisor, upon the approval from the employee representatives general meeting of the Company, for a period of 3 years effective from the date thereof, and the Board will be authorised to enter into a service contract with Mr. W Chen for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB12,000 with reference to the existing services contracts entered into between the Company and the existing Supervisors.

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## LETTER FROM THE BOARD

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### C. Mr. Pan Xing Biao

Mr. Pan Xing Biao (潘興彪先生) (“Mr. Pan”), aged 49, a certified public accountant and certified tax accountant. Mr. Pan graduated in Financial Accounting major from 浙江台州供銷學校 (Zhejiang Taizhou Supply and Marketing School\*) in July 1985. He worked as the chief accountant of 紹興縣畜產品有限公司 (Shaoxing Livestock Product Co., Ltd. \*) from August 1985 to April 1990, 紹興縣土特產有限公司 (Shaoxing Native Products Co., Ltd. \*) from May 1990 September 1991, 紹興縣供銷貿易有限公司 (Shaoxing Supply and Marketing Trade Co., Ltd. \*) from October 1991 to December 1994 and 紹興縣化纖供應有限公司 (Shaoxing Chemical Fiber Supply Co., Ltd. \*) from January 1995 to June 1997. He worked as a department head at 紹興縣第一稅務師事務所 (Shaoxing First Tax Accountant Office\*) from July 1997 to December 1999 and has been a director of 紹興益地稅務師事務所 (Shaoxing Yidi Tax Accountant Office\*) since January 2000. He was appointed as an independent Supervisor at the EGM held on 26 November 2012.

The Company will enter into a service contract with Mr. Pan. The term of office of Mr. Pan shall be 3 years commencing upon the approval by the Shareholders of his appointment at the AGM until the expiry of the term of the second session of the Supervisory Committee.

An ordinary resolution will be proposed at the AGM to re-elect Mr. Pan as an independent Supervisor, for a period of 3 years effective from the date of the AGM, and the Board will be authorised to enter into a service contract with Mr. Pan for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB12,000, which was determined with reference to the existing services contracts entered into between the Company and the existing Supervisors.

As at the Latest Practicable Date, save as disclosed above, to the best of knowledge, information and belief of the Board having made reasonable enquiry, (i) Ms Tong Jian Juan Mr. Chen Wei and Mr. Pan Xing Biao have not been a director of any other listed company in Hong Kong or overseas in the past 3 years, and had no prior relationship, business or otherwise, with the Company; (ii) they have no relationship with any members of the Board, senior management, substantial Shareholders or controlling Shareholders of the Company (as respectively defined in the GEM Listing Rules); (iii) they do not have or are not deemed to have interests in any shares or underlying shares of the Company (within the meaning of Part XV of the SFO).

In relation to the appointments of Ms. Tong Jian Juan and Mr. Chen Wei as Supervisors and Mr. Pan Xing Biao as an independent Supervisor, there is no information which is discloseable nor are / were they involved in any matters required to be disclosed pursuant to the requirements of the provisions under paragraphs 17.50(2) of the GEM Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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### PROPOSED CHANGE OF MEMBERS OF BOARD COMMITTEES

Subject to the appointment of Ms. Zhang Li and Mr. Wang Weisong as independent non-executive Directors, the Board proposes to elect Ms. Zhang Li as the chairman of the Remuneration Committee and as a member of the Audit Committee and the Nomination Committee in order to replace the retirement of Mr. Li Hui Peng and (ii) Mr. Wang Weisong as the chairman of the Nomination Committee and as a member of the Audit Committee and the Remuneration Committee in order to replace the retirement of Mr. Qin Fu. Such appointments will only become effective after obtaining approval of the Shareholders for their appointment as independent non-executive Directors at the AGM.

### AGM AND PROXY ARRANGEMENT

A notice convening an annual general meeting of the Company to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC, at 10:00 a.m. on Friday, 15 May 2015 or any adjournment thereof is set out on pages 14 to 17 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, (i) the proposed change of Directors, (ii) the proposed change of Supervisors and (iii) the proposed change of members of Board Committees. A reply slip and a proxy form for use at the annual general meeting are enclosed herewith.

Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same, for holders of H Shares, to the Company's share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and for holders of Domestic Shares, to the Company's legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC as soon as possible and in any event not later than 24 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. Accordingly, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

This circular, 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 circular 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 in this circular misleading.

### RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the opinion that (i) the appointment of Mr. Hu Hua Jun as an executive Director, Mr. DC Chen and Mr. Tang Guo Ping as non-executive Directors, Mr. Xu Wei Dong, Ms. Zhang Li and Mr. Wang Weisong as independent non-executive Directors and (ii) the appointment of Ms. Tong Jian Juan and Mr. Chen Wei as Supervisors and Mr. Pan Xing Biao as an independent Supervisor, are in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board  
**Zhejiang Yonglong Enterprises Co. Ltd.\***  
**Wang Xinyi**  
*Chairman*



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## NOTICE OF ANNUAL GENERAL MEETING

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浙江永隆實業股份有限公司  
**ZHEJIANG YONGLONG ENTERPRISES CO., LTD.\***  
*(a joint stock limited company incorporated in the People's Republic of China)*  
**(Stock Code : 8211)**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting (the “AGM”) of Zhejiang Yonglong Enterprises Co., Ltd. (the “Company”) will be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the People’s Republic of China (the “PRC”) on Friday, 15 May 2015 at 10:00 a.m. for the following purposes:-

To consider and, if though fit, to pass with or without modifications, the following resolution as ordinary resolution of the Company:-

### ORDINARY RESOLUTIONS

1. “**THAT** the report of the board of directors (the “Board”) of the Company for the year of 2014 be and is hereby approved.”
2. “**THAT** the report of the supervisory committee for the year of 2014 be and is hereby approved.”
3. “**THAT** the audited financial statements and the auditor’s report of the Company for the year of 2014 be and is hereby approved.”
4. “**THAT** the proposal for distribution of profit (including the distribution of dividend and the allocation of the Company’s statutory surplus reserve) of the Company for the year of 2014 be and is hereby approved.”
5. “**THAT** Shinewing (HK) CPA Limited be and is hereby re-appointed as international auditors for the year ending 31 December 2015 and **THAT** Zhejiang Zhongxing CPA Company Limited be and is hereby re-appointed as domestic auditors for the year ending 31 December 2015, and **THAT** the Board be and is hereby authorised to determine their remuneration and enter into the services contract with them.”

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6. “**THAT** Mr. Hu Hua Jun (“Mr. Hu”) be and is hereby appointed as an executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Hu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus.”
7. “**THAT** Mr. Chen Dong Chun (“Mr. DC Chen”) be and is hereby appointed as a non-executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. DC Chen for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus.”
8. “**THAT** Mr. Xu Wei Dong (“Mr. Xu”) be and is hereby appointed as an independent non-executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Xu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000.”
9. “**THAT** Mr. Tang Guo Ping (“Mr. Tang”) be and is hereby appointed as a non-executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Tang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000 plus a year-end discretionary bonus and is payable by Zhejiang Yongli.”
10. “**THAT** Ms. Zhang Li (“Ms. Zhang”) be and is hereby appointed as an independent non-executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Ms. Zhang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000.”
11. “**THAT** Mr. Wang Weisong (“Mr. Wang”) be and is hereby appointed as an independent non-executive director of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Wang for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB60,000.”
12. “**THAT** the appointment of Ms. Tong Jian Juan (“Ms. Tong”) as a supervisor of the Company for a period of 3 years effective from the date of the employee representatives general meeting of the Company be and is hereby confirmed and **THAT** the Board be and is hereby authorised to enter into a service contract with Ms. Tong for a term of 3 years commencing from the date thereof at an annual emolument of RMB12,000 be and is hereby confirmed.”

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13. “**THAT** the appointment of Mr. Chen Wei (“Mr. W Chen”) as a supervisor of the Company for a period of 3 years effective from the date of the employee representatives general meeting of the Company be and is hereby confirmed and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. W Chen for a term of 3 years commencing from the date thereof at an annual emolument of RMB12,000 be and is hereby confirmed.”
14. “**THAT** Mr. Pan Xing Biao (“Mr. Pan”) be and is hereby appointed as an independent supervisor of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Pan for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB12,000.”

By Order of the Board  
**Zhejiang Yonglong Enterprises Co. Ltd.\***  
**Wang Xinyi**  
*Chairman*

Zhejiang, the PRC, 31 March 2015

Notes:

1. The H Shares register of shareholders of the Company will be closed from 15 April 2015 to 15 May 2015 (both days inclusive), during which period no transfer of H Shares will be effected. The shareholders of H Shares whose names appeared on the register of shareholders of the Company at 4:00 p.m. on Monday, 14 April 2015 will be entitled to attend and vote at the AGM.
2. Any shareholder of H Shares and Domestic Shares entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote at the AGM on his/her behalf in accordance with the Articles of Association of the Company. A proxy need not be a holder of H Shares and Domestic Shares.
3. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be delivered, for holders of H shares, to the office of the share registrar of the Company in Hong Kong (“Company’s Share Registrar”), Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and for holders of Domestic Shares, to the Company’s legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC not less than 24 hours before the time for holding the AGM (or any adjourned meeting thereof) or 24 hours before the time appointed for taking the poll.
4. Holders of H Shares and Domestic Shares or their proxies shall produce their identity documents when attending the AGM.

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5. Holders of H Shares and Domestic Shares who intend to attend the AGM shall complete and lodge the reply slip for attending the meeting at the Company's Share Registrar and the Company's legal address, respectively on or before Friday, 24 April 2015. The reply slip may be delivered to the Company by hand, by post or by fax (at fax No.: (86) 575-84576060).
6. The AGM is not expected to take more than half a day. Shareholders or their proxies attending the AGM shall bear their own traveling and accommodation expenses.
7. The legal address of the Company and the details of the secretarial office of the Board are as follows:-  
  
Yangxun Qiao Town  
Keqiao Qu, Shaoxing  
Zhejiang Province  
The PRC  
Tel: (86) 575-84069469  
Fax: (86) 575-84576060  
Postal Code: 312028  
Contact person: Mr. Hu Hua Jun.
8. As required under the Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprises Market ("GEM") of The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll.

*As at the date of this notice, the executive Directors are Mr. Wang Xinyi (Chairman), Ms. He Lianfeng (Deputy Chairman and Chief Executive Officer), Mr. Hu Hua Jun and Mr. Chen Jian Jiang; the non-executive Director is Mr. Chen Dong Chun; and the independent non-executive Directors are Mr. Xu Wei Dong, Mr. Li Hui Peng and Mr. Qin Fu.*

*This notice, 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 notice 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 notice misleading.*

*This notice will remain on the "Latest Company Announcements" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company's website at [www.zj-yonglong.com](http://www.zj-yonglong.com).*

*\* For identification purpose only*