
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Zhejiang Yonglong Enterprises Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)

PROPOSED CHANGE OF SUPERVISORS NOTICE OF ANNUAL GENERAL MEETING

A letter from the Board is set out on pages 3 to 6 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 Thursday, 15 May 2014 or any adjournment thereof is set out on pages 7 to 9 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 18th Floor, Fook Lee Commercial Centre, 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 2014

* For identification purpose only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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

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

“Announcement”	an announcement of the Company dated 17 March 2014 in relation to, inter alia, proposed change of supervisors
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“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
“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 Thursday, 15 May 2014 to consider and, if thought fit, approve proposed change of Supervisors
“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
“Latest Practicable Date”	26 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission

DEFINITIONS

“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

LETTER FROM THE BOARD



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

Non Executive Director

Mr. Chen Dong Chun

Independent non-executive Directors:

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

Legal Address:

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

Place of business in Hong Kong:

Suites 06-12, 33rd Floor
Shui On Centre
6-8 Harbour Road, Wanchai
Hong Kong

31 March 2014

To the Shareholders

Dear Sir or Madam,

PROPOSED CHANGE OF SUPERVISORS 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 the proposed change of Supervisors, together with a notice of AGM.

LETTER FROM THE BOARD

PROPOSED CHANGE OF SUPERVISORS

(i) Resignation of Supervisor

As disclosed in the Announcement, the Board was informed by Mr. Fang Wei that he would resign as Supervisor for personal development with effect from 18 March 2014.

Mr. Fang has confirmed that he does not have no disagreement with the Board and there is no other matter in relation to his resignations that needs to be brought to the attention of the Shareholders.

(ii) Re-election of an independent Supervisor

Mr. Hu Jin Huan (“**Mr. Hu**”), an independent Supervisor, will retire upon expiration of the term of his office until the expiry of the term of the second session of Supervisory Committee and will offer himself for re-election as an independent Supervisor 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 Mr. Hu are as follows:-

Mr. Hu, aged 49, is a PRC certified public accountant and is now working as a director in 紹興集財會計師事務所 (Shaoxing Jicai Certified Public Accountants*). He was re-appointed as an independent Supervisor of the Company in January 2012.

Mr. Hu has not held any other directorships in any listed public companies in the last 3 years. Furthermore, save as disclosed in the biographical details above, Mr. Hu does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company and has no interests in the shares of the Company within the meaning of Part XV of the SFO.

The term of office of Mr. Hu 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.

LETTER FROM THE BOARD

An ordinary resolution will be proposed as the AGM to re-elect Mr. Hu 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. Hu 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 service contracts entered into between the Company and the existing Supervisors.

Save as disclosed herein, there are no other matters relating to Mr. Hu that need to be brought to the attention of the Shareholders nor is there any information required to be disclosed pursuant to any of the requirement of Rule 17.50(2) of the GEM Listing Rules.

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 Thursday, 15 May 2014 or any adjournment thereof is set out on pages 7 to 9 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the proposed change of Supervisor. 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 18th Floor, Fook Lee Commercial Centre, 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.

LETTER FROM THE BOARD

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 the appointment of Mr. Hu Jin Huan as an independent Supervisor, is 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

NOTICE OF ANNUAL GENERAL MEETING



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 Thursday, 15 May 2014 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 2013 be and is hereby approved.”
2. “**THAT** the report of the supervisory committee for the year of 2013 be and is hereby approved.”
3. “**THAT** the audited financial statements and the auditors' report of the Company for the year of 2013 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 2013 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 2014 and **THAT** Zhejiang Zhongxing CPA Company Limited be and is hereby re-appointed as domestic auditors for the year ending 31 December 2014, and **THAT** the Board be and is hereby authorised to determine their remuneration and enter into the services contract with them.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** Mr. Hu Jin Huan (“**Mr. Hu**”) 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. Hu 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 2014

Notes:

1. The H Shares register of shareholders of the Company will be closed from 15 April 2014 to 15 May 2014 (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 2014 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 18th Floor, Fook Lee Commercial Centre, 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.
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, 25 April 2014. The reply slip may be delivered to the Company by hand, by post or by fax (at fax No.: (86) 575-84576060).

NOTICE OF ANNUAL GENERAL MEETING

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

** For identification purpose only*