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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)

ANNOUNCEMENT

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DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER,**
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**PROPOSED CHANGE OF EXECUTIVE DIRECTORS, CHAIRMAN, DEPUTY
CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The Board regrets to announce that Mr. Ru and Mr. Xia will retire as executive Directors upon expiration of the term of their respective service contracts with the Company at the EGM and will not offer themselves for re-election as executive Directors. The Board proposes to elect Mr. Wang as executive Director and the Chairman while Ms. He as executive Director, the Deputy Chairman and the Chief Executive Officer. Such appointments will only become effective after obtaining approval of the Shareholders at the EGM.

**CHANGE OF COMPOSITION OF THE REMUNERATION COMMITTEE AND THE
NOMINATION COMMITTEE**

Following the retirement of Mr. Ru and Mr. Xia as executive Directors, they will also cease to be a member of the Remuneration Committee and the Nomination Committee, respectively. Mr. Wang and Ms. He are proposed for appointment as a member of the Remuneration Committee and the Nomination Committee, respectively. Such appointments will only become effective after obtaining approval of the Shareholders for their election as executive Directors at the EGM.

PROPOSED CHANGE OF SUPERVISOR

The Board announces that Ms. Wang, a Supervisor, will retire upon expiration of the term of her office until the expiry of the term of the second session of the Supervisory Committee and will offer herself for re-election as a Supervisor at the EGM. Such appointment will only become effective after obtaining approval of the Shareholders at the EGM.

PROPOSED DESPATCH OF CIRCULAR

A circular containing, inter alia, details of the (i) proposed election of executive Directors, Chairman, Deputy Chairman and Chief Executive Officer and (ii) proposed re-election of the Supervisor, together with a notice of the EGM, will be despatched to the Shareholders in accordance with the requirements under the GEM Listing Rules as soon as practicable.

PROPOSED CHANGE OF EXECUTIVE DIRECTORS, CHAIRMAN, DEPUTY CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of Zhejiang Yonglong Enterprises Co., Ltd. (the “**Company**”) regrets to announce that Mr. Ru Guan Jun (“**Mr. Ru**”) and Mr. Xia Xian Fu (“**Mr. Xia**”) will retire upon expiration of the term of their respective service contracts with the Company at the forthcoming extraordinary general meeting (the “**EGM**”) and will not offer themselves for re-election as executive Directors.

Both Mr. Ru and Mr. Xia 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.

The Board is pleased to announce that as a result of the nomination by Zhejiang Yongli Industry Group Co., Ltd. (“**Zhejiang Yongli**”), they have identified 2 suitable candidates, namely, Mr. Wang Xinyi (“**Mr. Wang**”) and Ms. He Lianfeng (“**Ms. He**”) to take up the positions as executive Directors. The Board also proposes to elect Mr. Wang as the chairman of the Board (the “**Chairman**”) while Ms. He as the Deputy Chairman and the Chief Executive Officer. Pursuant to the articles of association of the Company (the “**Articles**”), the appointment of executive Directors, the Chairman and the Deputy Chairman and the Chief Executive Officer will only become effective after obtaining approval of the shareholders of the Company (the “**Shareholders**”) at the EGM.

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

A. Mr. Wang

Mr. Wang, aged 32, the son-in-law of Mr. Zhou Yongli (“**Mr. Zhou**”). Mr. Zhou is the controlling shareholder of Zhejiang Yongli, which is the ultimate holding company of the Company. Mr. Wang currently holds the positions of executive director, chairman of investment decision-making committee and partner of Shanghai CR Assets Management Co. Ltd.* (上海呈瑞投資管理有限公司) (“**CR Assets**”). Mr. Wang has around 10 years of extensive experience in investment, involving markets in Mainland China, Hong Kong, Europe and the United States. He has also built up good relationships with fund managers, entrepreneurs, industry experts and intermediary organizations all over the world. Before joining CR Assets, Mr. Wang has been working at Shanghai Chongyang Investment Management Co., Ltd., where he was responsible for the investment and research of emerging industries. Before that, for the period of 2009 to 2011, Mr. Wang served as the strategic analyst of small and mid-cap stock investment of Guotai Junan Securities Co., Ltd., which is one of the largest investment banks in the PRC and has been awarded the “Best Domestic Research Team” for four consecutive years. Mr. Wang has extensive working experience in technology, media and telecommunications industry before emerging in the area of investment. He has been a manager of the product research and development of Cisco System, Inc. in the United States. He also established Hangzhou Chuang Sheng Technology Co. Ltd.* (杭州創盛互聯科技有限公司) and acted as the chief executive.

Mr. Wang graduated from Zhejiang University in 2003 and obtained the bachelor degree of Engineering. He obtained the master degree of Engineering in University of Nebraska Lincoln in 2005 and the master degree of Business Management in Cranfield School of Management in the United Kingdom in 2009.

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) Mr. Wang has 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) Mr. Wang has no relationship with any members of the Board, senior management, substantial Shareholders or controlling Shareholders of the Company (as respectively defined in the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)); (iii) Mr. Wang does not have or is not deemed to have interests in any shares or underlying shares of the Company (within the meaning of Part XV of the Securities Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“**SFO**”)); (iv) Mr. Wang does not hold any other position in the Company; and (v) Mr. Wang does not have any other major appointments and professional qualifications.

In relation to the appointment of Mr. Wang as executive Director, the Chairman and a member of the remuneration committee of the Company (the “**Remuneration Committee**”), there is no information which is discloseable nor is / was he 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.

An ordinary resolution will be proposed at the EGM to elect Mr. Wang as executive Director, Chairman and a member of the Remuneration Committee for a period of 3 years effective from the date of the EGM, 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 EGM at an annual emolument of RMB96,000, which was determined with reference to the existing service contracts entered into between the Company and the existing executive Directors and will be paid by Zhejiang Yongli. The Board is not aware that there are any other matters that need to be brought to the attention of Shareholders in respect of the election of Mr. Wang.

B. Ms. He

Ms. He, aged 40, was graduated from Zhejiang Radio & Television University. She is currently the deputy general manager of the Company and responsible for the management of daily production and operation of the Company. Before joining the Company, she acted as the workshop director of Zhejiang Yongli Warp Knitting Co. Ltd. from January 1990 to July 2007, the general manager assistant of Zhejiang Yongli Warp Knitting Co. Ltd. from August 2007 to February 2013. In March 2013, she joined the Company as the deputy general manager. 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.

Ms. He and her spouse respectively hold 43,500 shares and 19,000 shares (in total representing approximately 0.039%) in Zhejiang Yongli, the ultimate holding company of the Company. Zhejiang Yongli is an associated corporation (within the meaning of Part XV of the SFO) by virtue of its being a 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 past 3 years, and had no prior relationship, business or otherwise, with the Company; (ii) Ms. He has 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) Ms. He does not have or is not deemed to have interests in any shares or underlying shares of the Company (within the meaning of Part XV of the SFO); (iv) Ms. He does not hold any other position in the Company; and (v) Ms. He does not have any other major appointments and professional qualifications.

In relation to the appointment of Ms. He as executive Director, the Deputy Chairman, the Chief Executive Officer and a member of the nomination committee of the Company (the “**Nomination Committee**”), there is no information which is discloseable nor is / was she 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.

An ordinary resolution will be proposed at the EGM to elect Ms. He as executive Director, Deputy Chairman, the Chief Executive Officer and a member of the Nomination Committee for a period of 3 years effective from the date of the EGM, and the Board will be authorised to enter into a service contract with Ms. He for a term of 3 years commencing from the date of the EGM at an annual emolument of RMB72,000, which was determined with reference to the existing service contracts entered into between the Company and the existing executive Directors. The Board is not aware that there are any other matters that need to be brought to the attention of Shareholders in respect of the election of Ms. He.

CHANGE OF COMPOSITION OF THE REMUNERATION COMMITTEE AND NOMINATION COMMITTEE

Following the retirement of Mr. Ru and Mr. Xia, they will also cease to be a member of the Remuneration Committee and the Nomination Committee, respectively. The Board proposes to elect Mr. Wang and Ms. He as a member of the Remuneration Committee and the Nomination Committee, respectively. Such appointments will only become effective after obtaining approval of the Shareholders for their appointment as executive Directors at the EGM.

PROPOSED CHANGE OF SUPERVISOR

The Board announces that Ms. Wang Ai Yu, a Supervisor, will retire upon expiration of the term of her office until the expiry of the term of the second session of the supervisory committee of the Company (the “**Supervisory Committee**”) and will offer herself for re-election as a Supervisor at the EGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval of the Shareholders at the EGM.

Biographical details of Ms. Wang are as follows:-

Ms. Wang Ai Yu, aged 50, graduated from Chong Qing University, is a Supervisor and the chairman of the Supervisory Committee. Ms. Wang was a teacher of Yangxuqiao Zhongxin Primary School* (楊汛橋中心小學) in Shaoxing County from February 1979 to January 1980, working in accounting department of Shaoxing County Mijian Factory* (紹興縣蜜餞廠) from February 1980 to February 1987. She has acted as a finance manager of Zhejiang Yongli since February 1987. Ms. Wang has extensive experience in finance and is well versed of national taxation law, 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 established for Zhejiang Yongli a set of comprehensive rules and regulations for internal control in order to reduce the investment risk of the enterprises. She also standardised the audit method for the corporate finance and enhance the quality of financial information, thereby enhancing the supervision in financial services within Zhejiang Yongli.

Ms. Wang 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, Ms. Wang 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 Ms. Wang shall be 3 years commencing upon the approval by the Shareholders of her appointment at the EGM until the expiry of the term of the third session of the Supervisory Committee.

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

Save as disclosed herein, there are no other matters relating to Ms. Wang 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.

PROPOSED DESPATCH OF CIRCULAR

A circular containing, inter alia, details of the (a) proposed election of (i) Mr. Wang as an executive Director and the Chairman and (ii) Ms. He as an executive Director, the Deputy Chairman and the Chief Executive Officer; and (b) proposed re-election of Ms. Wang as a Supervisor, together with a notice of the EGM, will be despatched to the Shareholders in accordance with the requirements under the GEM Listing Rules as soon as practicable.

By Order of the Board
Zhejiang Yonglong Enterprises Co., Ltd.*
Chen Yen Yung
Company Secretary

Hong Kong, 17 January 2014

As at the date of this announcement, the executive Directors are Mr. Ru Guan Jun (Chairman), Mr. Xia Xian Fu (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 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-yonglong.com.

** For identification purposes only*