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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that after preliminary assessment by the Board of the unaudited management accounts of the Company, it is anticipated that the Company may record a significant decline of turnover and incur a gross loss for the three months ended 31 March 2013 when compared to that of the corresponding period in 2012.

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

This announcement is made by Zhejiang Yonglong Enterprises Company Limited* (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

After preliminary assessment on the unaudited management accounts of the Company, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that it is anticipated that the Company may record a significant decline of turnover and incur a gross loss for the three months ended 31 March 2013 (“**2013 First Quarterly Result**”) when compared to that of the corresponding period in 2012. Based on the information currently available, it is considered that such decline of turnover and incur of gross loss is mainly caused by the dropping of sales orders and rising of raw material cost and the labour cost in China as compared to that of the same period in 2012. The Board considers

that the financial position of the Company remains solid.

The Company has not yet finalised the 2013 First Quarterly Result. The information contained in this announcement is only based on the preliminary assessment with reference to the unaudited management accounts of the Company which have not been audited or reviewed by the Company's auditor. Further details of the financial information of the Company for the three months ended 31 March 2013 will be published in due course pursuant to the requirements of the GEM Listing Rules.

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

By Order of the Board
Zhejiang Yonglong Enterprises Co., Ltd.*
Ru Guan Jun
Chairman

15 May 2013, Zhejiang, the PRC

As at the date of the this announcement, the executive Directors are Mr. Ru Guan Jun, Mr. Xia Xian Fu, 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*