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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)

VOLUNTARY ANNOUNCEMENT
ENTERING INTO OF THE SUPPLEMENTAL ASSETS TRANSFER AGREEMENT

This is a voluntary announcement made by Zhejiang Yonglong Enterprises Co., Ltd. (the “**Company**”). Reference is made to the announcement of the Company dated 16 January 2012 and the circular of the Company dated 24 February 2012 (the “**Circular**”) in relation to, inter alia, very substantial disposal. Terms used herein shall have the same meanings as defined in the Circular unless defined otherwise.

SUPPLEMENTAL ASSETS TRANSFER AGREEMENT

As stated in the Circular, pursuant to the Assets Transfer Agreement, the total Consideration of RMB79,772,200 (equivalent to approximately HK\$98,119,806) shall be paid in cash by the Purchaser to the Company by no later than 30 September 2012, being the latest date for completion of the Auction to be conducted by the Purchaser.

Since then, there were changes in the local government policies in Shaoxing County (紹興縣) in relation to the compensation for demolition and relocation and more time is required by the relevant government authorities to arrange for the Auction. As a result, the Company and the Purchaser entered into the supplemental assets transfer agreement (“**Supplemental Assets Transfer Agreement**”) whereby (i) the long stop date of the Assets Transfer Agreement was extended to 31 March 2013 and (ii) the total Consideration was increased to RMB84,392,068 (equivalent to approximately HK\$103,802,244) (“**Revised Consideration**”). The Revised Consideration shall be paid by the Purchaser to the Company either (i) in one payment upon the Purchaser receiving the payment from the ultimate purchaser and such payment should not be made later than 31 March 2013; or (ii) by installments where the last installment should not be made later than 31 March 2013.

The Revised Consideration was arrived at after taking into consideration of the additional compensation for demolition and relocation provided by the Purchaser due to the change of the local government policies in Shaoxing County in relation thereto.

Save for the above, all other terms and conditions of the Assets Transfer Agreement shall remain unchanged.

The Supplemental Assets Transfer Agreement shall be subject to and conditional upon, if required, approval by the Shareholders of the entering into of the Supplemental Assets Transfer Agreement and the transactions contemplated thereunder at an extraordinary general meeting of the Company. Further announcement will be made, should the Company be required to convene the extraordinary general meeting of the Company to approve the Supplemental Assets Transfer Agreement.

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

31 December 2012, Zhejiang, the PRC

As at the date of this announcement, the executive Directors are Mr. Ru Guan Jun, Mr. Xia Xian Fu, Mr. Hu Hua Jun and Mr. Chen Jian Jiang; and 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 the purpose of this announcement, all amounts denominated in RMB has been converted in HK\$ at the rate of RMB1.00 : HK\$1.23 for illustration purpose.

** For identification purposes only*