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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
UPDATE ON THE TRANSFER OF 240,000,000 DOMESTIC SHARES
AND
DELAY FOR RESUMPTION OF TRADING

Financial Adviser to the Company



Reference is made to the announcements of the Company dated 25 March 2009, 24 July 2009, 29 July 2009, 31 August 2009, 23 February 2010, 20 October 2010, 29 December 2010, 14 February 2012 and 8 March 2012.

UPDATE ON THE TRANSFER OF 240,000,000 DOMESTIC SHARES

On 12 March 2012, the Board received confirmation from 中國證券登記結算有限責任公司 (China Securities Depository and Clearing Corporation Ltd.*) that the 240,000,000 Domestic Shares (representing approximately 22.57% of the total issued shares of the Company) were transferred from Mr. Sun and Mrs. Sun to Zhejiang Yongli with effect from 9 March 2012.

Immediately after the Share Transfer, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, was interested in 550,000,000 Domestic Shares, representing approximately 51.72% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, Zhejiang Yongli and parties acting in concert with it are required to make a Mandatory Unconditional Cash Offer.

DELAY FOR RESUMPTION OF TRADING

Trading in the Shares on the GEM has been suspended since 9:30 a.m. on 24 October 2008. On 7 March 2012, the Company fulfilled all the resumption conditions required by the Stock Exchange as set out in the announcement of the Company dated 17 February 2012 and trading in Shares on the GEM is expected to resume at 9:00 a.m. on 13 March 2012. However, at the request of the Company, the expected date of the resumption of trading in the Shares on the GEM will be delayed and trading of Shares on GEM will continue to be suspended pending the release of a joint announcement in relation to the Mandatory Unconditional Cash Offer, the information of which is price sensitive. The Company will apply to the Stock Exchange for resumption of the trading in the Shares where appropriate.

UPDATE ON THE TRANSFER OF 240,000,000 DOMESTIC SHARES

Reference is made to the announcements of the Company dated 25 March 2009, 24 July 2009, 29 July 2009, 31 August 2009, 23 February 2010, 20 October 2010, 29 December 2010, 14 February 2012 and 8 March 2012 in relation to the impoundment by the Court of the Domestic Shares held by Mr. Sun and Mrs. Sun.

Pursuant to the Judgment stated in the Company's announcement dated 14 February 2012, it was ordered that (i) the 240,000,000 Domestic Shares (representing approximately 22.57% of the total issued shares of the Company) held by Mr. Sun (as to 60,000,000 Shares) and Mrs. Sun (as to 180,000,000 Shares) and impounded by the Court were to be assigned to Zhejiang Yongli as a compensation for the judgment debt (執行款) granted in favour of Zhejiang Yongli with a value of RMB18,630,000; and (ii) Zhejiang Yongli would be entitled to effect the transfer of 240,000,000 Domestic Shares with the relevant governmental authority pursuant to the Judgment, and the Judgment would come into effect immediately after service of the Judgment.

On 12 March 2012, the Board received confirmation from 中國證券登記結算有限責任公司 (China Securities Depository and Clearing Corporation Ltd.*) that the 240,000,000 Domestic Shares (representing approximately 22.57% of the total issued shares of the Company) were transferred from Mr. Sun and Mrs. Sun to Zhejiang Yongli with effect from 9 March 2012, which is referred to as the Share Transfer.

Immediately after the Share Transfer, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, was interested in 550,000,000 Domestic Shares, representing approximately 51.72% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, Zhejiang Yongli and parties acting in concert with it are required to make a mandatory unconditional general offer in cash for all the outstanding Shares other than those already owned or agreed to be acquired by Zhejiang Yongli and parties acting in concert with it. Zhejiang Yongli and parties acting in concert with it will make the offer for all the outstanding Shares, other than those already owned or agreed to be acquired by it and parties acting in concert with it (the “**Mandatory Unconditional Cash Offer**”). A joint announcement in relation to the Mandatory Unconditional Cash Offer will be made as soon as practicable when all the terms and arrangements contemplated under the Mandatory Unconditional Cash Offer are finalised.

DELAY FOR RESUMPTION OF TRADING

Trading in the Shares on the GEM has been suspended since 9:30 a.m. on 24 October 2008. On 7 March 2012, the Company fulfilled all the resumption conditions required by the Stock Exchange as set out in the announcement of the Company dated 17 February 2012 and trading in Shares on the GEM is expected to resume at 9:00 a.m. on 13 March 2012. However, at the request of the Company, the expected date of the resumption of trading in the Shares on the GEM will be delayed and trading of Shares on GEM will continue to be suspended pending the release of the joint announcement in relation to the Mandatory Unconditional Cash Offer, the information of which is price sensitive. The Company will apply to the Stock Exchange for resumption of the trading in the Shares where appropriate.

DEALING DISCLOSURE

As at the date of this announcement, the Company’s total number of issued Shares is 1,063,500,000 which comprises 588,000,000 Domestic Shares and 475,500,000 H Shares in issue. Save as disclosed herein, the Company has no other relevant securities (as defined in the Takeovers Code) in issue.

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code) including persons who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, Zhejiang Yongli and the parties acting in concert are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the relevant rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors of the Company
“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
“Court”	紹興中級人民法院 (Shaoxing Intermediate People’s Court*)
“Director(s)”	director(s) of the Company, including the independent non-executive directors 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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) in the registered capital of the Company with nominal value of RMB0.1 each in the capital of the Company which are listed on the GEM and subscribed for and traded in HK\$
“Judgment”	執行裁定書 (Enforcement Judgment) issued by the Shaoxing Intermediate People’s Court on 16 December 2011
“Mr. Sun”	Mr. Sun Li Yong
“Mrs. Sun”	Ms. Fang Xiao Jian, the spouse of Mr. Sun
“PRC”	the People’s Republic of China
“Share(s)”	Domestic Shares and/or H Shares
“Shareholders”	holder(s) of the Share(s)
“Share Transfer”	the transfer of an aggregate of 240,000,000 Domestic Shares from Mr. Sun to Mrs. Sun to Zhejiang Yongli
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“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

“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC

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

12 March 2012, Zhejiang, the PRC

** For identification purposes only*

As at the date of the this announcement, the executive Directors are Mr. Ru Guan Jun, Mr. Xia Xian Fu, Mr. Sun Jian Feng and Mr. Xia Xue Nian; and the independent non-executive Directors are Mr. Lu Guo Qing, Mr. Zong Pei Min and Mr. Zhu Yu Lin.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in 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 website of the Company at www.zj-yonglong.com.