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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) 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, Shaoxing County, Zhejiang Province, the People’s Republic of China on Wednesday, 11 April 2012 at 10:30 a.m. for the purpose of considering and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:–

ORDINARY RESOLUTIONS

1. “**THAT**

- (i) the assets transfer agreement dated 30 December 2011 entered into between the Company, as vendor, and 紹興縣楊汛橋鎮人民政府 (The People’s Government of Yang Xun Qiao Town, Shaoxing County*), as purchaser, in relation to the disposal of the land use rights of the five parcels of adjoined land located at Sunjia Qiao, Yang Xun Qiao Town, Shaoxing County, Zhejiang Province, the People’s Republic of China with a total site area of approximately 61,035 square metres, and the factory buildings, office buildings and other constructed structures thereon with a total gross floor area of approximately 63,282 square metres at a total consideration of RMB79,772,200 (the “**Assets Transfer Agreement**”, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (ii) the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, seal, execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he may in his absolute discretion consider necessary, desirable or expedient for the purposes of or in connection to implementing, completing and giving effect to the Assets Transfer Agreement and the transactions contemplated thereunder and to agree to such variations for the terms of the Assets Transfer Agreement as he may in his absolute discretion consider necessary or desirable.”

2. **“THAT**

- (i) the electricity and steam supply agreement dated 30 December 2011 entered into between the Company and 浙江永利熱電有限公司 (Zhejiang Yongli Thermal Electricity Company Limited*) (“**Zhejiang Yongli Thermal**”) in respect of the provision of electricity and steam from Zhejiang Yongli Thermal to the Company (the “**Electricity and Steam Supply Agreement**”, a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (ii) the relevant annual caps for each of the three years ending 31 December 2014 being RMB17,136,000 in 2012, RMB17,404,000 in 2013 and RMB18,410,000 in 2014, be and are hereby approved; and
- (iii) the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, seal, execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he may in his absolute discretion consider necessary, desirable or expedient for the purposes of or in connection to implementing, completing and giving effect to the Electricity and Steam Supply Agreement and the annual caps and the transactions contemplated thereunder and to agree to such variations for the terms of the Electricity and Steam Supply Agreement as he may in his absolute discretion consider necessary or desirable.”

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

Zhejiang, the PRC, 24 February 2012

** For identification purpose only*

Notes:

1. The H Shares register of shareholders of the Company will be closed from 11 March 2012 to 11 April 2012 (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 the close of business on 9 March 2012 will be entitled to attend and vote at the EGM.
2. Any shareholder of H Shares and Domestic Shares entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote at the EGM 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 to the office of the share registrar of the Company in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 24 hours before the time for holding the EGM 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 EGM.
5. Holders of H Shares and Domestic Shares who intend to attend the EGM shall complete and lodge the reply slip for attending the meeting at the office of the share registrar of the Company in Hong Kong, Union Registrars Limited at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and the Company's legal address at Yangxun Qiao Town, Shaoxing County, Zhejiang Province, the People's Republic of China respectively on or before 22 March 2012. The reply slip may be delivered to the Company by hand, by post or by fax (at fax No.: (86) 575-84576266)
6. The EGM is not expected to take more than half a day. Shareholders or their proxies attending the EGM shall bear their own traveling and accommodation expenses.

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

This announcement, for which the Directors of the Company 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 of the Company 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 Announcement" page of the GEM website for at least 7 days from the date of its publication and the website of the Company at <http://www.zj-yonglong.com>.