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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
JUDGMENT ON THE TRANSFER OF 240,000,000
DOMESTIC SHARES TO ZHEJIANG YONGLI

Financial Advisor to Zhejiang Yonglong Enterprises Co., Ltd.

 **川盟融資有限公司**
Chanceton Capital Partners Limited

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 and 29 December 2010.

JUDGMENT ON THE TRANSFER OF 240,000,000 DOMESTIC SHARES TO ZHEJIANG YONGLI

On 19 December 2011, the Company was informed by Zhejiang Yongli that Zhejiang Yongli received a copy of the Judgment ordering that the 240,000,000 Domestic Shares held by Mr. Sun (as to 60,000,000 Domestic Shares) and Mrs. Sun (as to 180,000,000 Domestic Shares) would be assigned to Zhejiang Yongli as a compensation for Zhejiang Yongli with a value of RMB18,630,000 (being the reserved price of these 240,000,000 Domestic Shares in the third auction) and Zhejiang Yongli could register the transfer of the 240,000,000 Domestic Shares at the relevant institution with the Judgment, and the Judgment would come into effect immediately after service of the Judgment.

The Judgment has come into effect after Zhejiang Yongli's receipt of the Judgment on 19 December 2011. Zhejiang Yongli, which currently holds 310,000,000 Domestic Shares (representing approximately 29.15% of the total issued Shares as at the date of this announcement), intends to register the 240,000,000 Domestic Shares and would, upon share registration, become the ultimate beneficial owner of these 240,000,000 Domestic Shares. Upon such share registration, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, will hold in an aggregate of 550,000,000 Domestic Shares (representing approximately 51.72% of the total issued Shares) whereupon, pursuant to Rule 26.1 of the Takeovers Code, a mandatory unconditional general offer will be required.

SUSPENSION OF TRADING

Trading in the shares of the Company will remain suspended until all the resumptions conditions required by the Stock Exchange as set out in the announcement of the Company dated 20 March 2009 have been fulfilled.

JUDGMENT ON THE TRANSFER OF 240,000,000 DOMESTIC SHARES TO ZHEJIANG YONGLI

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 and 29 December 2010 in relation to the impoundment by the Court of the Domestic Shares held by Mr. Sun and Mrs. Sun.

On 19 December 2011, the Company was informed by Zhejiang Yongli that Zhejiang Yongli received a copy of the Judgment which indicated that: (i) despite the Court's issue of an enforcement notice to Mr. Sun and Mrs. Sun following a judgment, they had failed to perform the obligations as stipulated in the relevant legal document(s); (ii) 60,000,000 Domestic Shares held by Mr. Sun and 180,000,000 Domestic Shares held by Mrs. Sun were impounded by the Court on 26 December 2008 and auctions were conducted on 12 May 2010, 30 July 2010 and 13 October 2010 respectively but no party submitted any bid to purchase these 240,000,000 Domestic Shares; and (iii) the applicant, Zhejiang Yongli, agreed to apply the amount of RMB18,630,000, which was the reserved price of these 240,000,000 Domestic Shares in the third auction, as the consideration for the transfer of the 240,000,000 Domestic Shares to Zhejiang Yongli and as a settlement of the judgment debt (執行款) granted in favour of Zhejiang Yongli in this litigation against Mr. Sun and Mrs. Sun (as referred to in the Company's announcement on 24 July 2009).

Pursuant to the Judgment, it was ordered that (i) the 240,000,000 Domestic Shares (representing approximately 22.57% of the total issued Shares) held by Mr. Sun (as to 60,000,000 Domestic Shares) and Mrs. Sun (as to 180,000,000 Domestic Shares) would be assigned to Zhejiang Yongli as a compensation for the judgment debt 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 the 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.

The Judgment has come into effect after Zhejiang Yongli's receipt of the Judgment on 19 December 2011. Zhejiang Yongli, which currently holds 310,000,000 Domestic Shares (representing approximately 29.15% of the total issued Shares as at the date of this announcement), intends to register the 240,000,000 Domestic Shares and would, upon share registration, become the ultimate beneficial owner of these 240,000,000 Domestic Shares. Upon such share registration, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, will hold in an aggregate of 550,000,000 Domestic Shares (representing approximately 51.72% of the total issued Shares) whereupon, pursuant to Rule 26.1 of the Takeovers Code, a mandatory unconditional general offer in cash or with a cash alternative for all the outstanding Shares other than those already owned or agreed to be acquired by Zhejiang Yongli and its parties acting in concert will be required.

The Company is seeking further information from Zhejiang Yongli about the potential share registration, and would make further announcement(s) in relation to the potential share registration in due course.

SUSPENSION OF TRADING

Trading in the shares of the Company will remain suspended until all the resumption conditions required by the Stock Exchange as set out in the announcement of the Company dated 20 March 2009 have been fulfilled.

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
“Chairman”	chairman of the Board
“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”	紹興市中級人民法院 (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 registered capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM in effect from time to time
“H Share(s)”	overseas listed foreign share(s) of of nominal value RMB0.10 each in the registered capital of the Company which are listed on GEM and subscribed for in Hong Kong dollars
“Judgment”	執行裁定書 (Enforcement Judgment*) issued by the 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
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	shares, including Domestic Shares and H Shares, of the Company
“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. Zhejiang Yongli is beneficially owned as to approximately 88.40% by Mr. Zhou Yongli; as to approximately 6.98% by Ms. Xia Wanmei, the spouse of Mr. Zhou Yongli; as to approximately 4.06% by 紹興縣楊汛橋鎮集體資產經營管理公司 and as to the remaining balance of approximately 0.56% by 23 individuals respectively. Mr. Zhou Yongli and Ms. Xia Wanmei are substantial shareholders of the Company (through their interests in Zhejiang Yongli) whereas 紹興縣楊汛橋鎮集體資產經營管理公司 and the 23 individual shareholders are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“%”	per cent.

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

14 February 2012, Zhejiang, the PRC

** for identification purpose only*

As at the date of the this announcement, the executive directors of the Company are Mr. Ru Guan Jun, Mr. Xia Xian Fu, Mr. Sun Jian Feng and Mr. Xia Xue Nian; and the independent non-executive directors of the Company 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.