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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

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

AND

RESIGNATION OF DIRECTOR

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

The Board is pleased to announce that on 23 February 2010, both Miroglio, a substantial shareholder of the Company as vendor and Wing Hing as purchaser notified the Company that a total number of 208,540,000 H Shares representing approximately 19.6 % of the existing issued share capital of Company as held by Miroglio have been disposed to Wing Hing over-the-counter in the consideration of HK\$13,200,000, representing approximately HK\$0.0633 per share with effect from 23 February 2010.

RESIGNATION OF DIRECTOR

The Board also wish to announce that according to subsection 6.6.2 of the Subscription Agreement, if the Miroglio Group ceases to be interested in 11.1% or more of the registered capital of the Company, Miroglio shall forthwith procure the resignation of such director of the Company nominated by Miroglio. Hence, on 23 February 2010, Mr. Borio notified the Board that he would resign as an executive director of the Company with effect from 23 February 2010, which is the date that the Miroglio Group ceases to be interested in 11.1% or more of the registered capital of the Company

GENERAL

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.

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

The Board is pleased to announce that on 23 February 2010, both Miroglio, a substantial shareholder of the Company as vendor and Wing Hing as purchaser notified the Company that a total number of 208,540,000 H Shares representing approximately 19.6 % of the existing issued share capital of Company as held by Miroglio have been disposed to Wing Hing over-the-counter in the consideration of HK\$13,200,000 representing

approximately HK\$0.0633 per share with effect from 23 February 2010.

So far as the Directors are aware, Wing Hing and its ultimate beneficial owners are independent third parties not connected with the Company, its directors, supervisors, chief executive, substantial shareholders and management shareholders of the Company and any of its subsidiaries and their respective associates.

The Board confirmed that there was not a change in the structure of this transaction. The Board also confirmed that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, and apart from the above paragraphs, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

RESIGNATION OF DIRECTOR

Reference is made to the announcement of the Company dated 30 November 2004 in respect of the Subscription Agreement entered into between, among others, the Company and Miroglio. The Board also wish to announce that according to subsection 6.6.2 of the Subscription Agreement, if the Miroglio Group ceases to be interested in 11.1% or more of the registered capital of the Company, Miroglio shall forthwith procure the resignation of such director of the Company nominated by Miroglio. Hence, on 23 February 2010, Mr. Borio notified the Board that he would resign as an executive director of the Company with effect from 23 February 2010, which is the date that the Miroglio Group ceases to be interested in 11.1% or more of the registered capital of the Company. Mr. Borio confirmed that he has no disagreement with the Board and except for the reason of resignation as mentioned above, there are no matters with respect to his resignation that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express their thanks to Mr. Borio for his valuable contribution during his tenure of service in the Board of the Company.

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TERMS USED IN THIS ANNOUNCEMENT

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”	has the meanings ascribed in the GEM Listing Rules
“Board”	the board of Directors
“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
“Director(s)”	director(s) of the Company, including the independent non-executive directors 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 Shares"	overseas listed foreign share(s) of nominal value RMB0.100 each in the capital of the Company which are listed on GEM and subscribed for in HK dollars;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Miroglio"	Miroglio S.p.A., a company established and existing under the laws of Italy and is engaging in the textile and garment businesses
"Miroglio Group"	Miroglio and its subsidiaries
"Mr. Borio"	Mr. Macro Borio is employed by the Company as an executive Director under the terms of a service contract dated 12 June 2007
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the agreement dated 30 November, 2004 entered into between, among other, the Company and Miroglio
"Wing Hing"	Wing Hing Holdings (HK) Investment Limited ("Wing Hing"), a company incorporated in the Hong Kong Special Administrative Region of the PRC ("Hong Kong")

By Order of the Board
Xia Xue Nian Li Cheng Jun Sun Jian Feng
Executive Directors

Zhejiang, the PRC, 24 February 2010

As at the date of this announcement, the executive Directors of the Company are Mr. Sun Jian Feng, Mr. Xia Xue Nian and Mr. Li Cheng Jun; 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 Rules Governing the Listing of Securities on GEM 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: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.

* For identification purposes only