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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

CONDITIONS FOR RESUMPTION

UPDATED DEVELOPMENT

DELAY IN PUBLICATION OF 2008 ANNUAL RESULT ANNOUNCEMENT

AND

DELAY IN DEPATCH OF 2008 ANNUAL REPORT

The board (the “Board”) of directors (the “Directors”) of Zhejiang Yonglong Enterprises Co., Ltd. (“the Company”) would like to mention that Trading in shares of the Company on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) has suspended since 9:30 a.m. on 24 October 2008 pending the publication of an announcement, which is or may be price sensitive in nature. The Board would like to further mention that the announcement dated 14 November 2008 of the Company in respect of delay in announcement of the 2008 third quarterly result and depatch of the 2008 third quarterly report to the shareholders of the Company.

Conditions for resumption

The Board announces that on 9 March 2009, the Company received a letter from the Hong Kong Stock Exchange that requested the Company to address the following issues in its application for resumption of trading in the shares of the Company:

1. clarify the Company’s financial position and operation and demonstrate that the market is properly informed of all material information related to the Company that is necessary to enable them to appraise the Company’s position and their implications to the Company’s liquidity, operations, assets and financial position;
2. publish all outstanding financial results of the Company as required under the GEM Listing Rules and address any concerns that may be raised by the auditors through the qualification of their audit report on the Company’s financial statements published after the suspension; and

3. demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the GEM Listing Rules.

Updated development

With reference to the announcement released by the Company on 19 October 2008, the relevant PRC government authorities are still in the process of dealing with the financial crisis and reviewing the Company's status in respect of fund flow, actual credit right and indebtedness between the related enterprises (the "PRC Government Review"). The Board estimates that the PRC Government Review may be completed by end of April 2009. In this respect, the Board estimates that Company may release the 2008 third quarterly result and depatch the 2008 third quarterly report as soon as possible by end of May 2009.

Delay in publication of 2008 annual result announcement and delay in depatch of 2008 annual report

The Board would like to further mention that as the PRC Government Review may be completed by end of April 2009, the announcement of 2008 annual result and depatch of 2008 annual report will be delayed accordingly. However, the Board has already arranged the auditors to prepare for the annual auditing of the 2008 financial statements of the Company. The Board expects that the Company may announce 2008 annual result and depatch 2008 annual report to the shareholders of the Company as soon as possible by end of June 2009.

An announcement setting out details of the actual credit right and indebtedness of the Company (and the possible reorganization of shareholding of the Company, if necessary) will be published as and when appropriate. Trading in the shares of the Company will remain suspended pending the publication of such announcement.

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

Zhejiang, the PRC, 20 March 2009

As at the date of the this announcement, the executive Directors of the Company are Mr. Sun Li Yong, Ms. Fang Xiao Jian, Mr. Sun Jian Feng, Mr. Xia Xue Nian, Mr. Marco Borio and Mr. Li Cheng Jun; the independent non-executive Directors are Mr. Zhu Yu Lin, Mr. Zong Pei Min and Mr. Luk 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 issuer. 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*