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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

**SUPPLEMENTAL AGREEMENT RELATING TO THE PLACING OF
880,000,000 NEW H SHARES
UNUSUAL PRICE AND TRADING VOLUME MOVEMENT**

The Supplemental Agreement

The Board wishes to announce that after trading hours on 28 March 2008, the Company and the Placing Agent entered into the Supplemental Agreement in relation to the Placing, pursuant to which, the Company and the Placing Agent agreed to extend the Long Stop Date, being the last day on which the conditions precedent for the Placing Agreement are fulfilled from 31 March 2008 to 31 July 2008. The terms of the Supplemental Agreement were arrived between the parties after arm's length negotiations. The Directors (including independent non-executive Directors) do not consider that the extension of the Long Stop Date will have any material adverse impact on the Company.

The purpose of this announcement is to update the Shareholders the status of the Placing.

Save for the abovementioned amendments to the Placing Agreement, all the other terms of the Placing Agreement shall remain unchanged.

Unusual Price and Trading Volume Movement

The Company has noted the decrease in the price and increase in the trading volume of H Shares today, and wishes to state that it is not aware of any reasons for such decrease in the price and increase in the trading volume of H Shares save as the following:

- (i) the Supplemental Agreement entered into between the Company and the Placing Agent after trading hours on 28 March 2008;
- (ii) the release of the announcement dated 26 March 2008 in relation to the annual results of the Company for the year ended 31 December 2007.

The Board has confirmed that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, 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.

Reference is made to the announcement of Zhejiang Yonglong Enterprises Co., Ltd. (the “Company”) dated 20 September 2007 and the circular of the Company dated 28 September 2007 (the “Circular”) in relation to the placing agreement dated 19 September 2007 entered into between the Company and OSK Asia Securities Limited (the “Placing Agent”), pursuant to which, the Company agreed to appoint the Placing Agent and the Placing Agent agreed to act as placing agent for the purpose of procuring, as agent for the Company, subscribers for up to 880,000,000 new H Shares of the Company at a price of HK\$0.55 per share, on a best effort basis. Terms used in this announcement shall have the same meanings as those defined in the Circular unless defined otherwise.

THE SUPPLEMENTAL AGREEMENT

The Board wishes to announce that after trading hours on 28 March 2008, the Company and the Placing Agent entered into a supplemental agreement (the “Supplemental Agreement”) in relation to the Placing, pursuant to which, the Company and the Placing Agent agreed to extend the Long Stop Date, being the last day on which the conditions precedent for the Placing Agreement are fulfilled from 31 March 2008 to 31 July 2008. The terms of the Supplemental Agreement were arrived between the parties after arm’s length negotiations. The Directors (including independent non-executive Directors) do not consider that the extension of the Long Stop Date will have any material adverse impact on the Company.

The purpose of this announcement is to update the Shareholders the status of the Placing.

Save for the abovementioned amendments to the Placing Agreement, all the other terms of the Placing Agreement shall remain unchanged.

USUAL PRICE AND TRADING VOLUME MOVEMENT

The Company has noted the decrease in the price and increase in the trading volume of H Shares today, and wishes to state that it is not aware of any reasons for such decrease in the price and increase in the trading volume of H Shares save as the following:

- (i) the Supplemental Agreement entered into between the Company and the Placing Agent after trading hours on 28 March 2008;
- (ii) the release of the announcement dated 26 March 2008 in relation to the annual results of the Company for the year ended 31 December 2007.

The Board has confirmed that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Chapters 19 and 20 of the GEM Listing Rules, 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.

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. Zhong Pei Min and Mr. Luk Guo Qing.

By Order of the Board
Sun Li Yong
Chairman

Zhejiang, the PRC, 28 March 2008

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*