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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)

**VOLUNTARY ANNOUNCEMENT
CHANGE IN SHAREHOLDING STRUCTURE
OF THE CONTROLLING SHAREHOLDER**

This is a voluntary announcement made by Zhejiang Yonglong Enterprises Co., Ltd. (the “**Company**”).

The board of directors of the Company (the “**Board**”) has been informed by Zhejiang Yongli Industry Group Co., Ltd* (浙江永利實業集團有限公司)(“**Zhejiang Yongli**”), the controlling shareholder of the Company, that for the purpose of internal restructuring, Zhejiang Yongli entered into a share transfer agreement (the “**SPA**”) with Guizhou Yongan Finance Holdings Company Ltd.* (貴州永安金融控股股份有限公司) (“**Guizhou Yongan**”) on 19 August 2016, pursuant to which Zhejiang Yongli shall transfer 588 million domestic shares of the Company, representing approximately 55.29% of the issued share capital of the Company as at the date of this announcement, to Guizhou Yongan at a consideration of RMB164,640,000 (the “**Share Transfer**”). It is currently contemplated that the Share Transfer shall be completed within three months from the date of entering into the SPA.

Upon completion of the Share Transfer, Guizhou Yongan will own approximately 55.29% of the issued share capital of the Company. As at the date of this announcement, Guizhou Yongan was owned as to 65% by Zhejiang Yongli and Zhejiang Yongli will remain to be a controlling shareholder of the Company after completion of the Share Transfer.

Before the Share Transfer, Zhejiang Yongli has provided an undertaking (the “**Undertaking**”) to the Securities and Futures Commission (the “**Commission**”) that unless with the prior written consent from the executive of the Commission (the “**Executive**”), within three years from the completion date of the Share Transfer,

- (i) it shall not dispose of, transfer, or enter into any agreement to dispose of any shares of Guizhou Yongan to any parties not acting in concert with it; and/or

- (ii) it shall procure Guizhou Yongan not to issue any new shares or any convertible securities to any parties not acting in concert with it,

which will lead to such person (the “**Buyer**”) obtaining statutory control of Guizhou Yongan, unless the Buyer extends a general offer to acquire all relevant securities of the Company from shareholders who are not acting in concert with the Buyer as if Note 8 to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) applies, in full compliance with the Takeovers Code.

Based on the information provided to the Commission and the Undertaking, the Executive has waived in favour of Guizhou Yongan from the obligation to make a general offer for shares in the Company under the Takeovers Codes as a result of the Share Transfer.

The Board considers that the Share Transfer does not have any impact on the financial position and operations of the Company.

By Order of the Board
Zhejiang Yonglong Enterprises Co., Ltd.*
Wang Xinyi
Chairman

Zhejiang, the PRC, 19 August 2016

As at the date of this announcement, the executive Directors are Mr. Wang Xinyi (Chairman), Ms. He Lianfeng (Deputy Chairman and Chief Executive Officer) and Mr. Hu Hua Jun; the nonexecutive Directors are Mr. Chen Dong Chun and Mr. Tang Guo Ping, the independent nonexecutive Directors are Mr. Xu Wei Dong, Ms. Zhang Li and Mr. Wang Weisong.

This announcement, for which the Directors 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, 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 or deceptive, (2) there are no other matters the omission of which would make any statement herein or 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 Announcements” page of the GEM website for at least 7 days from the date of its publication and the website of the Company at <http://zj-yonglong.com>

** For identification purposes only*