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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of the proposals referred to in this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Zhejiang Yonglong Enterprises Co., Ltd.** (the “Company”), you should at once hand this circular and the accompanying form(s) of proxy and reply slip to the purchaser or other transferee or to the licensed securities dealer, or to the bank, or to other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)**

### **PROPOSED RE-ELECTION OF INDEPENDENT SUPERVISOR AND NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 5 of this circular.

A notice convening an annual general meeting of the Company to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC, at 10:00 a.m. on Thursday, 18 May 2017 or any adjournment thereof is set out on pages 6 to 8 of this circular. A reply slip and a proxy form for use at the annual general meeting are enclosed herewith.

Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same, for holders of H Shares, to the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong and for holders of Domestic Shares, to the Company's legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC as soon as possible and in any event not later than 24 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

*This circular will remain on the “Latest Company Announcements” page of the website of the GEM at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.zj-yonglong.com>.*

31 March 2017

\* For identification purpose only

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board and no assurance is given that there will be a liquid market in the securities trade on GEM.**

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context otherwise requires:*

“Articles of Association”	the articles of association of the Company, as amended, revised or supplemented from time to time
“Chairman”	the chairman of the Company
“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
“Deputy Chairman”	the deputy Chairman of the Company
“Domestic Share(s)”	domestic share(s) of nominal value of RMB0.1 each in the share capital of the Company, which are subscribed for or credit as fully paid up in RMB
“AGM”	an annual general meeting to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC on Thursday, 18 May 2017
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange in effect from time to time
“H Share(s)”	overseas listed foreign share(s) of nominal value of RMB0.1 each in the capital of the Company which are listed on GEM and subscribed for in Hong Kong dollars
“Latest Practicable Date”	24 March 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Cap.571 of the Laws of Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company
“Supervisory Committee”	supervisory committee of the Company

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## LETTER FROM THE BOARD

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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)**

### **Board of Directors**

*Executive Directors:*

Mr. Jiang Ning (*Chairman*)  
Mr. He Weifeng (*Deputy Chairman*)  
Ms. He Lianfeng (*Chief Executive Officer*)  
Mr. Hu Hua Jun

*Legal Address:*

Yangxun Qiao Town  
Keqiao Qu, Shaoxing  
Zhejiang Province  
The People's Republic of China

*Non-Executive Director*

Mr. Chen Dong Chun  
Mr. Tang Guo Ping

*Place of business in Hong Kong:*

Suites 06-12, 33<sup>rd</sup> Floor  
Shui On Centre  
6-8 Harbour Road  
Wanchai  
Hong Kong

*Independent non-executive Directors:*

Mr. Xu Wei Dong  
Ms. Zhang Li  
Mr. Wang Weisong

31 March 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED RE-ELECTION OF INDEPENDENT SUPERVISOR  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### **1. INTRODUCTION**

The purpose of this circular is to provide you with further information regarding the Proposed Re-election of an independent Supervisor together with a notice of AGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED RE-ELECTION OF INDEPENDENT SUPERVISOR

The Board is pleased to announce that Mr. Hu Jin Huan (“**Mr. Hu**”), an independent Supervisor, will retire upon expiration of the term of his office until the expiry of the term of the second session of the Supervisory Committee and will offer himself for re-election as an independent Supervisor at the AGM. Pursuant to the Articles, such appointment will only become effective after obtaining approval of the Shareholders at the AGM.

The biographical details of Mr. Hu are as follows:

Mr. Hu, aged 52, is a PRC certified public accountant and is now a director of 紹興集財會計師事務所 (Shaoxing Jicai Certified Public Accountants\*). He was re-appointed as an independent Supervisor of the Company in May 2014.

Saved as disclosed above, as at the Latest Practicable Date, Mr. Hu (i) has not held any directorships in public companies listed in Hong Kong or any other major exchanges in the last three years; (ii) does not hold any other position with the Company; and (iii) has no other major appointments and professional qualifications.

As at the Latest Practicable Date, save as disclosed above, to the best knowledge, information and belief of the Board having made reasonable enquiry, Mr. Hu does not have any interests in the shares of the Company within the meaning of Part XV of the SFO and Mr. Hu does not have any relationships with any Directors, senior management, substantial or controlling Shareholders of the Company. Mr. Hu has confirmed that, save as disclosed above, there is no other information required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules and no matter regarding his appointment needs to be brought to the attention of the Shareholders.

An ordinary resolution will be proposed at the AGM to re-elect Mr. Hu as an independent Supervisor effective from the date of the AGM, and to authorise the Board to enter into a service contract with Mr. Hu. Mr. Hu is proposed to be appointed for a term of 3 years commencing from the date of the AGM with an annual emolument of RMB12,000, which was determined with reference to the existing contracts entered into between the Company and the existing Supervisors.

### 3. AGM AND PROXY ARRANGEMENT

A notice convening an annual general meeting of the Company to be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC, at 10 a.m. on Thursday, 18 May 2017 or any adjournment thereof is set out on pages 6 to 8 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the Proposed Re-election of Supervisor. A reply slip and a proxy form for use at the annual general meeting are enclosed herewith.

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## LETTER FROM THE BOARD

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Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same, for holders of H Shares, to the Company's share registrar, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong and for holders of Domestic Shares, to the Company's legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC as soon as possible and in any event not later than 24 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

#### 4. RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

#### 5. RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the opinion that the Proposed Re-election of the independent Supervisor is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board  
**Zhejiang Yonglong Enterprises Co. Ltd.\***  
**Jiang Ning**  
*Chairman*



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting (the “**AGM**”) of Zhejiang Yonglong Enterprises Co., Ltd. (the “**Company**”) will be held at the Conference Room of the Office Building of the Company at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the People's Republic of China (the “**PRC**”) on Thursday, 18 May 2017 at 10 a.m. for the following purposes:-

To consider and, if though fit, to pass with or without modifications, the following resolutions as ordinary resolutions of the Company:-

### **ORDINARY RESOLUTIONS**

1. “**THAT** the report of the board of directors (the “**Board**”) of the Company for the year of 2016 be and is hereby approved.”
2. “**THAT** the report of the supervisory committee for the year of 2016 be and is hereby approved.”
3. “**THAT** the audited financial statements and the auditor's report of the Company for the year ended 31 December 2016 be and is hereby approved.”
4. “**THAT** the proposal for distribution of profit (including the distribution of dividend and the allocation of the Company's statutory surplus reserve) of the Company for the year ended 31 December 2016 be and is hereby approved.”
5. “**THAT** Shinewing (HK) CPA Limited be and is hereby re-appointed as international auditors for the year ending 31 December 2017 and **THAT** Zhejiang Zhongxing CPA Company Limited be and is hereby re-appointed as domestic auditors for the year ending 31 December 2017, and **THAT** the Board be and is hereby authorised to determine their remuneration and enter into the services contract with them.”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “**THAT** Mr. Hu Jin Huan (“**Mr. Hu**”) be and hereby appointed as an independent supervisor of the Company for a period of 3 years effective from the date of the AGM and **THAT** the Board be an is hereby authorised to enter into a service contract with Mr. Hu for a term of 3 years commencing from the date of the AGM at an annual emolument of RMB12,000.”

By Order of the Board  
**Zhejiang Yonglong Enterprises Co. Ltd.\***  
**Jiang Ning**  
*Chairman*

Zhejiang, the PRC, 31 March 2017

*Notes:*

1. The H Shares register of shareholders of the Company will be closed from 18 April 2017 to 18 May 2017 (both days inclusive), during which period no transfer of H Shares will be effected. The shareholders of H Shares whose names appeared on the register of shareholders of the Company on Thursday, 18 May 2017 will be entitled to attend and vote at the AGM. In order to qualify for attendance and voting at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Company’s H share registrar (“**Company’s H Share Registrar**”), Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not later than 4:00 p.m. on Thursday, 13 April 2017.
2. Any shareholder of H Shares and Domestic Shares entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote at the AGM on his/her behalf in accordance with the Articles of Association of the Company. A proxy need not be a holder of H Shares and Domestic Shares.
3. In order to be valid, the proxy form and, if such proxy form is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or authority shall be delivered, for holders of H shares, to the office of the Company’s H Share Registrar”, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong and for holders of Domestic Shares, to the Company’s legal address at Yangxun Qiao Town, Keqiao Qu, Shaoxing, Zhejiang Province, the PRC not less than 24 hours before the time for holding the AGM (or any adjourned meeting thereof) or 24 hours before the time appointed for taking the poll.
4. Holders of H Shares and Domestic Shares or their proxies shall produce their identity documents when attending the AGM.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. Holders of H Shares and Domestic Shares who intend to attend the AGM shall complete and lodge the reply slip for attending the meeting at the Company's H Share Registrar and the Company's legal address, respectively on or before Friday, 28 April 2017. The reply slip may be delivered to the Company by hand, by post or by fax (at fax No.: (86) 575-84576060).
6. The AGM is not expected to take more than half a day. Shareholders or their proxies attending the AGM shall bear their own traveling and accommodation expenses.
7. The legal address of the Company and the details of the secretarial office of the Board are as follows:-  
  
Yangxun Qiao Town  
Keqiao Qu, Shaoxing, Zhejiang Province, The PRC  
Postal Code: 312028  
Tel: (86) 575-84069469  
Fax: (86) 575-84576060  
Contact person: Mr. Hu Hua Jun
8. As required under the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on the Growth Enterprises Market ("**GEM**") of The Stock Exchange of Hong Kong Limited, the above resolutions will be decided by way of poll.

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

*This notice, 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 the information contained in this notice is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this notice misleading.*

*This notice will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the Company's website at <http://www.zj-yonglong.com>.*

*\* For identification purpose only*