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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
UPDATE ON THE TRANSFER OF 14,480,000 DOMESTIC SHARES

Reference is made to the announcements of the Company dated 25 March 2009, 24 July 2009, 29 July 2009, 31 August 2009, 23 February 2010, 20 October 2010, 29 December 2010, 14 February 2012, 8 March 2012 and 12 March 2012.

UPDATE ON THE TRANSFER OF 14,480,000 DOMESTIC SHARES

On 27 August 2012, the Board received confirmation from 中國證券登記結算有限責任公司 (China Securities Depository and Clearing Corporation Ltd.*) that the 14,480,000 Domestic Shares (representing approximately 1.36% of the total issued shares of the Company) were transferred from Mr. Sun and Mrs. Sun to Zhejiang Yongli with effect from 21 August 2012.

Immediately after the Share Transfer, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, was interested in 564,480,000 Domestic Shares, representing approximately 53.08% of the entire issued share capital of the Company.

UPDATE ON THE TRANSFER OF 14,480,000 DOMESTIC SHARES

Reference is made to the announcements of the Company dated 25 March 2009, 24 July 2009, 29 July 2009, 31 August 2009, 23 February 2010, 20 October 2010, 29 December 2010, 14 February 2012, 8 March 2012 and 12 March 2012 in relation to the impoundment by the Court of the Domestic Shares held by Mr. Sun and Mrs. Sun.

Pursuant to the Judgment dated 16 July 2012, it was ordered that (i) the 14,480,000 Domestic Shares (representing approximately 1.36% of the total issued shares of the Company) held by Mr. Sun (as to 12,200,000 Shares) and Mrs. Sun (as to 2,280,000 Shares) and impounded by the Court were to be assigned to Zhejiang Yongli as a compensation for the judgment debt (執行款) granted in favour of Zhejiang Yongli with a

value of RMB770,000 (equivalent to approximately HK\$939,400) which represents approximately RMB0.05 (equivalent to approximately HK\$0.06) per share ; and (ii) Zhejiang Yongli would be entitled to effect the transfer of 14,480,000 Domestic Shares with the relevant governmental authority pursuant to the Judgment, and the Judgment would come into effect immediately after service of the Judgment.

On 27 August 2012, the Board received confirmation from 中國證券登記結算有限責任公司 (China Securities Depository and Clearing Corporation Ltd.*) that the 14,480,000 Domestic Shares (representing approximately 1.36% of the total issued shares of the Company) were transferred from Mr. Sun and Mrs. Sun to Zhejiang Yongli with effect from 21 August 2012, which is referred to as the Share Transfer.

Immediately after the Share Transfer, Zhejiang Yongli, which has no options, warrants, convertibles or other derivatives in respect of the Shares, was interested in 564,480,000 Domestic Shares, representing approximately 53.08% of the entire issued share capital of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors 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
“Court”	浙江省紹興中級人民法院 (Zhejiang Province Shaoxing Intermediate People’s Court*)
“Director(s)”	director(s) of the Company, including the independent non-executive directors 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
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) in the registered capital of the Company with nominal value of RMB0.1 each in the capital of the Company which are listed on the GEM and subscribed for and traded in HK\$
“Judgment”	執行裁定書 (Enforcement Judgment) issued by the Zhejiang Province Shaoxing Intermediate People’s Court on 16 July 2012

“Mr. Sun”	Mr. Sun Li Yong
“Mrs. Sun”	Ms. Fang Xiao Jian, the spouse of Mr. Sun
“PRC”	the People’s Republic of China
“Share(s)”	Domestic Shares and/or H Shares
“Share Transfer”	the transfer of an aggregate of 14,480,000 Domestic Shares from Mr. Sun to Mrs. Sun to Zhejiang Yongli
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Yongli”	浙江永利實業集團有限公司 (Zhejiang Yongli Industry Group Co., Ltd.*) a company established in the PRC
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC

By Order of the Board
Zhejiang Yonglong Enterprises Co., Ltd.*
Ru Guan Jun
Chairman

27 August 2012, Zhejiang, the PRC

As at the date of the this announcement, the executive Directors are Mr. Ru Guan Jun, Mr. Xia Xian Fu, Mr. Sun Jian Feng and Mr. Xia Xue Nian; and the independent non-executive Directors are Mr. Lu Guo Qing, Mr. Zong Pei Min and Mr. Zhu Yu Lin.

All Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.zj-yonglong.com.

Unless expressed otherwise, for the purpose of this announcement, all amounts denominated in RMB has been converted in HK\$ at the rate of RMB1.00 / HK\$1.22 for illustration purpose.

** For identification purposes only*