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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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) 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, Shaoxing County, Zhejiang Province, the People’s Republic of China (the “**PRC**”) on Friday, 11 March 2011 at 10:30 a.m. (or at any adjournment thereof) for the following purposes:-

To consider and, if thought fit, to pass with or without modifications, the following resolution as special resolution of the Company:-

SPECIAL RESOLUTION

1. **“THAT** the proposed amendments to the articles of association (the “**Articles**”) of the Company (details of which are set out below) be and are hereby considered and approved, subject to all necessary approvals, authorisations, or registration (if applicable) having been obtained from or filed with the relevant governmental or regulatory authorities and **THAT** any one director or secretary to the board (the “**Board**”) of directors (the “**Directors**”) of the Company be and is hereby authorised to deal with on behalf of the Company the relevant filing, amendments and registration (where necessary) procedures and other related issues arising from the amendments to the Articles:-

- (a) The current Article 3 of the Articles reads as follows:-

“The Company’s legal address:
Yangxun Qiao Town, Shaoxing County, Zhejiang Province, the PRC
Telephone Number: 0086-575-4571788
Facsimile Number: 0086-575-4571787
Postal Code: 312028”

Article 3 will be amended as follows:-

“The Company’s legal address:
Yangxun Qiao Town, Shaoxing County, Zhejiang Province, the PRC
Telephone Number: 0086-575-84570099
Facsimile Number: 0086-575-84576060
Postal Code: 312028”

- (b) The current third paragraph of Article 19 of the Articles read as follows:-

The shareholding structure of the Company is: ordinary shares has increased from 838 million shares to 1,063.5 million, in which the founding member Sun Li Yong holds 382.2 million shares; Fang Xiao Jian holds 182.28 million shares; Fang Han Hong holds 11.76 million shares; Sun Jian Feng holds 5.88 million shares; and Xia Xue Nian holds 5.88 million shares, whereas other holders of overseas-listed foreign shares (H shares) hold 475.5 million shares.

The third paragraph of Article 19 will be amended as follows:-

As at 24 December 2010, the shareholding structure of the Company is: the number of ordinary shares is 1,063.5 million, in which the founding member Sun Li Yong holds 72.2 million shares (subject to impoundment by 紹興中級人民法院 (Shaoxing Intermediate People's Court*) (the "**Court**")); 浙江永利實業集團有限公司 (Zhejiang Yongli Industry Group Co. Ltd.*) ("**Zhejiang Yongli**") holds 310 million shares; Fang Xiao Jian holds 182.28 million shares (subject to impoundment by the Court); Fang Han Hong holds 11.76 million shares; Sun Jian Feng holds 5.88 million shares; and Xia Xue Nian holds 5.88 million shares, whereas other holders of overseas-listed foreign shares (H shares) hold 475.5 million shares.

Upon completion of the transfer of all the shares held by Sun Li Yong and Fang Xiao Jian (subject to impoundment by the Court) to Zhejiang Yongli after judgment(s) to be made by the Court, the shareholding structure of the Company will be: the number of ordinary shares is 1,063.5 million ordinary shares, in which Zhejiang Yongli will hold 564.48 million shares; Fang Han Hong holds 11.76 million shares; Sun Jian Feng holds 5.88 million shares; Xia Xue Nian holds 5.88 million shares, whereas other holders of overseas-listed foreign shares (H shares) hold 475.5 million shares.

- (c) The current Article 61(1) of the Articles reads as follows:-

"The notice of a general meeting shall satisfy the following requirements:-

- (1) it shall be made in writing;"

Article 61(1) will be amended as follows:-

"The notice of a shareholders' general meeting shall meet the following requirements:-

- (1) it shall be made in writing or in other manners as provided in these Articles of Association of the Company (including use of electronic means);"

- (d) The current first paragraph of Article 62 of the Articles reads as follows:-

“The notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by hand or by postage-prepaid mail to the address of the shareholders as shown in the register of shareholders of the Company. For the holders of domestic shares, the notice of the meeting may also be given by way of public announcement.”

The first paragraph of Article 62 will be amended as follows:-

“The notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) in the manner as provided in these Articles of Association of the Company (including use of electronic means). If the notice of meeting is delivered by hand or by postage-prepaid mail, the recipient’s address shall be the address as shown in the register of shareholders of the Company. For the holders of domestic shares, the notice of the meeting may also be given by way of public announcement.”

- (e) The current Article 64 of the Articles reads as follows:-

“Any shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies (who need not be a shareholder of the Company) to attend and vote on his behalf. The proxy may exercise the following rights as authorised by the shareholder:-

- (1) to speak for the shareholder at the general meeting;
- (2) to solely or jointly request for vote by way of poll; and
- (3) to vote by show of hands or by way of a poll, but if more than one proxy is appointed, then the proxies shall only vote by way of poll.”

Article 64 will be amended as follows:-

“Any shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies (who need not be a shareholder of the Company) to attend and vote on his behalf. The proxy may exercise the following rights as authorised by the shareholder:-

- (1) to speak for the shareholder at the general meeting; and
- (2) to vote by way of poll.”

(f) The current Article 72 of the Article reads as follows:-

“A resolution put to the vote of a general meeting shall be decided by show of hands unless:-

- (1) vote by way of poll is required before or after show of hands by the following persons:-
 - (1) the chairman of the meeting; or
 - (2) at least two members of shareholders or proxies who are entitled to vote; or
 - (3) one or more shareholders who are entitled to vote and solely or jointly hold over ten per cent (10%) (including 10%) of the total voting shares at the meeting; or
- (2) vote by way of poll is required from time to time by any rules and / or any relevant laws, rules or regulations of any stock exchange on which the shares of the Company are listed.

Unless vote by way of a poll is proposed, the chairman of the meeting announces the passing of resolutions as per the results of a show of hands, and records in the minutes of the meeting as final reference. It is not required to show the number of votes for and against the passed resolution at the meeting or its ratio.

Vote by way of poll may be revoked by the party who has proposed the same.”

Article 72 will be amended as follows:-

“Any vote of shareholders at a general meeting must be taken by poll and the Company must announce the results of the poll in the manner prescribed by the rules of the stock exchange on which the shares of the Company are listed.”

(g) The current Article 93 of the Articles reads as follows:-

“The board of directors comprises eight (8) to nineteen (19) members. The board of directors comprises one (1) chairman and one (1) deputy chairman.”

Article 93 will be amended as follows:-

“The board of directors comprises of seven (7) to nineteen (19) members”. The board of directors comprises one (1) chairman and one (1) deputy chairman.”

- (h) The current second paragraph of Article 143 of the Articles reads as follows:-

“The Company shall send copies of the said reports (together with the board meeting reports) to each holder of overseas-listed foreign shares by postage-prepaid mail at the recipient’s address shown in the register of shareholders at least 21 days prior to the convening of the annual general meeting. ”

The second paragraph of Article 143 will be amended as follows:-

“The Company shall send copies of the said reports (together with the board meeting reports) to each holder of overseas-listed foreign shares in the manner as provided in these Articles of Association of the Company (including use of electronic means) at least 21 days prior to the convening of the annual shareholders’ general meeting. If the said report is sent by postage-prepaid mail, the recipient’s address shall be the address as shown in the register of shareholders of the Company.”

- (i) The current Article 188 of the Articles reads as follows:-

“Unless otherwise provided in these Articles of Association, the notices, information or written statements given by the Company to the holders of overseas-listed foreign shares must be delivered to each of those holders at their respective registered addresses by personal delivery or postage-paid mail.”

Article 188 will be amended as follows:-

“‘Corporate communication’ in these Articles of Association of the Company means any document issued or to be issued by the Company for the information or action of holders of its securities, including but not limited to: (1) the directors’ report and its annual accounts together with a copy of the auditor’s report thereon and, where applicable, its summary financial report; (2) the half-year report and, where applicable, its summary half-year report; (3) the quarterly report; (4) a notice of meeting; (5) a listing document; (6) a circular; and (7) a proxy form; and (8) a reply slip.

Corporate communication given by the Company to holders of the overseas-listed foreign shares as referred to in these Articles of Association of the Company shall be sent out in one or more ways below:-

- (1) by designated person;
- (2) by postage-prepaid mail;
- (3) by facsimile or electronic mail;

- (4) by publishing on the websites designated by the Company and the stock exchange on which the shares of the Company are listed in accordance with laws, administrative regulations and the listing rules of the place of listing;
- (5) by announcement (as defined below); or
- (6) through other means recognised and approved by regulatory authorities or stipulated under these Articles of Association of the Company.

Unless otherwise stated, the “announcement” referred to in these Articles of Association of the Company shall mean, as to the announcements published to the holder of domestic shares of the Company or the announcements required to be published in the PRC according to the relevant requirements and these Articles of Association of the Company, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations or designated by the securities authority of the State Council; or as to the announcements published to the holders of foreign shares or the announcements required to be published in Hong Kong according to the relevant rules and these Articles of Association of the Company, an announcement published on any newspaper in the place of stock exchange of the overseas-listing designated or recommended by the local laws and regulations or designated by the relevant securities regulatory bodies.”

- (j) The current Article 189 of the Articles reads as follows:-

“Notices shall be sent by mail and shall be deemed to have been received 48 hours after an envelope containing the notice, with address legibly written and postage pre-paid and being put in the post box, is posted.”

Article 189 will be amended as follows:-

“Any corporate communication of the Company”-

- (1) if delivered by designated person, the corporate communication is deemed to be delivered or sent on the date on which they are delivered by the designated person;
- (2) if sent or delivered by mail, the corporate communication shall be put into a clearly addressed and postage-prepaid envelope and such corporate communication is deemed to be delivered or sent 48 hours after the envelope is put into post box;
- (3) if delivered by fax or electronic mail, the date of delivery shall be the date on which the fax or email is sent;

- (4) if the Company makes announcement on the Company's website and/or other websites designated by the stock exchange on which the shares of the Company are listed, the corporate communication is deemed to be sent and delivered on one of the following dates (whichever is later): (1) the date on which the notification regarding the presence of the corporate communication on the website as required by the rules of the stock exchange on which the shares of the Company are listed is sent to holders of the overseas-listed foreign shares; and (2) the date on which the corporate communication first appears on the website after such notification is sent."

- (k) The following to be added to the Articles as Article 189(A):-

"Except as otherwise required by the regulatory authorities or stipulated in these Articles of Association of the Company, in connection with corporate communication despatched by the Company to the holders of overseas-listed foreign shares, if the Company has not received a response from foreign shareholder indicating the shareholder's intention to receive corporate communication by courier or postage-prepaid mail within 28 days from the date the Company despatches the communication selection request form, the Company can deem such shareholder as having agreed that the Company may send or supply corporate communications to him by electronic means.

In the case the securities regulatory rules of the place where the Company's stocks are listed require the Company to send out, mail, deliver, distribute, announce or by other means provide corporate communication and other documents of the Company in both the Chinese and English language, if after the Company has made proper arrangement to determine whether its shareholders wish to receive either the English version or the Chinese version only, the Company may, within the scope permitted by applicable laws and regulations and according to such applicable laws and regulations, send to the relevant shareholders the English version or the Chinese version only (in accordance with the wishes as indicated by the shareholders)."

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

ORDINARY RESOLUTIONS

2. "THAT

Mr. Ru Guan Jun ("**Mr. Ru**") be and is hereby appointed as (i) an executive director of the Company, (ii) the chairman of the Board, (iii) a member of the remuneration committee of the Company, and (iv) a member of the nomination committee of the Company for a period of 3 years effective from the date of the EGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Ru for a term of 3 years commencing from the date of the EGM at an annual emolument of RMB96,000 payable by Zhejiang Yongli."

3. “**THAT**

Mr. Xia Xian Fu (“**Mr. Xia**”) be and is hereby appointed as an executive director of the Company for a period of 3 years effective from the date of the EGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Xia for a term of 3 years commencing from the date of the EGM at an annual emolument of RMB96,000 payable by Zhejiang Yongli.”

4. “**THAT**

Ms. Wang Ai Yu (“**Ms. Wang**”) be and is hereby appointed as (i) a supervisor of the Company, and (ii) the chairman of supervisory committee of the Company for a period of 3 years effective from the date of the EGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Ms. Wang for a term of 3 years commencing from the date of the EGM at an annual emolument of RMB36,000 payable by Zhejiang Yongli.”

5. “**THAT**

Mr. Hu Hua Jun (“**Mr. Hu**”) be and is hereby appointed as a supervisor of the Company for a period of 3 years effective from the date of the EGM and **THAT** the Board be and is hereby authorised to enter into a service contract with Mr. Hu for a term of 3 years commencing from the date of the EGM at an annual emolument of RMB36,000.”

By Order of the Board
Zhejiang Yonglong Enterprises Co. Ltd.*
Xia Xue Nian Sun Jian Feng
Executive Directors

Zhejiang, the PRC, 25 January 2011

Notes:

1. The register of shareholders of the Company will be closed from 9 February 2011 to 11 March 2011 (both days inclusive), during which period no transfer of shares will be effected. The shareholders whose names appeared on the register of shareholders of the Company at 4:00p.m. on 8 February 2011 will be entitled to attend and vote at the EGM.
2. In order to be valid, the proxy form, under which it is signed, must be deposited by hand or post, for holders of H shares of the Company at the Company's share registrar, Union Registrars Limited ("**Company's Share Registrar**") at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the Company's legal address at Yangxun Qiao Town, Shaoxing County, Zhejiang Province, the PRC not less than 24 hours before the time specified for holding the EGM (or any adjourned meeting thereof). If the proxy form is signed by a person under a power of attorney or other authority, a notarised power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
3. Shareholders or their proxies shall produce their identity documents when attending the EGM.
4. Shareholders who intend to attend the EGM should complete and return the enclosed reply slip and return it by hand or post to the Company's Share Registrar (for holders of H shares of the Company) or to the legal address of the Company (for holders of domestic shares of the Company) on or before 19 February 2011.
5. The EGM is expected to take not more than half a day. Shareholders or their proxies attending the EGM shall be responsible for their own travel and accommodation expenses.
6. The legal address of the Company and the details of the secretarial office of the Board are as follows:-

Yangxun Qiao Town
Shaoxing County
Zhejiang Province
The PRC
Tel: (86) 575-84572980
Fax: (86) 575-84576266
Postal Code: 312028
Contact person: Mr. Sun Jian Feng
7. 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. Sun Jian Feng and Mr. Xia Xue Nian; and the independent non-executive Directors are Mr. Lu Guo Qing, Mr. Zhu Yu Lin and Mr. Zong Pei Min.

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:- (1) the information contained in this notice 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 notice misleading, and (3) all opinions expressed in this notice have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This notice will remain on the "Latest Company Notices" page of the GEM website for at least 7 days from the date of its publication.

** For identification purpose only*