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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)

HOLDING ANNOUNCEMENT

The board (the “Board”) of directors (the “Directors”) of Zhejiang Yonglong Enterprises Co., Ltd. (“the Company”) makes this holding announcement to inform the public of the current status of the Company. Trading in shares of the Company on The Stock Exchange of Hong Kong Limited was suspended from 9:30 a.m. on 24 October 2008 pending the publication of an announcement, which is or may be price sensitive in nature.

With reference to the announcement of the Company dated 19 October 2008. Further to the financial crisis of Hualian, the relevant authorities of the PRC government are formulating a reorganization proposal of Gabriel. As certain bank loans of the Company were guaranteed jointly by the Directors, the couple of Mr. Sun Li Yong, Gabriel and independent third parties, currently Gabriel has suffered significant indebtedness problem, the relevant government authorities of the PRC government is in the process of handling the relevant indebtedness problem and reviewing the status of the Company in respect of fund flow, actual credit right and indebtedness between the Company and the relevant enterprises. The result of such arrangement may involve reorganization of shareholding of the Company.

An announcement setting out details of the actual credit right and indebtedness of the Company (and the possible reorganization of shareholding of the Company, if necessary) will be published as and when appropriate. Trading in the shares of the Company will remain suspended pending the publication of such announcement.

By Order of the Board
Xia Xue Nian Li Cheng Jun
Executive Directors

Zhejiang, the PRC, 11 November 2008

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. Zong Pei Min and Mr. Luk Guo Qing.

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*