



**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 on Tuesday, 18 March 2008 at 10:30 a.m. for the purpose of considering and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:–

**ORDINARY RESOLUTIONS**

1. **“THAT**

- (i) the agreement entered into between the Company and Zhejiang Miroglio Fulida Textile Co. Ltd. (“Fulida”) dated 14 January 2008 in respect of the provision of dyeing service for the woven fabric by Fulida to the Company (the “Dyeing Services”) for not more than 27,686,098.28 square metres of fabric in each year at the unit price which is to be determined with reference to the market price offered by Fulida to independent third parties for three financial years ending 31 December 2010 (the “Fulida Agreement”) (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (ii) the Dyeing Services provided by Fulida to the Company under the Fulida Agreement from 14 January 2008 up to and including the date of this meeting be and are hereby approved, ratified and confirmed;
- (iii) the maximum limit of the amount involved under the Fulida Agreement shall not exceed RMB19,079,021.09, RMB24,802,727.42 and RMB29,763,272.90 respectively (equivalent to approximately HK\$19,613,488.66, HK\$25,497,535.25 and HK\$30,597,042.31 respectively) for each of the three financial years ending 31 December 2010; and

\* *For identification purpose only*

- (iv) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient for the purpose of or in connection with the Fulida Agreement and to make and agree such variation of a non-material nature in or to the terms of the Fulida Agreement as they may in their discretion consider to be desirable and in the interests of the Company.”

2. “**THAT**

- (i) the agreement entered into between the Company and Miroglio S.p.A. (“Miroglio”) dated 15 January 2008 in respect of the purchase of not more than 16,700,000 meters of woven fabrics (“Textile Products”) in each year from the Company, at the average price of USD2.72 per meter during the three financial years ending 31 December 2010 (the “Miroglio Agreement”) (a copy of which marked “B” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (ii) the purchase of Textile Products by Miroglio and its subsidiaries (“Miroglio Group”) from the Company under the Miroglio Agreement from 15 January 2008 up to and including the date of this meeting be and are hereby approved, ratified and confirmed;
- (iii) the maximum limit of the amount involved under the Miroglio Agreement shall not exceed USD14,144,000, USD15,232,000 and USD16,048,000 (equivalent to approximately HK\$110,323,000, HK\$118,809,600 and HK\$125,174,400 respectively) for each of the three financial years ending 31 December 2010 respectively; and
- (iv) the directors of the Company be and are hereby authorised for and on behalf of the Company to sign, seal, execute, perfect, deliver and do all such documents, deeds, acts, matters and things as they may in their discretion consider necessary or desirable or expedient for the purpose of or in connection with the Miroglio Agreement and to make and agree such variation of a non-material nature in or to the terms of the Miroglio Agreement as they may in their discretion consider to be desirable and in the interests of the Company.”

By Order of the Board  
**Zhejiang Yonglong Enterprises Co., Ltd.**  
**Sun Li Yong**  
*Chairman*

Zhejiang, the PRC, 31 January 2008

*Notes:*

1. The register of shareholders of the Company will be closed from 17 February 2008 to 18 March 2008 (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 the close of business on 15 February 2008 will be entitled to attend and vote at the EGM.
2. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote at the EGM on his/her behalf in accordance with the Articles of Association of the Company. A proxy need not be a shareholder of the Company.
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 deposited at the legal address of the Company not less than 24 hours before the time for holding the EGM or 24 hours before the time appointed for taking the poll.
4. Shareholders or their proxies shall produce their identity documents when attending the EGM.
5. Shareholders who intend to attend the EGM shall complete and lodge the reply slip for attending the meeting at the Company's legal address at Yangxun Qiao Town, Shaoxing County, Zhejiang Province, the People's Republic of China on or before 27 February 2008. The reply slip may be delivered to the Company by hand, by post or by fax (at fax No.: (86) 575-84576266)
6. The EGM is not expected to take more than half a day. Shareholders or their proxies attending the EGM shall bear their own traveling and accommodation expenses.

*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. Luk Guo Qing, Mr. Zong Pei Min and Mr. Zhu Yu Lin.*

*This announcement will appear on the GEM website at <http://www.hkgem.com> on the "Latest Company Announcement" page for at least 7 days from the day of its posting thereon.*