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HONG LONG HOLDINGS LIMITED

鴻隆控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(STOCK CODE: 1383)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the results for the financial year ended 31 December 2008 is expected to show a substantial decline as compared to that for the year 2007 mainly because of (i) the current volatile global financial market and economic slowdown as well as the macro-economic control policy adopted by the PRC Government on the real estate industry, which posted an adverse impact on the property market in the PRC; and (ii) the depressing environment of the PRC property market.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in shares of the Company.

This announcement is made by Hong Long Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that the results for the financial year ended 31 December 2008 is expected to show a substantial decline as compared to that for the year 2007, mainly due to:

- (i) the current volatile global financial market and economic slowdown as well as the macro-economic control policy adopted by the PRC Government on the real estate industry, which posted an adverse impact on the property market in the PRC. The revenue of the Group might decline substantially and the progress of development of various projects, in particular, Hong Long Century Plaza (formerly known as Yifeng Plaza), will be slower than expected; and

- (ii) under the depressing environment of the PRC property market, the appreciation in the fair value of the investment properties of the Group might decline substantially as compared to the previous year.

The Group is taking the following measures to ensure its smooth operation:

- (i) adjust the construction and pre-sale plans according to the state of the market and funding;
- (ii) stringent control of cost, including construction cost and administrative expenses, while management and human resources deployment will be further improved; and
- (iii) explore different financing channels actively.

The Company expects its audited consolidated results for the year ending 31 December 2008 will be finalised in April 2009, the Board is not in a position to quantify the extent of the loss for the time being. This profit warning announcement is only based on the preliminary estimation by the management of the Company and the information currently available. The Company expects to announce its audited consolidated results for the year ending 31 December 2008 around April 2009.

Shareholders and potential investors of the Company are advised to exercise caution in dealing in shares of the Company.

By order of the Board of
HONG LONG HOLDINGS LIMITED
Zeng Yunshu
Chairman

Hong Kong, 31 December 2008

As at the date of this announcement, the executive Directors are Mr. ZENG Yunshu (Chairman), Dr. HAN Qinchun, Mr. ZENG Sheng, Mr. ZHANG Yiyan, Ms. YE Qingdong and Mr. OUYANG Junxin, and the independent non-executive Directors are Dr. LI Jun, Mr. CHEUNG Ngai Lam and Mr. WANG Fosong.