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DELONG HOLDINGS

PRESS RELEASE –1H2007 RESULTS

DELONG HOLDINGS 1H2007 NET PROFIT RISES 26.1% TO S$77.0 MILLION; FY2007 EARNINGS TO BETTER THAT OF FY2006

- **1H2007 revenue 36.9% higher at S$646.2 million with increased contribution from new HRC line**
- **Annual production capacity to increase to 3 million tonnes by 4Q2007 from 2.4 million tonnes currently upon completion of third phase of technological enhancements**
- **In discussions with potential M&A targets to increase capacity production**

S$ (Million)	2Q2007	2Q2006	Change (%)	1H2007	1H2006	Change (%)
Revenue	373.7	265.8	40.6	646.2	471.9	36.9
Cost of Sales	(312.8)	(208.9)	49.7	(534.7)	(395.2)	35.3
Gross Profit	60.9	56.8	7.2	111.5	76.6	45.4
Net Profit after Tax	42.4	46.1	(8.1)	77.0	61.1	26.1
Gross Profit Margin (%)	16.3	21.4	-	17.2	16.2	-
Net Profit Margin (%)	11.3	17.3	-	11.9	12.9	-

SINGAPORE, 2 August 2007 – Singapore Exchange ("SGX") Mainboard-listed Delong Holdings Limited ("Delong" or "the Group"), a leading manufacturer of hot-rolled steel coils ("HRC") in the People's Republic of China ("PRC"), announced today that its net profit after tax for the January-June 2007 half-year ("1H2007") rose 26.1% to S$77.0 million from S$61.1 million a year ago.

The higher earnings were achieved on the back of a 36.9% increase in revenue to S$646.2 million from S$471.9 million in 1H2006. With the commissioning of the second HRC production line in 4Q2006, the Group was able to increase its sales volume and improve its product mix with a higher proportion of higher-margin products.

Following the commissioning of the second line, Delong's integrated HRC production capacity has risen to 2.4 million tonnes a year (comprising sintering and pellet plants, blast furnaces, converter furnaces, billet casting plants and HRC rolling lines) compared to 1.6 million tonnes previously.

The two rolling lines have a combined annual HRC rolling capacity of 3.0 million tonnes currently. Owing to limitations of the blast furnaces, the Group had operated at 80% utilization of its total 3.0 million tonnes HRC rolling line capacity in 2Q2007, and expects its fully integrated HRC production facility to be operational from 4Q2007

Delong's net profit in 2Q2007 declined 8.1% to S$42.4 million from S$46.1 million in 2Q2006, largely attributed to higher average cost of sales due to higher coke and iron ore prices. Being a wholly foreign owned enterprise in the PRC, Delong commenced paying enterprise income tax of 15% effective 1 January 2007.

Gross profit in 2Q2007 on a quarter-on-quarter basis rose 7.2% to S$60.9 million from S$56.8 million in 2Q2006 while net profit before tax rose 9.1% to S$50.3 million in 2Q2007 from S$46.1 million in 2Q2006.

The Group recorded gross and net profit margins of 17.2% and 11.9%, respectively, in 1H2007, compared to 16.2% and 12.9%, respectively, in 1H2006.

Fully diluted earnings per share rose to 14.4 Singapore cents ("S cents") in 1H2007 compared to 11.4 S cents in 1H2006. Net asset value per share as at 30 June 2007 rose to 78.6 S cents from 59.7 S cents as at 31 December 2006. On 17 May 2007 the Group completed a ten-to-one consolidation of its share capital base to 531.5 million shares from 5.3 billion shares previously.

Commenting on the results, Delong's Chairman, Mr. Ding Liguo, said, "We continue to reap the incremental benefits from our second HRC line commissioned in 4Q2006. Our production capacity has increased by 50% and product mix has improved significantly compared to 1H2006. Despite recent increases in prices of raw materials in particular of iron ore and coke, the Group is confident that its net profit in FY2007 will better that of FY2006; we also expect to maintain double-digit gross profit margins for the whole of FY2007."

"Delong is actively exploring opportunities for strategic acquisitions to expedite our expansion, and is in discussions with prospective acquisition targets to complement our existing business," he added.

The Group completed the construction of its Number 6 blast furnace in July 2007, with blast furnace Number 7 scheduled for completion by 4Q2007. The completion of these two blast furnaces will provide cost-savings as it will allow the Group to be self-sufficient in the production of pig iron and molten iron.

In June 2007, the Group issued RMB 1,532 million (US$ settled) worth of zero coupon convertible bonds for the purpose of funding core business expansion plans, strategic investments and synergistic acquisitions.

###End of Release###

Issued on behalf of Delong Holdings Limited by WeR1 Consultants Pte Ltd

Media Contact Info

WeR1 Consultants Pte Ltd

29 Scotts Road

Singapore 228224

Tel: (65) 6737 4844 Fax: (65) 6737 4944

Mr Lai Kwok Kin, laikkin@wer1.net

Mr Yim Jeng Yuh, yimjy@wer1.net

About Delong Holdings Limited

SGX-listed Delong Holdings Limited is a steel manufacturing group headquartered in Beijing, People's Republic of China. Its production base is located 430km southwest of Beijing in Hebei Province, placing it in proximity to raw material sources and an extensive client base encircled by the Bohai Economic Circle. As a dedicated hot-rolled coil manufacturer, Delong specializes in the supply of steel in such specifications for the infrastructure, pipe-making, cold-rolled coil, machinery and automotive industries in People's Republic of China. The Group also has interests in other synergistic businesses such as resource investment

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