



德龙控股
DELONG HOLDINGS

DELONG HOLDINGS 2Q2008 REVENUE SOARS 97.4% TO S\$737.6 MILLION ON STRONG HRC DEMAND IN THE PRC

- Net profit after tax rose 32.4% to S\$56.1 million in 2Q2008
- Phase 1 of high-end roller mill commenced operations in 2Q2008; targeted to achieve full capacity by 4Q2008
- Long-term iron ore supply agreements which commenced in July 2008 will mitigate supply and price volatility

SS (Million)	2Q2008	2Q2007	Change (%)	1H2008	1H2007	Change (%)
Revenue	737.6	373.7	97.4	1,296.8	646.2	100.7
Cost of Sales	652.4	312.8	108.6	1,174.7	534.7	119.7
Gross Profit	85.2	60.9	39.9	122.1	111.5	9.6
Net Profit after Tax	56.1	42.4	32.4	65.3	77.0	(15.2)
Gross Profit Margin (%)	11.6	16.3	-	9.4	17.2	-
Net Profit Margin (%)	7.6	11.3	-	5.0	11.9	-

SINGAPORE, 14 AUGUST 2008 – Delong Holdings Limited (“Delong” or “the Group”) announced today that its profit after tax for the April-to-June quarter 2008 (“2Q2008”) rose 32.4% to S\$56.1 million from S\$42.4 million a year ago on the back of sustained demand for hot-rolled coils (“HRC”) in the People’s Republic of China (“PRC”) which lifted revenue 97.4% to S\$737.6 million from S\$373.7 million a year ago.

The Singapore Exchange Main Board-listed leading HRC manufacturer said profit after tax for 2Q2008 would have been higher if not for a 108.6% increase in

cost of sales to S\$652.4 million from S\$312.8 million in 2Q2007 which was attributable to sharply higher raw materials prices over the comparative periods.

The Group recorded gross and net profit margins of 7.6% and 11.3%, respectively, in 2Q2008 compared to 16.3% and 11.3%, respectively, in 2Q2007.

Fully diluted earnings per share rose to 10.5 Singapore cents (“S cents”) for 2Q2008 from 7.92 S cents a year ago. Net asset value per share as at 30 June 2008 increased to 79.8 S cents from 71.8 S cents as at 31 December 2007.

Commenting on the Group’s performance, Delong Chairman Mr. Ding Liguó said: “We have made commendable progress in 2Q2008 with double-digit bottom-line growth despite significantly higher raw material prices. We continue to reap the benefits of our fully integrated production capabilities and will actively explore opportunities for future growth.”

As announced in February 2008, Delong’s controlling shareholder Best Decade Holdings Limited has entered into an agreement with Evraz Group S.A. (“Evraz”) under which Russia’s second-largest steelmaker later purchased an initial 10.01% stake in Delong. Evraz plans to raise its stake to 51% after receiving approval from the PRC authorities.

As part of a lock-up agreement announced in March 2008, Evraz committed to supply Delong with at least one million tonnes of iron ore in FY2008 and at least two million tonnes per year from FY2009. Since July 2008, Delong began receiving shipments of iron ore from global suppliers as part of two long-term contracts it had signed earlier for the supply of a combined 2.05 million tonnes annually.

The Group also said Phase One of its high-end roller mill commenced official production in 2Q2008 and is expected to achieve full utilization by 4Q2008. Targeting domestic and international steel manufacturers, the rollers are used in

the coil-making process and the Group expects this strategic development to benefit Delong positively in the long run.

“The Group remains optimistic about the outlook of the steel industry despite uncertainties in the global economy and fluctuations in raw material prices. We will continue to engage in cost-containment activities and believe that the introduction of our high-margin product will augment Delong’s capability to deliver earnings growth in FY2008,” Mr. Ding added.

###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.

About Evraz Group S.A.

Evraz Group is one of the largest vertically-integrated steel and mining businesses. In 2007, Evraz Group produced 16.3 million tonnes of crude steel. Evraz Group's principal assets include three of the leading steel plants in Russia: Nizhny Tagil (NTMK) in the Urals region and West Siberian (Zapsib) and Novokuznetsk (NKMK) in Siberia, as well as Palini e Bertoli in Italy, Eraz Vitkovice Steel in the Czech Republic, and Evraz Oregon Steel Mills headquartered in the USA. Its fast-growing mining businesses comprise Evrazruda, the Kachkanarsky (KGOK) and Vysokogorsky (VGOK) iron ore mining complexes, Yuzhkuzbassugol company and an equity interest in the Raspadskaya coal company. The mining assets enable Evraz Group to be a vertically-integrated steel producer. Evraz Group also owns and operates the Nakhodka commercial sea port, in the Far East of Russia. Evraz vanadium operations comprise Strategic Minerals Corporation, USA, and Highveld Steel and Vanadium Corporation, South Africa.