*PRESS RELEASE – 9M2008 RESULTS*

# DELONG HOLDINGS POSTS 9M2008 NET PROFIT OF S$53.4 MILLION; SHARPENS FOCUS ON COST CONTAINMENT

- ***9M2008 revenue grew 85% to S$1.9 billion from S$1.0 billion in 9M2007 on expanded production capacity***
- ***3Q2008 revenue rises 59.7% to S$637.5 million however higher raw material costs and weaker demand leads to a net loss of S$11.9 million***
- ***Re-negotiating long-term iron ore supply contracts and freight rates to lower costs and enhance profitability***
- ***Significant shareholder Evraz Group S.A increases stake to 10.97% from 10.01% through series of open market transactions***

| S$ (Million) | 3Q2008 | 3Q2007 | Change (%) | 9M2008 | 9M2007 | Change (%) |
|---|---|---|---|---|---|---|
| Revenue | 637.5 | 399.3 | 59.7 | 1,934.3 | 1,045.5 | 85 |
| Cost of Sales | 631.7 | 359.6 | 75.7 | 1,806.4 | 894.3 | 102 |
| Gross Profit | 5.8 | 39.7 | (85.4) | 127.9 | 151.2 | (15.4) |
| Net Profit after Tax | (11.9) | 24.7 | (148.1) | 53.4 | 101.7 | (47.5) |
| Gross Profit Margin (%) | 0.9 | 10 | - | 6.6 | 14.5 | - |
| Net Profit Margin (%) | (1.9) | 6.2 | - | 2.8 | 9.7 | - |

**SINGAPORE, 5 November 2008** – 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 it has achieved a net profit after tax of S$53.4 million for the January to September ("9M2008") period amidst challenging global financial conditions and weaker demand for steel products in the PRC.

Group revenue in 9M2008 increased 85% to S$1.9 billion from S$1.0 billion in 9M2007, due largely to increase sales volume and higher average selling prices with the introduction of higher-value products.

Group revenue rose 59.7% to S$637.5 million in 3Q2008 from S$399.3 million in 3Q2007 following the successful completion of Phase 3 of the technological enhancements in late FY2007. However, the Group was affected by a significant increase in raw material prices which resulted in a net loss after tax of S$11.9 million from a net profit after tax of S$24.7 million in 3Q2007.

The Group recorded gross and net profit margins of 6.6% and 2.8%, respectively, in 9M2008, compared to 14.5% and 9.7%, respectively, in 9M2007.

Fully diluted earnings per share were 10.0 Singapore cents ("S cents") in 9M2008 compared to 19.0 S cents in 9M2007. Net asset value per share as at 30 September 2008 rose to 81.8 S cents from 71.8 S cents as at 31 December 2007.

Commenting on the results, Delong's Chairman, Mr. Ding Liguo, said, "The recent weakness in global financial markets and slower international economic growth present a challenging operating environment. In response to the weaker demand for steel products, the Group has decided to scale back production on four older blast furnaces which accounts for approximately 30% of the Group's annual production. However, we continue to remain optimistic about the long-run operating outlook of the PRC steel industry and the Group's capability to manage costs and productivity. The Group will monitor the situation closely and gradually increase our capacity utilization rates when demand for steel products improves."

"The global credit crunch has strained the resources of many international corporations. The Board of Directors wishes to reassure shareholders that despite the tighter credit market, Delong has sufficient financial resources to meet its working capital requirements and existing secured and unsecured credit facilities with various domestic and foreign financial institutions in place which can be called upon if any such need arises," added Mr Ding.

To mitigate against the fluctuating cost of raw materials, the Group has initiated re-negotiations of its long-term iron supply and freight contracts, which will contribute to the Group's cost containment measures and enhance future profitability. The Group will also actively seek to explore opportunities to optimise its mix of raw material purchases between the long-term and spot contracts so as to acquire raw materials at more favourable prices.

In February 2008, the Group announced that Evraz Group S.A. ("Evraz") – Russia's second largest steelmaker – had agreed to acquire from Delong's existing majority shareholder Best Decade Holdings Limited ("Best Decade"). Subsequent to the abovementioned announcement and the completion of the initial acquisition of a 10.01% stake in Delong, Evraz had on 15 August 2008, signed a supplemental agreement with Best Decade to extend the completion of the acquisition to 18 February 2009. Evraz and Best Decade are currently working closely with the relevant PRC authorities to obtain the necessary anti-trust approval for the acquisition and will advise shareholders on any developments that occur. As at 24 October 2008, Evraz has increased its stake in Delong from 10.01% to 10.97% through a series of open market transactions. These purchases are distinct from the acquisition agreement signed with Best Decade.

**###End of Release###**

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

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**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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