



德龙控股
DELONG HOLDINGS

**DELONG HOLDINGS POSTS FY2008 REVENUE OF S\$2.3 BILLION;
REMAINS POSITIVE ON LONG TERM OUTLOOK OF THE PRC
STEEL INDUSTRY**

- *FY2008 revenue rises 47.4% to S\$2.3 billion on higher production capacity*
- *Reduced demand in steel and steel-related products due to sudden downturn in the global economy leads to FY2008 loss of S\$75.8 million*
- *Re-negotiating long-term iron ore supply contracts and freight rates to lower costs and enhance profitability*
- *Group remains positive on the long-term sustainability of the PRC steel industry despite near term volatility*

SS (Million)	4Q2008	4Q2007	Change (%)	FY2008	FY2007	Change (%)
Revenue	338.2	496.5	31.9	2,272.5	1,542	47.4
Cost of Sales	439.4	461.7	(4.8)	2,245.7	1,356	65.6
Gross Profit/(Loss)	(101.2)	34.8	(390.5)	26.7	186	(85.6)
Net Profit/ (Loss) after Tax	(129.2)	(7.9)	NM	(75.8)	93.8	(172.6)
Gross Profit Margin (%)	NM	7	NM	1.2	12.1	NM
Net Profit Margin (%)	NM	NM	NM	NM	6.1	NM

SINGAPORE, 25 February 2009 – 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 a net loss after tax of S\$75.8 million for its January – December 2008 (“FY2008”) financial period due to the sudden economic downturn in 2H2008 which reduced demand for steel and steel-related products in the PRC

Group revenue declined 31.9% to S\$338.2 million in 4Q2008 from S\$496.5 million in 4Q2007 due to a scale back in production by key customers in the pipe-making and cold-rolled coil manufacturing industries, write-down of inventories to net realizable value in 4Q2008 and a S\$20.9 million impairment charge on fixed assets. The decline in demand, along with fluctuations in raw material prices and impairment charges, resulted in a net loss after tax of S\$129.2 million in FY2008.

In view of the inventory write down and impairment on fixed assets, Net asset value per share as at 31 December 2008 declined to 52.8 S cents from 71.8 S cents as at 31 December 2007.

Commenting on the results, Delong’s Chairman, Mr. Ding Ligu, said, “The sudden economic downturn severely impacted demand across steel and steel-related industries in 2H2008. However, while the near term outlook and recovery of the global economy remains uncertain, Delong remains confident of the long-term sustainability and operating outlook of the PRC steel industry. The write down on inventory value and impairment charges reflects the Group’s continued efforts to streamlining its cost structure and will serve to contribute to the future efficiency of the Group.”

Updates on Evraz Acquisition

On 19 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”) an initial 10.01% stake in Delong which will be further raised to 51% upon obtaining the necessary approvals from the PRC regulatory authorities.

Subsequent to the abovementioned announcement, Evraz had on 11 February 2009, signed a second supplemental agreement with Best Decade to extend the completion of the acquisition to 18 August 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.

The Group wishes to advise shareholders that despite the tighter credit market, it has existing secured and unsecured credit facilities with various domestic and foreign financial institutions which can be called upon if any such need arises.

###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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