



德龙控股
DELONG HOLDINGS

FOR IMMEDIATE RELEASE

Delong redeems RMB346.0 million bonds

- ***Mandatory Early Redemption Discount of 20%***
- ***Redemption after discount amounts to RMB276.8 million***
- ***Funded by a combination of an external source and an internal cashflow***

SINGAPORE, 9 July 2010 – Singapore Exchange ("SGX") Mainboard-listed **Delong Holdings Limited** ("Delong" or "the Group"), a leading manufacturer of hot-rolled steel coils in the People's Republic of China ("PRC"), is pleased to announce that it has successfully redeemed, on a *pro rata* basis, the U.S. Dollar Equivalent of RMB346,000,000 in aggregate principal amount of Bonds less the Mandatory Early Redemption Discount of 20%. The aggregate principal amount of Bonds redeemed, and the discounted aggregate amount paid to Bondholders, on the Mandatory Redemption Date is set out in the table below.

<i>Aggregate Principal Amount of Bonds to be redeemed on the Mandatory Redemption Date</i>	<i>Mandatory Redemption Discount pursuant to Condition 8.1 as the Mandatory Redemption Date occurs prior to 31 December 2010</i>	<i>Discounted Aggregate Principal Amount of Bonds to be redeemed on the Mandatory Redemption Date, which would also be the aggregate amount payable to the Bondholders</i>
RMB346,000,000	20 per cent.	RMB276,800,000

In view of the improving financial performance of the Group and the more favourable credit and liquidity environment in the financial markets, the Company has managed to generate the excess cash mentioned above through a combination of external borrowing and internal cashflow generated from the operations of the Group. At the time of the restructuring of the Bonds in the last quarter of 2009, the Group did not have access to such sources of borrowings. In addition, the weak demand for the Group's products during that period had resulted in lower revenues and cashflows for the Group, which resulted in the Issuer having to seek the restructuring of the Bonds.

However, bolstered by a RMB4 trillion government-injected stimulus package, the PRC registered a strong expansion in the first quarter of 2010. Benefitting from this, Delong's net profit jumped to RMB42.0 million in its 1Q2010 results from RMB5.5 million losses the year before.

Commenting on the redemption bonds, Mr Ding Liguu, Executive Chairman of Delong, said, "We are very pleased that we manage to redeem the bonds well within the scheduled redemption date, enjoying the mandatory early redemption discount of 20% and at the same time reducing the Company's gearing."

Going forward, the Group's strategy will continue to focus on cost containment measures, sales efforts to capitalize on current market demand for steel and steel-related products and optimizing its product mix to maximize the production of higher-margin specialized steel products.

###End of Release###

Issued on behalf of Delong Holdings Limited by SPRG

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About Delong Holdings Limited

Singapore Exchange Mainboard-listed **Delong Holdings Limited** ("Delong" or the "Group") is a dedicated steel manufacturing group located in the People's Republic of China, specialising in the manufacture of hot-rolled steel coils ("HRC"). Delong's production base, strategically located 430 km southwest of Beijing, sits in proximity to abundant raw material sources and an extensive client base encompassed within the Bohai Economic Circle. With strong capabilities in manufacturing HRC of customisable widths and thicknesses, Delong's products cater to the highly specific needs of its clients in the infrastructure, pipe and machinery fabrication, as well as automotive industries.