



德龙控股
DELONG HOLDINGS

FOR IMMEDIATE RELEASE

Delong Holdings net profit jumps 467.9% in 1H2010

- Net profit grows to RMB 166.7 million in 1H2010
- Gross profit rises 55.5% year-on-year to RMB 324.3
- Rise in average selling price and sales volume of HRC
- NAV per share at RMB 4.10

(RMB Million)	2Q2010	1Q2010	Change (%)	1H2010	1H2009	Change (%)
Revenue	2,437.5	1,999.4	21.9	4,436.9	3,487.6	27.2
Gross Profit	208.3	116.1	79.4	324.3	208.6	55.5
Net Profit	124.6	42.0	196.7	166.7	29.3	467.9
Basic EPS (RMB cents)	23.0	0.08		30.8	5.48	
	The Group			The Company		
(RMB)	As at 30/06/2010	As at 31/12/2009		As at 30/06/2010	As at 31/12/2009	
NAV per share	4.10	3.84		4.16	4.25	

SINGAPORE, 12 August 2010 – 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 jumped 467.9% to RMB 166.7 million for the first half year results ended 30 June 2010 (“1H2010”).

This strong performance was achieved on the back of a 21.9% increase in revenue to RMB 2.4 billion in 2Q2010 from RMB 2.0 billion on 1Q2010. Underlining the improvement in the financial performance for 2Q2010 was the rise in the average selling price and sales volume of HRC in the second quarter as compared to the corresponding period. Revenue from mill rolls also contributed to 0.81% of the Group’s revenue in 2Q2010.

Gross profit also increased 79.4% to RMB 208.3 million in 2Q2010 from RMB116.1 million 1Q2010 due to the increase in the average selling prices and sales volume of HRC.

Commenting on the Group’s 1H2010 results, Chairman Mr Ding Liguu said, “We are pleased that despite the volatile steel market, Delong was able to deliver a set of strong results in 1H2010. The Group has benefited from the increase in HRC prices and sales volume in the first half of the year on the back of higher fixed assets investment in the PRC.”

“While the outlook and recovery of the global economic remains uncertain, we remain cautiously optimistic about the potential of the PRC steel industry,” he added.

Bond restructuring

Early last month Delong Holdings announced that it has redeemed RMB 346.0 million bonds with the extra cash the Group generated through a combination of external borrowings and internal cashflow from the Group's operations due to the improving financial performance of the Group and the more favourable credit and liquidity environment in the financial markets.

As the Group had refunded the bonds within the scheduled redemption date, Delong enjoyed a mandatory early redemption discount of 20%, which reduced the Group's gearing.

Cautious Outlook

The global steel market has witnessed price fluctuations in the recent months. While the Group had benefited from the increase in prices of HRC in the first half of FY2010, particularly in 2Q2010, steel prices are expected to continue to fluctuate in the second half of 2010.

The uncertain outlook of the global economy recovery and a series of policies implemented by the PRC government to prevent the real estate sector from overheating further since April 2010 will continue to impact the steel industry in the PRC.

While the near-term operating conditions may be challenging, the Group's management remains cautiously optimistic of the prospects of the PRC steel industry as underlying domestic demand for HRC is expected to remain strong within China.

###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.