PRESS RELEASE

Delong Holdings reports higher net profit of RMB 209.4 million for the first 9 months of FY2010

- ***Revenue rises 29.8% to RMB 7.3 billion in 9M2010***
- ***Net cash generated from operating activities turned around to RMB 1.1 billion from a negative position of RMB 95 million***
- ***Cash in Hand up from RMB 290.1 million to RMB 768.1 million in 9M2010***

SINGAPORE, 8 November, 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 a 24.3% rise in its net profit to RMB 209.4 million for the first nine months ended 30 September 2010 ("9M2010"). Its net earnings for 9M2009 was RMB 168.5 million.

This was achieved on the back of a 29.8% increase in revenue to RMB 7.3 billion in 9M2010 from RMB 5.6 billion in 9M2009. This was due to higher average selling price and sales volume of HRC for 9M2010, compared to the previous corresponding period.

The Group's net profit for the first nine months of the year included a one-off impairment charge of RMB 41.0 million. Excluding this impairment charge, the Group's net profit would be RMB 250.4 million. The impairment is a non-cash item and has no impact on the Group's operating cashflow. This charge was the result of an impairment review that the Group undertook for the mill roll production facilities in 3Q2010.

The Group also booked in a gain of RMB 12.7 million on early redemption of convertible bonds.

On a quarter to quarter basis, the Company continued to report higher revenue, which went up by 16.7% to RMB 2.5 billion in 3Q2010 compared to 3Q2009. However, net profit fell 69.3% to RMB 42.7 million from RMB 139.1 million in 3Q2009. This was the result of lower profit margins which were primarily due to the increase in raw materials prices which outpaced the average selling prices of HRC sold in 3Q2010.

Operationally, the Company continued to see a rise in net cash generated from operating activities from RMB 29.9 million in 3Q2009 to RMB 772.9 million in 3Q2010, up RMB 743.0 million. This is due mainly to lower bank balances pledged as securities for notes payable and bank borrowings, and also a fall in the inventories and notes receivables.

On a nine-month basis, operating cashflow before working capital changes rose by RMB 19.1 million from RMB 707.7 million in 9M2009 to RMB 726.8 million in 9M2010. The increase was primarily due to higher operating profit.

Net cash generated from operating activities also increased by RMB 1.22 billion. The Company continued to strengthen its cash pile, with cash in hand leaping to RMB 768.1 million from RMB 290.1 million in 9M2010.

The Company had redeemed a portion of the convertible bonds – the U.S Dollar Equivalent of RMB 346.0 million in principal amount of bonds during the period under review, which led to a healthier financial position.

Higher net profit for 9M2010 led to a 8.3% rise in Net Asset Value (NAV) per share from RMB 3.84 to 4.16 for the nine months ended 30 September 2010.

The Group's Basic earnings per share (EPS) went up 21.9% to RMB 0.39 from RMB 0.32 in the first nine months of FY2010.

Commenting on the Group's 9M2010 results, Chairman Mr Ding Liguo said, "In the first nine months of the year, the Group benefited from continued robust demand for steel and steel related products as China's economy continued to power ahead with several major developments in the various cities throughout China.

"However, with the Chinese government's policies to cool the economy especially the buoyant property and construction sector, and the expected weakening of the global economy, the overall industry outlook remains uncertain. This uncertainty is further clouded by higher energy costs and the volatile raw materials prices – especially iron ore.

"We will therefore be more cautious in our purchase of raw materials and cost control."

Barring unforeseen circumstances, the Group remains cautiously optimistic of a profitable performance for FY2010.

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.

Release issued on behalf of Delong Holdings Limited by
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