



DELONG ACQUIRES 80% STAKE OF AOYU STEEL

- ***Acquisition boosts annual production capacity by approximately 46.2% or 1.2 million tonnes to 3.8 million tonnes***

Singapore, January 18, 2012 – Delong Holdings Limited (“Delong” or the “Group”), a manufacturer of hot-rolled steel coils (“HRC”) in the People’s Republic of China (“PRC”), announced today that it has entered into an equity acquisition agreement for the proposed acquisition of 80% equity interest in Laiyuan County Aoyu Steel Co. Ltd (“Aoyu Steel”) for a consideration of approximately RMB 264 million.

Based in Hebei Province, the PRC, Aoyu Steel has an annual production capacity of 1.2 million tonnes and is principally engaged in the manufacture and sale of pig iron, steel billets and trading of steel materials. Aoyu Steel also owns 51% equity in Laiyun County Butai Mining Co, a company which is engaged in the production and sale of limestone.

The proposed acquisition of Aoyu Steel will raise Delong’s annual steel production capacity increase by approximately 46.2% or 1.2 million tonnes to 3.8 million tonnes and is in line with the Group’s plans to expand its steel manufacturing business via strategic M&As.

In addition, based on the terms of the equity acquisition agreement, Delong will, within three years from the completion of the proposed acquisition and subject to Aoyu Steel keeping its business registration and continuous production, acquire the remaining 20% equity in Aoyu Steel.

Commenting on the above, the Executive Chairman of Delong, Mr. Ding Liguo (丁立国), said: “This is an exciting development for the Group as it represents the successful execution of our M&A strategy to grow Delong’s core business. An established steel producer with a strong customer base, Aoyu Steel is exactly the type of acquisition we seek to profitably scale up the Group’s operations.”

“Moving forward, we will continue to explore and evaluate earnings-accretive acquisitions to increase the Group’s capabilities and to enhance long-term shareholder value.”

The proposed acquisition, which is subject to shareholders’ approval at an Extraordinary General Meeting, will be funded by the Group’s internal resources and external bank borrowings.

None of the Group’s directors or substantial shareholders has any interest, direct or indirect, in the above transaction.

About Delong Holdings Limited

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 and sale 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.

Delong was listed on the Main Board of the Singapore Stock Exchange through the reverse acquisition of SGX-listed Teamsphere Limited in March 2005.

ISSUED ON BEHALF OF : Delong Holdings Limited
BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
1 Raffles Place
#26-02 One Raffles Place
SINGAPORE 048616
CONTACT : Ms Dolores Phua / Mr Ng Chung Keat
at telephone
DURING OFFICE HOURS : 6534-5122 (Office)
AFTER OFFICE HOURS : 9750-8237 / 9781-3605 (Handphone)
EMAIL : dolores.phua@citigatedrimage.com
chungkeat.ng@citigatedrimage.com

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