

March 2012

Delong Holdings Limited

ACQUISITION OF LAIYUAN COUNTY AOYU STEEL CO., LTD

Disclaimer

The presentation contains forward-looking statements, including without limitations, statements as to:

- (a) our revenue and profitability;
- (b) our planned expansion;
- (c) any expected growth;
- (d) other expected industry trends; and
- (e) anticipated completion of proposed plans and other matters discussed in this presentation regarding matters that are not historical facts,

are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other important factors include, amongst others, the following:

- (a) changes in political, social and economic conditions and the regulatory environment in the places in which we conduct our business;
- (b) our anticipated growth strategies and expected internal growth;
- (c) changes in competitive conditions and our ability to compete under these conditions;
- (d) changes in currency exchange rates;
- (e) changes in our future capital needs and the availability of financing and capital to fund these needs;
- (f) other factors beyond our control; and
- (g) the factors described in the section entitled “Risk Factors” of the Circular.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in the Circular are expressly qualified in their entirety by such factors.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different than expected, expressed or implied by the forward-looking statements in this presentation and the Circular, we advise you not to place undue reliance on those statements.

Acquisition Overview

Laiyuan County Aoyu Steel Co. Ltd

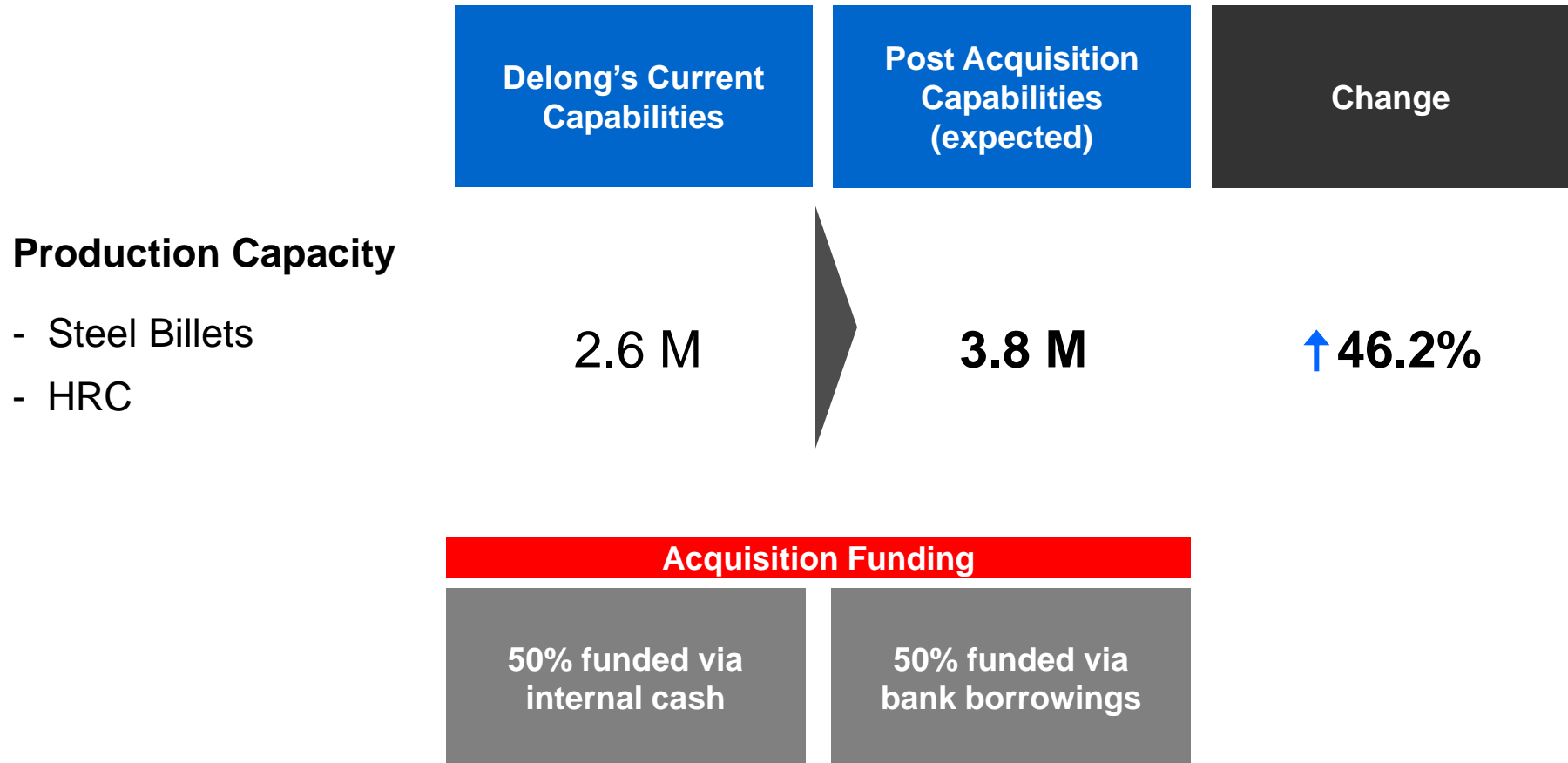


Acquisition Overview

Target	Laiyuan County Aoyu Steel Co. Ltd <i>- Based in Laiyuan County, Baoding, Hebei Province, the PRC</i>
Purchase Price	80% equity at approximately RMB264 million (S\$52.7 million)*
Expected Completion	April 10, 2012
Production Capacity	1.2 million tonnes per annum
Key Activities/Products	Manufacture & sale of pig iron & steel billets
Other Activities	Trading of steel materials

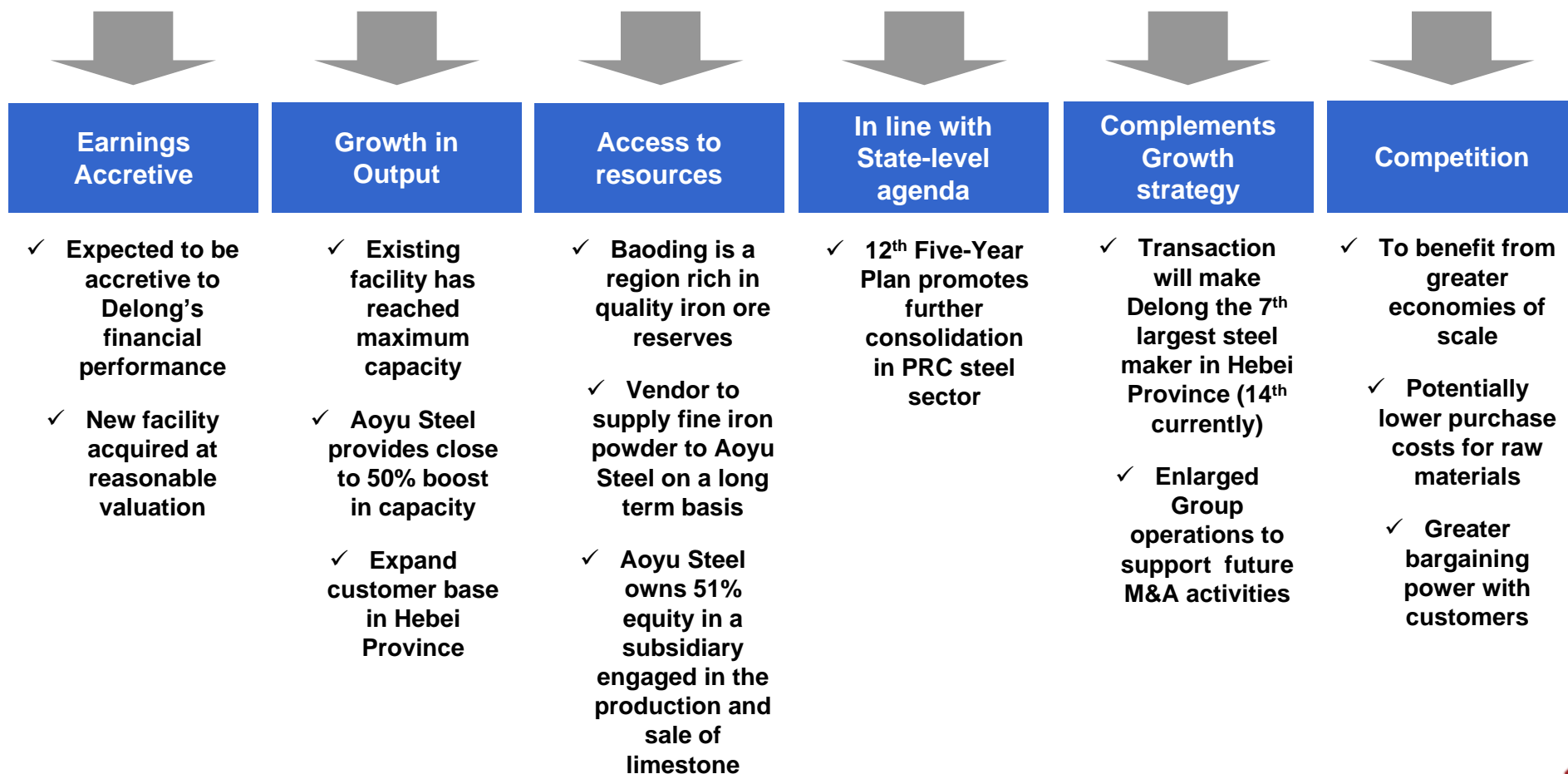
*RMB 1.00 = S\$ 0.199606

Strengthening for Future Growth



Acquisition Rationale

Synergistic acquisition worth RMB264 million to boost capabilities



Acquisition – Additional Highlights

- Complements Delong's growth strategy:
 - There is a possible market for Aoyu Steel to sell to the automotive industry, which is in the physical proximity of Baoding Laiyuan District
- Discussion with the Vendor (Hebei Aowei Group Co. Ltd):
 - Informal discussion with Vendor on the acquisition of interest in Laiyuan Iron Ore Production Enterprise, a company controlled by the Vendor
- Purchase of balance equity
 - The Company would explore the possibility of payment of consideration by way of Delong's shares instead of cash
- On the back of this proposed acquisition, Delong has been approached by potential future acquisition targets and will update shareholders when there is relevant milestone met
- Delong's discussion with the local authorities in Baoding Laiyuan District explored the possibility that Aoyu Steel may be granted tax rebates of up to 50% of corporate tax for up to 10 years and that Aoyu Steel may be informed of potential iron mines in Baoding Laiyuan District for it to consider as acquisitions

Appendix – Aoyu Steel Production Facilities



Appendix – Aoyu Steel Production Facilities



Appendix – Acquisition Background

- Discussions for the acquisition of Aoyu Steel started in early 2011. The Group's Chairman, Mr. Ding Liguo, had through a chance occasion learnt that Aoyu's owner, Mr. Li Yan Jun is keen to sell his existing 100% stake in Aoyu Steel.
- Following site visits and several rounds of discussion, both parties subsequently entered into an agreement on January 17, 2012 for Delong's purchase of 80% stake in Aoyu Steel. Currently, the acquisition has received approval from the SGX and as such, we are conducting this EGM to obtain shareholders' support and approval.
- Aoyu Steel has been in operation since July 2001 and is mainly responsible for the production of pig iron, steel billets as well as the trading of relevant commodities. It has designed annual production capacity of up to 1.2 million tonnes.
- The facility is strategically located in the resource-rich region of Baoding in Hebei Province, which based on the latest statistics, has over 1 billion tonnes in iron ore reserves. This provides a stable & quality supply of raw materials, ensuring that the facility can benefit from low operating costs to enhance its competitiveness.

Appendix – Acquisition Benefits

Through the acquisition, Delong stands to benefit from synergies in the following:

- Enlarged production capabilities to boost Delong’s market position in Hebei Province:
 - Raise annual production capacity from 2.6 million to 3.8 million tonnes; making Delong the 7th largest steel player in Hebei province, from 14th place currently.
- Access to a stable supply of iron ore and open up opportunities to explore acquisitions in iron-ore related businesses:
 - Ensure steady supply raw materials (fine iron powder) to Aoyu Steel: Aoyu Steel’s current owner also holds controlling stake in three iron ore mines (controls approximately 300 million tonnes of iron ore reserves) in Baoding. The mines produced approximately 400,000 tonnes of fine iron powder in FY2010, which was fully supplied to Aoyu Steel. Following acquisitions of selected quality mines in late 2010, its annual production capacity increased to 1 million tonnes, achieving above 60% self-sufficiency rate;
 - Aoyu Steel’s current owner has committed to supply fine iron powder to Aoyu Steel on a long term basis and the volume of such supply shall not be less than 35% of the mine’s actual production volume. The price of such supply shall be at similar to prices of fine iron powder sold to unrelated third parties.

Appendix – Acquisition Benefits (continued)

- Generate stable cash flows: despite the relatively weak performance in the PRC steel industry in 2011, Aoyu Steel had achieved a commendable performance in FY2011 on net profit after tax of RMB118 million (RMB175.5 million in FY2009 and RMB145 million in FY2010).
- Complements Delong's growth strategy: Aoyu Steel is the only steel manufacturer in Baoding. The local government is planning to use Aoyu Steel as the base for the creation of 2 million tonnes of steel capacity. Aoyu Steel's current owners are assisting the company to obtain approval from the local government for this project.

In conclusion

- Following site inspections and due diligence carried out by Delong's management team and auditors as well as a site inspection by the Board of Directors, we have established a level of understanding in Aoyu Steel and is confident that its operations are legitimate, is in a sound financial position and tax compliant.