



DELONG HOLDINGS LIMITED

(REG. NO. 199705215G)

UNAUDITED FULL YEAR RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF – YEAR AND FULL RESULTS

1(a) **An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	The Group					Increase (Decrease) %
		4 th Quarter Ended		Increase (Decrease) %	Year Ended		
		31/12/2015 RMB'000	31/12/2014 RMB'000		31/12/2015 RMB'000	31/12/2014 RMB'000	
Sales		1,727,015	2,075,908	(16.8)	6,952,304	9,523,568	(27.0)
Cost of sales		(1,841,979)	(1,898,568)	(3.0)	(6,931,311)	(8,863,497)	(21.8)
Gross (loss)/profit		(114,964)	177,340	n.m	20,993	660,071	(96.8)
Other Income	1	6,272	33,780	(81.4)	85,431	95,034	(10.1)
Other gains-net	2	(16,275)	680	n.m	(15,509)	3,242	n.m
Expenses							
-Distribution and marketing		(16,238)	(20,778)	(21.9)	(68,962)	(55,756)	23.7
-Administrative		(61,057)	(75,750)	(19.4)	(266,309)	(302,621)	(12.0)
-Finance		(42,394)	(48,358)	(12.3)	(178,464)	(228,932)	(22.0)
Share of loss of an associate company	3	(68)	(323)	(78.9)	(237)	(323)	(26.6)
(Loss)/profit before tax	4	(244,724)	66,591	n.m	(423,057)	170,715	n.m
Income tax expenses	5	(556)	(36,991)	(98.5)	(8,204)	(75,853)	(89.2)
Net (loss)/profit		(245,280)	29,600	n.m	(431,261)	94,862	n.m
(Loss)/profit attributable to:							
Equity holders of the Company		(235,861)	35,597	n.m	(392,845)	100,888	n.m
Non-controlling interest		(9,419)	(5,997)	57.1	(38,416)	(6,026)	537.5
		(245,280)	29,600	n.m	(431,261)	94,862	n.m

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Net (loss)/profit	(245,280)	29,600	n.m	(431,261)	94,862	n.m
Other comprehensive (loss)/income:						
Available-for-sale financial assets						
-Fair value loss	(5)	(760)	(99.3)	(12,243)	(1,986)	516.5
Currency translation differences	1,630	994	64.0	(1,320)	(486)	171.6
Other comprehensive income/(loss) for the period, net of tax	1,625	234	594.4	(13,563)	(2,472)	448.7
Total comprehensive (loss)/income	(243,655)	29,834	n.m	(444,824)	92,390	n.m
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(234,236)	35,831	n.m	(406,408)	98,416	n.m
Non-controlling interest	(9,419)	(5,997)	57.1	(38,416)	(6,026)	537.5
	(243,655)	29,834	n.m	(444,824)	92,390	n.m

nm-not meaningful

Notes:-

1 Other Income

	The Group			
	4 th Quarter Ended		Year Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Government Grant ^(a)	(11,369)*	(1,214)	2,482	-
Finance lease income	2,767	7,881	3,875	9,816
Interest income ^(b)	14,874	27,113	79,074	85,218
	<u>6,272</u>	<u>33,780</u>	<u>85,431</u>	<u>95,034</u>

Notes:

- (a) Government grant received in recognition of the Group's technological improvement and environmental enhancement programmes in the PRC.*The amount was capitalised as deferred income in the fourth quarter ended 31 December 2015 ("4Q2015").
- (b) Interest earned on bank deposits, held to maturity financial assets, available-for-sale financial assets and entrusted loans to customers.

2 Other gains-net

	The Group			
	4 th Quarter Ended		Year Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Gain on disposal of financial assets at fair value through profit and loss	-	-	-	15
Fair value gain- financial assets at fair value through profit or loss	-	-	-	23
Currency translation gain/(loss)-net ^(a)	7,195	(1,561)	(655)	2,255
Fair value loss on convertible shares	-	-	-	(314)
Gain/(loss) on disposal of property, plant and equipment	1,442	(20,794)	(18,125)	(31,876)
Fair value changes on purchase payable consideration	(4,709)	4,686	15,443	2,215
Property, plant and equipment written off	(27,319)	-	(27,319)	-
Reversal on allowance for doubtful debts	7,500	-	7,500	-
Reversal on impairment charge on property, plant and equipment	-	38,273	-	38,273
Other ^(b)	(384)	(19,924)	7,647	(7,349)
	<u>(16,275)</u>	<u>680</u>	<u>(15,509)</u>	<u>3,242</u>

Notes:

- (a) The currency translation gain was mainly due to revaluation of bank balances denominated in USD, which had strengthened against RMB in 4Q2015.
- (b) Others consist of sale of gas, oxygen, electricity, etc.

- 3.** This refers to the Group's share of Xingtai Xilan Zhongde Natural Gas Sales Co., Ltd's results.

4. Profit before taxation includes the following items:-

	The Group			
	4 th Quarter Ended		Year Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation and amortization ^(a)	88,497	94,477	439,156	461,820
Salaries and wages ^(b)	109,339	97,706	385,992	374,958
Operating lease rental	499	92	767	655

Notes:

- (a) The decrease in depreciation and amortization in 4Q2015 and for the financial year ended 31 December 2015 (“FY2015”) as compared to its corresponding period in 2014 was due to certain assets were fully depreciated.
- (b) The increase in salaries and wages in 4Q2015 and FY2015 respectively was mainly due to higher headcount and related costs with the commencement of operations in Delong (Thailand) Co., Ltd (“Delong Thailand”) in September 2015.

5. Income Tax Expenses

	The Group			
	4 th Quarter Ended		Year Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Tax expense attributable to profit is made up of:				
Current income tax expense				
-Singapore	758	-	905	-
-Foreign	4,202	24,991	12,651	72,172
Deferred income tax liabilities	(360)	12,000	(1,308)	3,770
Under/(over) provision in preceding financial years				
-Current income tax	(4,044)	-	(4,044)	(89)
	<u>556</u>	<u>36,991</u>	<u>8,204</u>	<u>75,853</u>

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	The Group RMB '000		The Company RMB '000	
		As at 31/12/2015	As at 31/12/2014	As at 31/12/2015	As at 31/12/2014
Current assets					
Cash and cash equivalents		484,864	935,621	13,400	19,185
Bank balances pledged		1,231,877	1,322,112	-	-
Held for Trading Investments	1	232,873	-	-	-
Held-to-maturity financial assets	2	200,000	300,000	-	-
Trade and other receivables	3	484,192	642,232	20	23
Inventories	4	540,113	655,885	-	-
Other assets	5	867,426	601,105	170	704
Total current assets		4,041,345	4,456,955	13,590	19,912
Non-current assets					
Bank balances pledged		206,000	206,000	-	-
Trade and other receivables	6	23,683	29,736	214,903	220,774
Other assets	5	187,367	34,513	-	-
Available-for-sale financial assets	7	157,539	266,941	-	-
Investments in subsidiaries		-	-	1,984,916	1,984,916
Investment in an associate	8	4,340	4,577	-	-
Property, plant and equipment		3,202,408	3,213,779	114	64
Intangible assets		7,200	12,960	-	-
Deferred tax assets		-	2,644	-	-
Total non-current assets		3,788,537	3,771,150	2,199,933	2,205,754
Total assets		7,829,882	8,228,105	2,213,523	2,225,666
Current liabilities					
Trade and other payables	9	1,595,934	1,502,295	4,543	4,861
Notes payables		1,654,818	1,761,250	-	-
Borrowings		1,864,361	1,403,521	9	13
Purchase consideration payable	10	-	113,514	-	-
Total current liabilities		5,115,113	4,780,580	4,552	4,874
Non-current liabilities					
Borrowings		341,230	632,563	42	14
Deferred income tax liabilities		24,689	25,997	-	-
Total non-current liabilities		365,919	658,560	42	14
Total liabilities		5,481,032	5,439,140	4,594	4,888
Net Assets		2,348,850	2,788,965	2,208,929	2,220,778
Capital reserves and non-controlling interests					
Share capital		406,644	406,644	2,112,480	2,112,480
Reserves		1,887,129	2,277,273	96,449	108,298
Equity attributable to owners of the Company		2,293,773	2,683,917	2,208,929	2,220,778
Non-controlling interests		55,077	195,433	-	-
Capital reserve		-	(90,385)	-	-
Total equity		2,348,850	2,788,965	2,208,929	2,220,778

Notes:

1. This relates to cash placed with the financial institutions for a tenor of 7 days. The interest rate on held for trading investments is approximately 3% per annum.

2. Held-to-maturity financial assets

	The Group	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
Bohai International Trust Co.,Ltd	-	100,000
Harvest Capital Management Co., Ltd	200,000	200,000
	<u>200,000</u>	<u>300,000</u>

The interest rate of the held-to-maturity financial assets ranges from 4.7% to 6.25% per annum and mature within 12 months.

3. Trade and other receivables - current

	The Group	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
Finance lease receivables	6,333	20,025
Trade receivables ⁽¹⁾	118,125	56,518
Notes receivable ⁽²⁾	359,734	564,216
Due from Lai Yuan Bureau of finance	-	1,473
	<u>484,192</u>	<u>642,232</u>

⁽¹⁾After taking into account of the allowance for doubtful debts for trade receivables which were overdue for over 360 days.

The increase in trade receivables was due to the consolidation of trade receivable of Delong Thailand.

⁽²⁾The decrease was in line with lower revenue recorded in FY2015.

4. Inventories

	The Group	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
Raw materials	315,623	425,978
Work-in-progress	68,096	68,783
Finished goods	77,920	118,749
Production supplies	78,474	42,375
	<u>540,113</u>	<u>655,885</u>

The decrease in inventories was primarily due to lower raw material prices in FY2015 as compared to the previous corresponding period, and also as a result of better inventory management.

5. Other assets

	The Group	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
Deposits for offices	9,112	63
Prepayments ^(a)	532,220	328,225
Entrusted loan to third parties	80,000	125,000
VAT and tax recoverable	109,028	93,521
Purchase Consideration -land-use right ^(b)	171,984	-
Municipal Land Resources Authority, Xingtai ^(c)	108,626	-
Others	43,823	88,809
	<u>1,054,793</u>	<u>635,618</u>
Analysed as:		
Current	867,426	601,105
Non-current	187,367	34,513
	<u>1,054,793</u>	<u>635,618</u>

- (a) Prepayments relate to advance payments made to suppliers for the purchase of raw materials, and deposits for the purchase of plant and machinery in relation to our production facilities in the PRC and Thailand.
- (b) This relates to a total purchase consideration paid to the Municipal Land Resources Authority of Xingtai, Hebei Province, for the purchase of land-use right for our premises at Delong Steel Limited (the "Purchase"). The legal completion for the Purchase is expected by March 2016. As at 31 December 2015, Delong Steel Limited has received acknowledgement of the Transfer of Title Deed. However, the official land certificate has yet to be issued

Delong Steel Limited has been leasing its premises from local government since 2003.

- (c) This relates to a refundable deposit made to the Municipal Land Resources Authority of Xingtai, Hebei Province, in relation to the Purchase mentioned above. The deposit will be refunded upon legal completion of the Purchase.

6. Trade and other receivables – non-current

	The Group	
	31/12/2015	31/12/2014
	RMB'000	RMB'000
Finance lease receivables	1,016	7,069
Due from an investee company	22,667	22,667
	<u>23,683</u>	<u>29,736</u>

7. Available-for-sale financial assets

	The Group	
	31/12/2015 RMB'000	31/12/2014 RMB'000
10% equity interest in Hebei Zhongmei Xuyang Coking Co., Ltd	10,000	10,000
2.7% equity interest in Guo Kai Rui Ming (Beijing) Investment Fund Co., Ltd	-	50,000
1.6% equity interest in Hengshi Mining Investments Ltd	37,343	49,585
Shan Nan De Lian Heng Tong Investment Harvest Fund Management Co., Ltd ¹	83,500	83,500
	26,696	73,856
	<u>157,539</u>	<u>266,941</u>

Note:-

¹The interest rate of the available-for-sale financial assets ranges from 4.5% to 6.63% per annum.

8. This refers to the Company's 49% equity stake in Xingtai Xilan Zhongde Natural Gas Sales Co., Ltd.

9. Trade and other payables

	The Group	
	31/12/2015 RMB'000	31/12/2014 RMB'000
Trade payables to third parties	656,176	499,188
Letters of credit	113,532	193,856
VAT and other taxes payable	3,642	1,201
Payable to contractors for construction-in-progress	29,000	55,740
Advances from customers ⁽¹⁾	503,291	454,203
Other accrual for operating expenses	7,457	4,717
Accrual for interest expense	4,128	17,470
Accrual for staff cost	36,816	46,188
Due to directors (non-trade)	2,006	2,163
Deferred income	23,388	17,706
Deferred government grant	37,689	22,340
Deposit from customers	1,189	4,629
Other payables	177,620	182,894
	<u>1,595,934</u>	<u>1,502,295</u>

Notes:

¹Advances from customers represent prepayments made by customers. These advance payments are to be offset against the purchases when the goods are collected by the customers.

10. This represents the Group's future estimated obligation to acquire the remaining 20% interest in Aoyu Steel (the "Balance Equity").

The acquisition of the Balance Equity was completed on 5 May 2015.

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debts securities, specify the following as at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

As at 31/12/2015	As at 31/12/2014
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Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
634,121	1,230,240	654,041	749,480

Amount repayable after one year

As at 31/12/2015	As at 31/12/2014
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Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
100,288	240,942	621,633	10,930

Details of any collateral

The Group's borrowings are secured by certain property, plant and equipment of the Group.

As at 31 December 2015, the Group's bank borrowings of approximately RMB1,124.7 million (2014: RMB 1,102.8 million) were guaranteed by third parties. In return, the Group has provided guarantees to banks for borrowings of these third parties amounted to approximately RMB230.0 million.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	The Group			
		4 th Quarter Ended		Year Ended	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
		RMB '000	RMB '000	RMB '000	RMB '000
Cash flows from operating activities:					
(Loss)/profit after income tax		(245,280)	29,600	(431,261)	94,862
Adjustments for:					
Depreciation		87,057	93,037	433,396	456,060
(Reversal)/impairment charge on property, plant and equipment		-	(38,273)	-	(38,273)
Amortisation of intangible asset		1,440	1,440	5,760	5,760
(Reversal)/allowance for doubtful debts		(7,500)	7,132	(7,500)	7,132
(Gain)/loss on disposal of property, plant and equipment		(1,442)	20,794	18,125	31,876
Property, plant and equipment written off		27,319	-	27,319	-
Fair value gain on financial assets, fair value through profit or loss		-	-	-	(23)
Gain on disposal financial assets, fair value through profit or loss		-	-	-	(15)
Loss on change in fair value convertible shares		-	-	-	314
Exchange loss/(gain) on convertible shares		-	63	-	(1,078)
Fair value changes on purchase considerable payable		4,709	(4,686)	(15,443)	(2,215)
Share of loss of an associate company		68	323	237	323
Allowance for inventories		6,055	10,652	6,055	10,652
Interest income		(14,874)	(27,113)	(79,074)	(85,218)
Interest expense		42,394	48,358	178,464	228,932
Income tax expense		556	36,991	8,204	75,853
Unrealised currency translation (gain)/loss		(8,943)	1,640	8,264	448
		136,839	150,358	583,807	690,528
Operating cash flow before working capital changes		(108,441)	179,958	152,546	785,390
Bank balances pledged		(39,390)	(161,445)	90,235	(704,804)
Receivables		(209,462)	82,632	(242,828)	594,216
Inventories		133,647	83,157	109,717	202,771
Payables		230,525	254,639	93,639	(60,044)
		115,320	258,983	50,763	32,139
Cash generated from operating activities		6,879	438,941	203,309	817,529
Income tax credit/(paid)		943	(32,813)	(7,653)	(78,725)
Net cash generated from operating activities		7,822	406,128	195,656	738,804
Cash flows from investing activities:					
Purchases of property, plant and equipment		(231,713)	(94,697)	(598,820)	(840,097)
Proceeds on disposal of property, plant and equipment		108,271	17,154	108,271	17,379
Proceeds on disposal of financial assets, fair value via profit or loss		-	-	-	442
Proceeds on disposal of available-for-sale financial assets		-	122,025	97,159	-
Purchases of investments held for trading		(232,873)	-	(232,873)	-
Purchases of available-for-sale financial assets		(12,128)	-	-	(54,194)
Proceeds from held-to-maturity financial assets		100,000	-	100,000	-
Investment in an associate company		-	-	-	(4,900)
Acquisition of Balance Equity		-	-	(93,362)	-
Capital contribution by non-controlling interest		-	17,360	8,615	77,050
Interest received		14,874	27,112	79,074	85,217
Net cash (used in)/generated from investing activities		(253,569)	88,954	(531,936)	(719,103)
Cash flows from financing activities:					
Proceeds from borrowings		825,379	1,505,470	2,127,585	3,574,157
Repayments of borrowings		(608,644)	(1,407,456)	(2,064,511)	(2,790,301)
Repayment of convertible bonds		-	(12,579)	-	(12,579)
Interest paid		(42,394)	(48,267)	(178,464)	(228,413)
Net cash generated from/(used in) financing activities		174,341	37,168	(115,390)	542,864
Net (decrease)/increase in cash and cash equivalents		(71,406)	532,250	(451,670)	562,565
Cash and cash equivalents at beginning of the period		555,357	404,021	935,621	373,706
Effect of currency translation on cash and cash equivalents		913	(650)	913	(650)
Cash and cash equivalents at end of the period		484,864	935,621	484,864	935,621

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

The Group	Share Capital RMB '000	Capital reserve RMB '000	Fair value reserve RMB '000	Translation reserve RMB '000	Statutory reserve RMB '000	Retained earnings RMB '000	Total RMB '000	Capital reserve RMB '000	Non-controlling interest RMB '000	Total equity RMB '000
Balance as at 1 January 2015	406,644	249,218	(10,855)	6,101	141,072	1,891,737	2,683,917	(90,385)	195,433	2,788,965
Total comprehensive (loss)/income for the period	-	-	(3,303)	7,821	-	(82,317)	(77,799)	-	(17,189)	(94,988)
Balance as at 31 March 2015	406,644	249,218	(14,158)	13,922	141,072	1,809,420	2,606,118	(90,385)	178,244	2,693,977
Total comprehensive income/(loss) for the period	-	-	10,709	(9,763)	-	32,380	33,326	-	(7,540)	25,786
Acquisition of the remaining 20% stake in Aoyu Steel	-	2,977	-	-	-	-	2,977	90,385	(93,362)	-
Balance as at 30 June 2015	406,644	252,195	(3,449)	4,159	141,072	1,841,800	2,642,421	-	77,342	2,719,763
Total comprehensive loss for the period	-	-	(19,644)	(1,008)	-	(107,047)	(127,699)	-	(4,268)	(131,967)
Balance as at 30 September 2015	406,644	252,195	(23,093)	3,151	141,072	1,734,753	2,514,722	-	73,074	2,587,796
Total comprehensive (loss)/income for the period	-	9,418	(5)	5,499	-	(235,861)	(220,949)	-	(17,997)	(238,946)
Balance as at 31 December 2015	406,644	261,613	(23,098)	8,650	141,072	1,498,892	2,293,773	-	55,077	2,348,850

<u>The Group</u>	Share capital	Capital reserve	Fair value reserve	Translation reserve	Statutory reserve	Retained earnings	Total	Capital reserve	Non-controlling interest	Total equity
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Balance as at 1 January 2014	405,147	253,324	(8,869)	6,587	141,072	1,790,849	2,588,110	(90,385)	115,729	2,613,454
Issue of shares pursuant to exercise of convertible shares	628	(628)	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	3,384	(4,589)	-	(65,025)	(66,230)	-	(1,284)	(67,514)
Balance as at 31 March 2014	405,775	252,696	(5,485)	1,998	141,072	1,725,824	2,521,880	(90,385)	114,445	2,545,940
Total comprehensive income/(loss) for the period	-	-	(5,870)	(152)	-	71,185	65,163	-	3,182	68,345
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	59,690	59,690
Balance as at 30 June 2014	405,775	252,696	(11,355)	1,846	141,072	1,797,009	2,587,043	(90,385)	177,317	2,673,975
Total comprehensive income/(loss) for the period	-	-	1,260	3,261	-	59,131	63,652	-	(1,927)	61,725
Balance as at 30 September 2014	405,775	252,696	(10,095)	5,107	141,072	1,856,140	2,650,695	(90,385)	175,390	2,735,700
Issue of shares pursuant to exercise of convertible shares	869	(3,478)	-	-	-	-	(2,609)	-	-	(2,609)
Capital contribution by non-controlling interest	-	-	-	-	-	-	-	-	26,040	26,040
Total comprehensive income/(loss) for the period	-	-	(760)	994	-	35,597	35,831	-	(5,997)	29,834
Balance as at 31 December 2014	406,644	249,218	(10,855)	6,101	141,072	1,891,737	2,683,917	(90,385)	195,433	2,788,965

<u>The Company</u>	Share capital	Capital reserve	Retained earnings	Total
	RMB '000	RMB '000	RMB '000	RMB '000
Balance as at 1 January 2015	2,112,480	249,218	(140,920)	2,220,778
Total comprehensive loss for the period	-	-	(8,934)	(8,934)
Balance as at 31 March 2015	2,112,480	249,218	(149,854)	2,211,844
Total comprehensive income for the period	-	-	1,404	1,404
Balance as at 30 June 2015	2,112,480	249,218	(148,450)	2,213,248
Total comprehensive loss for the period	-	-	(6,838)	(6,838)
Balance as at 30 September 2015	2,112,480	249,218	(155,288)	2,206,410
Total comprehensive loss for the period	-	-	2,519	2,519
Balance as at 31 December 2015	2,112,480	249,218	(152,769)	2,208,929

<u>The Company</u>	Share capital	Capital reserve	Retained earnings	Total
	RMB '000	RMB '000	RMB '000	RMB '000
Balance as at 1 January 2014	2,110,983	253,324	(130,533)	2,233,774
Issue of shares pursuant to exercise of convertible shares	628	(628)	-	-
Total comprehensive income for the period	-	-	3,485	3,485
Balance as at 31 March 2014	2,111,611	252,696	(127,048)	2,237,259
Total comprehensive loss for the period	-	-	(544)	(544)
Balance as at 30 June 2014	2,111,611	252,696	(127,592)	2,236,715
Total comprehensive loss for the period	-	-	(7,586)	(7,586)
Balance as at 30 September 2014	2,111,611	252,696	(135,178)	2,229,129
Issue of shares pursuant to exercise of convertible shares	869	(3,478)	-	(2,609)
Total comprehensive loss for the period	-	-	(5,742)	(5,742)
Balance as at 31 December 2014	2,112,480	249,218	(140,920)	2,220,778

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Changes in the Share Capital of the Company for 4th Quarter Ended	31/12/2015	31/12/2014
Number of ordinary shares as at 1 October	550,913,635	550,718,995
Shares arising from the conversion of convertible shares	-	194,640
Number of ordinary shares as at 31 December	550,913,635	550,913,635

Changes in the Convertible shares of the Company for 4th Quarter Ended	31/12/2015	31/12/2014
Number of convertible shares as at 1 October	-	3,081,799
Conversion of convertible shares	-	(194,640)
Redemption of convertible shares	-	(2,887,159)
Number of convertible shares as at 31 December	-	-

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been reviewed or audited by our auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not Applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has followed the same accounting policies and methods of computation in the financial statements for the current period with those adopted in the most recent audited financial statements for the year ended 31 December 2014.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not Applicable.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividend**

	The Group			
	4 th Quarter Ended		Year Ended	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	RMB'000	RMB'000	RMB'000	RMB'000
Net (loss)/profit for the period	(235,861)	35,597	(392,845)	100,888
Basic (losses)/earnings per share (in RMB)	(0.43)	0.06	(0.71)	0.18
Diluted (losses)/earnings per share (in RMB)	(0.43)	0.06	(0.71)	0.18
Weighted average no. of shares outstanding for basic earnings per share ('000)	550,914	550,812	550,914	550,709
Weighted average no. of shares outstanding for diluted earnings per share ('000)	550,914	550,812	550,914	550,709

Explanatory Notes:

Basic (losses)/earnings per share is calculated based on the weighted average number of shares in issue for both periods.

Diluted (losses)/earnings per share is calculated based on the weighted average number of shares in issue for both periods after adjusting to include the dilutive effect of all dilutive potential ordinary shares, e.g., convertible shares and convertible bonds.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	The Group		The Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net Asset Value per share (RMB)	4.16	4.87	4.01	4.03

Net asset value per share for both periods is computed based on the number of shares in issue of 550,913,635.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported.**

(a) Review of income statement of the Group

4Q2015 vs 4Q2014

Revenue

Group revenue decreased by RMB348.9 million or 16.8% from RMB2,075.9 million in 4Q2014 to RMB1,727.0 million in 4Q2015. The decrease in revenue was principally attributed to the continued decrease in selling prices of Hot Rolled Coils ("HRC") in 4Q2015, despite an increase in the volume of HRC sold. This was due to excess capacity in the steel industry which resulted in intensified price competition amongst steel manufacturers in the PRC.

In 4Q2015, the Group sold 900,987 tonnes of HRC as compared to 847,019 tonnes of HRC and 306 tonnes of steel billets in 4Q2014. Overall sales quantity increased by 53,662 tonnes or 6.3%.

Cost of sales

Total cost of sales decreased by RMB56.6 million or 3.0%, from RMB1,898.6 million in 4Q2014 to RMB1,842.0 million in 4Q2015. The decrease was primarily due to a continued decrease in prices of raw materials, primarily due to rising iron ore supplies and weak demand from steel mills amid a slowing economy in China.

Despite the decrease in prices of raw materials, the cost of sales per tonne did not fall in tandem with the decrease in selling prices of HRC per tonne sold during the period under review.

Gross loss

Gross loss was RMB115.0 million in 4Q2015 compared to the gross profit of RMB177.3 million in 4Q2014, primarily due to the significant decrease in selling prices of products sold in 4Q2015 and higher cost of sales per tonne as described above.

Distribution and marketing expenses

Distribution and marketing expenses decreased by RMB4.6 million, from RMB20.8 million in 4Q2014, to RMB16.2 million in 4Q2015. The decrease is primarily due to lower transportation costs associated with the delivery of Aoyu Steel's HRC products to customers in the PRC, in line with the lower sales volume recorded by Aoyu Steel in 4Q2015.

Administrative expenses

Administrative expenses decreased by RMB14.7 million, from RMB75.8 million in 4Q2014, to RMB61.1 million in 4Q2015. The decrease in administrative expenses was primarily due to lower headcount and related costs and the overall decrease in general administrative expenses (e.g. travelling, business entertainment etc) as a result of the Group's continuous cost cutting initiatives.

Finance expenses

Finance expenses decreased by RMB6.0 million from RMB48.4 million in 4Q2014 to RMB42.4 million in 4Q2015. The decrease was mainly due to the decrease in interest rates on bank borrowings in 4Q2015, following the PRC's central bank interest rate cuts since November 2014 to spur the slowing economy in the PRC.

Net loss

Reflecting the decrease in revenue and higher cost of sales in 4Q2015, the Group posted a net loss after tax and non-controlling interest of RMB235.9 million in 4Q2015, compared to a net profit of RMB35.6 million.

FY2015 vs FY2014**Revenue**

Group revenue decreased by RMB2,571.3 million or 27.0%, from RMB9,523.6 million in FY2014, to RMB6,952.3 million in FY2015. The decrease in revenue was principally attributed to the significant decrease in the selling prices of HRC, primarily due to the weak operating environment and excess capacity in the steel industry which resulted in intensified price competition amongst steel manufacturers in the PRC

In FY2015, the Group sold 3,391,841 tonnes of HRC and 1,096 tonnes of steel billets as compared to 2,921,210 tonnes of HRC and 437,331 tonnes of steel billets in FY2014. Overall sales volume increased by 34,396 or 1.0% in FY2015.

Delong Thailand, the Group's 55%-owned subsidiary, commenced the sale of its first batch of HRC in September 2015. Delong Thailand contributed approximately 1.0% to the Group's revenue in FY2015.

Cost of sales

Total cost of sales decreased by RMB1,932.2 million or 21.8%, from RMB8,863.5 million in FY2014 to RMB6,931.3 million in FY2015. The decrease was primarily due to the significant decrease in prices of raw materials as compared to the previous corresponding period.

Gross profit

Gross profit decreased by RMB639.1 million or 96.8%, from RMB660.1 million in FY2014, to RMB21.0 million in FY2015.

The gross profit margin decreased by 6.6 percentage points, from 6.9% in FY2014 to 0.3% in FY2015. The reduction in gross profit margin was primarily due to an erosion in the selling prices of HRC, despite better pricing of raw materials.

Distribution and marketing expenses

Distribution and marketing expenses increased by RMB13.2 million, from RMB55.8 million in FY2014, to RMB69.0 million in FY2015. The increase in distribution and marketing expenses was primarily due to higher transportation costs associated with the delivery of products in FY2015 as compared to the previous corresponding period.

The Group's subsidiary, Aoyu Steel, provides delivery of its HRC products to its customers, and has been providing the service since it commenced HRC manufacturing in 2Q2014. Prior to that, sale of Aoyu Steel's lower margin steel billets products were ex-factory.

Administrative expenses

Administrative expenses decreased by RMB36.3 million, from RMB302.6 million in FY2014, to RMB266.3 million in FY2015. The decrease in administrative expenses was primarily due to the decrease in sewage and environmental impact assessment fee, headcount reductions and the overall decrease in general administrative expenses as a result of the Group's cost cutting measures.

Finance expenses

Finance expenses decreased by RMB50.4 million, from RMB228.9 million in FY2014, to RMB178.5 million in FY2015. The decrease was mainly due to lower interest rates on bank borrowings in FY2015 compared to the previous corresponding period.

Net loss

As a result of lower operating profit and after taking into account taxation and non-controlling interest, the Group reported a net loss of RMB392.8 million in FY2015, a reversal from a net profit of RMB100.9 million in FY2014.

b) Review of balance sheet of the Group as at 31 December 2015

Current assets

Current assets decreased by RMB415.7 million, from RMB4,457.0 million as at 31 December 2014 to RMB4,041.3 million as at 31 December 2015. The overall decrease in current assets was primarily due to the decrease in cash and cash equivalents, inventories and notes receivable .

The decrease was partially offset by an increase in advance payments made to suppliers for the purchase of raw materials and plant and equipment, and for on-going technological enhancement programmes to upgrade production facilities in the PRC. The Group also made a total purchase consideration of RMB172.0 million and a refundable deposit of RMB108.6 million to the Municipal Land Resources Authority of Xingtai, Hebei Province, in relation to the purchase of the land-use right for our premises at Delong Steel Limited during the period under review.

Current liabilities

Current liabilities increased by RMB334.5 million, from RMB4,780.6 million as at 31 December 2014 to RMB5,115.1 million as at 31 December 2015, primarily due to an increase in bank borrowings draw down for working capital purposes and maturity of non current portions of the bank borrowings now reclassified to current liabilities.

Working capital

The negative working capital position was RMB1,073.8 million as at 31 December 2015. The Group's negative working capital position was mainly due to the use of short-term bank loans to finance its capital expenditure and working capital purposes.

Although the Group was in a negative working capital position, it was able to service all of its debt obligations primarily through cash generated from operations.

The Group has satisfactorily maintained its credit facilities with financial institutions in the PRC during the period under review and the credit facilities have constantly been renewed and/or rolled-over by these financial institutions.

As at 31 December 2015, the Group has unutilized committed credit facilities of approximately RMB2,417.0 million. These facilities will be available for draw down for working capital purposes and/or replacing short term borrowings when they fall due.

Non-current assets – Property, plant and equipment

Property, plant and equipment decreased by RMB11.4 million, from RMB3,213.8 million as at 31 December 2014 to RMB3,202.4 million as at 31 December 2015, primarily due to depreciation charges for the period under review.

The decrease was partially offset by the the capital expenditure incurred for the on-going technological and environmental enhancement programmes to the production facilities in the PRC and the construction of a new plant in Thailand.

Non-Current liabilities

Non-current liabilities decreased by RMB292.7 million, from RMB658.6 million as at 31 December 2014 to RMB365.9 million as at 31 December 2015, primarily due to the non current portions of borrowings now reclassified to current liabilities.

c) Review of cash flow statement of the Group

4Q2015 vs 4Q2014

Net Cash Generated from Operating Activities

Operating cashflow before working capital changes decreased by RMB288.4 million, from a positive position RMB180.0 million in 4Q2014 to a negative position RMB108.4 million in 4Q2015, primarily due to an operating loss in 4Q2015.

Net cash generated from operating activities after working capital changes decreased by RMB398.3 million, from RMB406.1 million in 4Q2014 to RMB7.8 million in 4Q2015, primarily due to the increase in advance payments made to suppliers for the purchase of raw materials and plant and equipment, and also the payment and a refundable deposit made to the Municipal Land Resources Authority of Xingtai, Hebei Province in relation to the purchase of the land-use right for our premises at Delong Steel Limited.

Net Cash Used In Investing Activities

Net cash used in investing activities was RMB253.6 million in 4Q2015. This comprised principally the progress payments for the on-going technical enhancements to upgrade production facilities in the PRC and the construction of a new plant at Delong Thailand, the Group's 55% -owned subsidiary, and also the purchase of held for trading investments during the period under review.

The decrease was partially offset by the proceeds from the disposal of property, plant and equipment, held-to-maturity financial assets and interest received from banks.

Net Cash Generated from Financing Activities

Net cash generated from financing activities was RMB174.3 million in 4Q2015. This was mainly attributable to the drawdown of bank borrowing of RMB825.4 million for working capital purposes, loan principal and interest repayments of RMB651.1 million.

FY2015 vs FY2014

Net Cash Generated From Operating Activities

Operating cashflow before working capital changes decreased by RMB632.9 million, from RMB785.4 million in FY2014 to RMB152.5 million in FY2015, primarily due to the decrease in operating profit. Net cash generated for working capital was RMB50.8 million in FY2015, as a result of better working capital management.

After taking into account of the net cash generated for working capital and income tax paid of RMB7.7 million, the net cash generated from operating activities was RMB195.7 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was RMB531.9 million in FY2015. This comprised principally the progress payments for the technical enhancements to upgrade production facilities in the PRC and the construction of a new plant at Delong Thailand, the purchase of held for trading investments and the payment of RMB93.4 million for the acquisition of the remaining 20% stake in Aoyu Steel during the period under review.

The decrease was partially offset by the proceeds from the disposal of property, plant and equipment, available for sale financial assets and held-to maturity financial assets as well as interest received from the banks and capital injection by non-controlling interest in Delong Thailand.

Net Cash Used In Financing Activities

Net cash used in financing activities was RMB115.4 million in FY2015. This was mainly attributable to the drawdown of bank borrowings of RMB2,127.6 million, loan principal and interest repayments of RMB2,243.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The Company had issued a profit guidance on 17 February 2016 that the Company would report a net loss for the three months ended 31 December 2015 and the financial year ended 31 December 2015 respectively.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period for the next 12 months

The outlook for the PRC steel industry is expected to remain challenging in 2016 as it continues to face major headwinds arising from the slowing Chinese economy, falling steel prices, and persistent overcapacity issues. According to data from the World Steel Association, crude steel output in China fell 2.3% to 808.3 million tonnes in 2015, with steel demand for 2016 expected to weaken by further 2.0%. To address overcapacity concerns, the PRC State Council had unveiled in January 2016 plans to cut steel production by 100 million to 150 million tonnes, which may invariably create further uncertainties for industry players.

Mounting concerns over industrial pollution in the PRC and the ongoing haze issue will also continue to affect the steel industry in terms of production and steel transportation. To be in line with the industry's strict environmental standards, the Group has continually invested in technological upgrades and enhancements to reduce emission, improve energy efficiency and recycling of waste resource.

Operationally, Delong Thailand, the Group's 55%-owned maiden joint-venture plant in Thailand, commenced operation in 3Q2015. Delong Thailand delivered its first batch of HRC in September 2015 and will progressively ramp up production over the coming months.

In view of the above, the Group expects its outlook to remain challenging over the short and medium term and will continue to manage cost prudently while seeking viable opportunities in the region to grow its businesses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable and Book Closure Date

N.A.

12. If no dividend has been declared/recommended, a statement to that effect

The Board of Directors of the Company does not recommend that a dividend be paid for the year ended 31 December 2015.

PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2,Q3 or Half Year Results)

12. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

The Group is primarily operating in one single business segment i.e. the manufacture and sale of steel hot-rolled coils. The Group's operations were substantially carried out in the People's Republic of China ("PRC"). No other individual country contributed 10% or more of the consolidated sales and assets, and no single customer contributed 10% or more of the consolidated revenue.

Other operations of the Group, including investment holding and finance leasing, do not constitute a separate reportable segment and are included in the "Other" column.

31 December 2015	<u>Manufacturing</u> RMB'000	<u>Other</u> RMB'000	<u>Total</u> RMB'000
REVENUE			
Sales	9,253,914	-	9,253,914
Inter-segment sales	(2,301,610)	-	(2,301,610)
Sales to external parties	<u>6,952,304</u>	<u>-</u>	<u>6,952,304</u>
Adjusted EBITDA*	197,496	(2,696)	194,800
Depreciation and amortisation	(437,670)	(1,486)	(439,156)
Unallocated:			
Finance expense			(178,464)
Share of loss of an associate company			(237)
Profit before income tax			<u>(423,057)</u>
Total assets	<u>7,529,959</u>	<u>299,923</u>	<u>7,829,882</u>
Total assets include:			
Additions to property, plant and equipment	592,119	6,701	598,820
Total liabilities	<u>5,463,575</u>	<u>17,457</u>	<u>5,481,032</u>

31 December 2014	<u>Manufacturing</u> RMB'000	<u>Other</u> RMB'000	<u>Total</u> RMB'000
REVENUE			
Sales	13,734,331	-	13,734,331
Inter-segment sales	(4,210,763)	-	(4,210,763)
Sales to external parties	<u>9,523,568</u>	<u>-</u>	<u>9,523,568</u>
Adjusted EBITDA*	815,669	7,084	822,753
Depreciation and amortisation	(460,334)	(1,486)	(461,820)
Impairment loss for property, plant and equipment	38,273	-	38,273
Unallocated:			
Finance expense			(228,932)
Share of loss of an associate company			(323)
Loss on change in fair value of convertible shares			(314)
Currency exchange gain on convertible shares			1,078
Profit before income tax			<u>170,715</u>
Total assets	<u>8,114,486</u>	<u>113,619</u>	<u>8,228,105</u>
Total assets include:			
Additions to property, plant and equipment	833,458	6,639	840,097
Total liabilities	<u>5,360,631</u>	<u>78,509</u>	<u>5,439,140</u>

*EBITDA refers to earnings before interest, tax, depreciation and amortisation.

By Geographical Segmentation - FY2015 and FY2014

The Group's operations are mainly carried out in the PRC. No other country has contributed more than 10% of the Group's consolidated sales and assets. Sales are based on the country in which the customer is located.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 8.

15. A breakdown of Sales

	FY2015	FY2014	Increase/ (Decrease)
	RMB'000	RMB'000	%
Sales reported for first half year	3,616,674	4,902,692	(26.2)
(Loss)/profit after exceptional items, non-controlling interest and tax reported for the first half year	(49,937)	8,058	n.m
Sales reported for second half year	3,335,630	4,620,876	(27.8)
Profit/(loss) after exceptional items, non-controlling interest and tax reported for the second half year	(342,908)	92,830	n.m

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

N.A

- 17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are related to a director, chief executive officer or substantial shareholder of the Company.

- 18. Interested person transactions**

There were no interested party transactions for the year ended 31 December 2015.

- 19. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Ding Ligu
Executive Chairman