



DELONG HOLDINGS LIMITED (REG NO. 199705215G)

**ANNOUNCEMENT PURSUANT TO RULE 704(17)(D)
OF THE LISTING MANUAL OF THE SGX-ST**

Reference is made to the announcement made by Delong Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 6 December 2017 in relation to the Group’s acquisition of 60% equity interest in Xingtai Degui Nano Material Technology Limited Company (邢台德贵纳米材料科技有限公司) (“**Xingtai Degui**”).

Pursuant to Rule 704(17)(d) of the listing manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (the “**Listing Manual**”), the board of directors (the “**Board**”) of the Company wishes to announce that Delong Steel Limited (“**Delong Steel**”), an indirect wholly-owned subsidiary of the Company, had acquired an additional 20% equity interest in Xingtai Degui from Ms. Yan Li Ying (the “**Vendor**”) (the “**Acquisition**”).

The consideration for the Acquisition is RMB10.0 million (the “**Consideration**”), of which (i) RMB6.0 million shall be injected into Xingtai Degui in respect of the Vendor’s unpaid capital contributions amounting to RMB6.0 million; and (ii) RMB4.0 million shall be paid to the Vendor. The Consideration was arrived at on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the unaudited net asset value of Xingtai Degui as at 30 April 2018 and the unpaid capital of RMB15.0 million. The Consideration will be satisfied wholly in cash from the Company’s internal resources.

In addition to the Acquisition, Delong Steel will also be injecting RMB9.0 million into Xingtai Degui, in satisfaction of Delong Steel’s unpaid capital contributions amounting to RMB9.0 million (the “**Payment of Unpaid Capital**”). The changes to the subscribed capital, paid-up capital and shareholding percentage of Delong Steel and the Vendor are as follows:

		Delong Steel	Vendor	Total
Before the Acquisition and Payment of Unpaid Capital	Subscribed capital (RMB ‘000)	30,000	20,000	50,000
	Paid-up capital (RMB ‘000)	21,000	14,000	35,000
	Shareholding percentage	60%	40%	100%
After the Acquisition	Subscribed capital (RMB ‘000)	40,000	10,000	50,000
	Paid-up capital (RMB ‘000)	31,000	10,000	41,000
	Shareholding percentage	80%	20%	100%
After the Acquisition and Payment	Subscribed capital (RMB ‘000)	40,000	10,000	50,000
	Paid-up capital (RMB ‘000)	40,000	10,000	50,000

of Unpaid Capital	Shareholding percentage	80%	20%	100%
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Following the Acquisition, the Company's aggregate equity interest in Xingtai Degui has increased from 60% to 80%.

Based on the unaudited financial statements of Xingtai Degui for the financial period ended 30 April 2018, the book value or net tangible asset value of Xingtai Degui is RMB35.0 million. No valuation was commissioned in respect of the valuation of Xingtai Degui.

The Acquisition is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group for the current financial year ending 31 December 2018.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than through their respective shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Ding Liguo
Executive Chairman
14 May 2018