



DELONG HOLDINGS LIMITED (REG NO. 199705215G)

UPDATE ON STATUS OF COMPENSATION FOR CESSATION OF AOYU STEEL'S OPERATIONS

Reference is made to the announcements made by Delong Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") on: (i) 18 January 2017 in relation to the Capacity Reduction Plans; (ii) 22 August 2017 in relation to the cessation of the operations of Laiyuan County Aoyu Steel Co., Ltd. ("**Aoyu Steel**"); (iii) 31 August 2017 in relation to the compensation to be paid by the People's Government of Laiyuan County ("**PGLC**") for the cessation of Aoyu Steel's operations; and (iv) 5 December 2017, 12 December 2017 and 4 April 2018, respectively, in relation to the update on status of compensation for cessation of Aoyu Steel's operations (the "**Prior Announcements**").

All capitalised terms used and not defined herein shall have the same meanings given to them in the Prior Announcements.

The Board wishes to update Shareholders that further to the Prior Announcements, Aoyu Steel has, on 29 June 2018, received a further sum of RMB63.74 million from the PGLC, which is part of the total consideration amount of RMB968 million to be paid by PGLC to Aoyu Steel pursuant to the Capacity Reduction Plans. Taking into account the aforementioned sum of RMB63.74 million, and the first three instalment sums of RMB208 million, RMB160 million and RMB15.73 million that were received on 31 August 2017, 12 December 2017 and 4 April 2018 respectively, the balance amount of the Compensation Sum that remains outstanding as at the date of this announcement is RMB520.53 million.

As PGLC is a government authority, the relevant payment processes may be subject to bureaucratic considerations at various levels of government departments. Consequently, payments may take longer than originally envisaged.

The Company will continue following up with PGLC on the necessary payments, and will keep Shareholders informed of any material developments on this matter and make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Ding Liguo
Executive Chairman
29 June 2018