



Delong Holdings Limited

(Company Registration No:199705215g)

Major Maintenance of Production Facilities

The Board of Directors of Delong Holding Limited (the “Company”) wishes to announce that its wholly-owned subsidiary, Delong Steel Co., Ltd (“Delong Steel”), will be carrying out major maintenance on one of its three blast furnaces. The purpose of the maintenance exercise is to enhance the safety and technical features of the furnace. The maintenance exercise has been scheduled for since the start of 2016 and the Company routinely carries out such major maintenance once every six years. The maintenance exercise is expected to cost approximately RMB80.0 million.

The maintenance exercise is scheduled to commence on 1 November 2016 and will take approximately 80 days to complete. As a consequence of the maintenance exercise, the Group’s production capacity will be reduced by approximately 126,000 tonnes and 42,000 tonnes in 4Q2016 and 1Q2017 respectively. This represents 27.6% and 7.7% of the Group’s production capacity for 4Q2016 and 1Q2017 respectively, and 5.4% and 1.7% of the total production capacity for FY2016 and FY2017 respectively. Corresponding, the Group’s production capacity for 4Q2016 and 1Q2017 will be approximately 456,000 tonnes and 540,000 tonnes, and 2,324,000 tonnes and 2,408,000 tonnes for FY2016 and FY2017, respectively.

In light of the above, the maintenance exercise is expected to reduce the Group’s revenue by approximately RMB270.0 million and RMB90.0 million (based on the current average selling price) in FY2016 and FY2017, respectively. This represents approximately 3.9% and 1.3% of the revenue of the Group for FY2015.

The furnace is expected to resume operations by end of January 2017.

By order of the Board

Yeo Lee Luang
Company Secretary