



DELONG HOLDINGS LIMITED (REG NO. 199705215G)

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) 3 April 2017 in relation to the Production Capacity Transfer, (iii) 31 May 2017 in relation to the SGX-ST's non-objection to the Company's application for waiver with regard to compliance with Listing Rule 1014(2) in respect of the Production Capacity Transfer, subject to certain specified conditions, and (iv) 27 July 2017 in relation to the receipt of the balance consideration in respect of the Production Capacity Transfer (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 of Directors (the “**Board**”) of the Company wishes to announce that the operations of Aoyu Steel have been suspended due to a strike by employees on its premises. The Board has been briefed by the management of Aoyu Steel, and understands that the strike arose from rumours being circulated that the compensation to be paid to affected workers as a consequence of the Capacity Reduction Plans will be lower than expected. In view of the Capacity Reduction Plans and the impending cessation of Aoyu Steel's operations as described in the Prior Announcements, the Board, with the concurrence of the management of Aoyu Steel, has decided to discontinue Aoyu Steel's operations entirely with immediate effect.

The consideration proceeds of the Production Capacity Transfer (which have been received by the Group) was intended to be used to pay *inter alia* the severance pay for affected workers and management of Aoyu Steel, after Aoyu Steel is formally notified to cease production by the relevant PRC regulatory authority. However, given the present circumstances, the Board has decided on this immediate cessation of Aoyu Steel's operations even though Aoyu Steel has not received formal notification to cease production at this juncture.

Meanwhile, the Company is seeking legal and professional advice on workers' compensation in accordance with applicable Chinese labour laws. It is the Company's intention to negotiate with the workers to reach an amicable and satisfactory resolution in the best interests of all parties involved. Concurrently, the Company will continue its negotiations for compensation with the relevant government authorities in relation to the cessation of Aoyu Steel's operations.

The Company will keep shareholders informed of any material developments on this matter and will make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Ding Liguao
Executive Chairman
22 August 2017