



DELONG HOLDINGS LIMITED (REG NO. 199705215G)

INCORPORATION OF A JOINT VENTURE COMPANY

- DELAY IN OPERATIONAL STATUS OF STEEL PROJECT IN INDONESIA

Reference is made to the announcements made by Delong Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) on: (i) 12 June 2017 in relation to the Proposed JV; (ii) 10 November 2017 in relation to the incorporation of PT. Dexin Steel Indonesia (the “**JV Co**”) for the purposes of the Proposed JV; (iii) 29 November 2017 in relation to the receipt of the SGX-ST’s approval-in-principle for the Proposed JV, subject to certain specified conditions; (iv) 18 December 2017 in relation to the results of the extraordinary general meeting that was convened to seek shareholders’ approval for, amongst others, the Proposed JV; (v) 19 December 2017, 10 April 2018, 28 June 2018, 14 August 2018 and 19 November 2018 in relation to the disbursement of funds and verification by auditors; (vi) 27 February 2018 in relation to the verification of the cash and cash equivalents of the Group and the employee compensation for the cessation of Aoyu Steel’s operations (collectively, the “**Previous Announcements**”) and (vii) the circular dated 2 December 2017 in relation to *inter alia* the Proposed JV (the “**Circular**”).

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Circular.

Further to the Previous Announcements, the board of directors of the Company (the “**Board**”) wishes to inform shareholders that there will be a delay in the completion of the Steel Project (i.e. the steel plant to be constructed at the Indonesia Morowali Industrial Park with an annual production capacity of 3.5 million tonnes) due to the following issues: (1) there has been a delay in the delivery of plant and equipment by the suppliers; and (2) the shortage of steel-related skilled labour in Sulawesi Indonesia.

All the shareholders (including Delong Steel) of the JV Co are working together to help the JV Co address the above issues, nonetheless, it is anticipated that the Steel Project will become fully operational in end-June 2019 instead.

The Company will make further announcements in respect of any material developments in relation to the Proposed JV and/or the Steel Project.

BY ORDER OF THE BOARD

Ding Liguao
Executive Chairman
13 December 2018