



德龙控股  
DELONG HOLDINGS

Delong Holdings Limited *(Company Registration No:199705215g)*

---

## Profit Guidance

---

The Board of Directors of Delong Holdings Limited (the “Company”, or together with its subsidiaries, the “Group”) wishes to announce that following a preliminary review of the unaudited results for the three months period ended 31 December 2016 (4Q2016”) and for the twelve months ended 31 December 2016 (“FY2016”), the Company is expected to report a loss for 4Q2016, and a net profit for FY2016.

The anticipated loss is due mainly to an impairment charge on the Group’s subsidiary, Laiyuan County Aoyu Steel Co., Ltd. (“Aoyu Steel”). As announced by the Group on 18 January 2017, the PRC government plans to reduce steelmaking capacity in Hebei Province, which may require Aoyu Steel to reduce its steelmaking output. In view of this ongoing development, the Company had engaged an independent external valuer to perform a valuation of Aoyu Steel’s property, plant and equipment based on the asset’s value in-use. Based on the valuation performed, an impairment charge on Aoyu Steel’s production facilities is expected to be recognised in 4Q2016.

Further details of the Group’s financial performance will be disclosed when the Company finalises and announces its FY2016 unaudited financial results on 28 February 2017.

By Order of the Board,

Ding Liguo  
Executive Chairman