

APPENDIX TO ANNUAL REPORT 2011, DATED 13 APRIL 2012

This Appendix is circulated to Shareholders of Delong Holdings Limited (the “**Company**”) together with the Company’s annual report. Its purpose is to provide Shareholders with the relevant information relating to the proposed change of auditors to be tabled at the Annual General Meeting to be held at Maxwell Chambers, 32 Maxwell Road #03-01 Singapore 069115 on 30 April 2012 at 11.00 a.m.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements made or opinions expressed in the Appendix.



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DELONG HOLDINGS

DELONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 July 1997)
(Company Registration Number: 199705215G)

APPENDIX RELATING TO THE PROPOSED CHANGE OF AUDITORS

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 28 April 2012 at 11.00 a.m.
Date and time of Annual General Meeting	: 30 April 2012 at 11.00 a.m.
Place of Annual General Meeting	: Maxwell Chambers, 32 Maxwell Road #03-01 Singapore 069115

DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:-

- “Act or Companies Act”** : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “AGM”** : The annual general meeting of the Company to be held on 30 April 2012
- “Articles”** : The articles of association of the Company for the time being in force as originally framed, or as amended from time to time
- “Audit Committee”** : The audit committee of the Company
- “Auditors”** : The auditors of the Company for the time being
- “Board”** : The board of Directors of the Company
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : Delong Holdings Limited
- “Deloitte”** : Deloitte & Touche LLP, Singapore
- “Director”** : A person holding office as a director of the Company as at the date of this Appendix
- “Executive Director”** : A Director of the Group who is a full-time employee and performs an executive function
- “Group”** : The Company and its subsidiaries
- “Listing Manual”** : The listing manual of the SGX-ST, as from time to time amended, modified or supplemented
- “Proposed Change of Auditors”** : The proposed change of auditors of the Company from PwC to Deloitte

DEFINITIONS

- “Proxy Form”** : The proxy form in respect of the AGM as set out in the Annual Report
- “PwC”** : PricewaterhouseCoopers LLP
- “Resolution”** : The ordinary resolution relating to the Proposed Change of Auditors as set out in the Notice of AGM
- “SGX-ST”** : Singapore Exchange Securities Trading Limited
- “Share(s)”** : Ordinary share(s) in the capital of the Company
- “Shareholder(s)”** : Registered holder(s) of Shares or in the case of depositors, depositors who have shares entered against their names in the Depository Register

The terms **“depositor”**, **“depository agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in section 130A of the Companies Act.

Words importing the singular, shall where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Any reference to a time of day in this Appendix shall be a reference to Singapore time.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act used in this Appendix shall have the meaning assigned to it under the Companies Act.

LETTER TO SHAREHOLDERS

DELONG HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 July 1997)
(Company Registration No. 199705215G)

Directors:

Ding Liguu (Executive Chairman)
Zuo Shuowen (Executive Director)
Bai Baohua (Independent Director)
Hee Theng Fong (Independent Director)
Lai Hock Meng (Independent Director)
Yuan Weimin (Non-Executive Director)
Fok Hei Yu (Non-Executive Director)

Registered Office:

3 Raffles Place
#07-01 Bharat Building
Singapore 048617

13 April 2012

To: The Shareholders of DELONG HOLDINGS LIMITED

Dear Sir / Madam,

THE PROPOSED CHANGE OF AUDITORS

1. INTRODUCTION

The Directors of the Company propose to seek the approval of the Shareholders for the Proposed Change of Auditors at the AGM.

The purpose of this Appendix is to provide the Shareholders with information relating to the Proposed Change of Auditors to be tabled at the AGM. The notice of the AGM is set out on pages 92 to 93 of the Annual Report.

The SGX-ST assumes no responsibility for the correctness of any statements or opinions made in this Appendix.

2. THE PROPOSED CHANGE OF AUDITORS

The Company's existing auditors, PwC, have been external auditors of the Group since the financial year ended 30 June 2003.

As part of ongoing good corporate governance initiatives, the Board is of the view that it would be appropriate and timely to review a change of external auditors. PwC which holds office until the conclusion of the AGM, is also not seeking re-appointment as the Company's Auditors at the AGM. The Board would like to propose that Deloitte be appointed in place of PwC for the financial year ending 31 December 2012.

LETTER TO SHAREHOLDERS

Deloitte in particular enjoys the status of being one of Deloitte & Touche LLP's centres of excellence in Asia for various service lines as recognition for its professionalism and skills and counts itself amongst the ranks of an exclusive list of such centres located in some of the world's largest capital markets. With more than 1,700 employees, Deloitte has a multi-disciplinary capability that combines diverse industry depth with the breadth of professional expertise, giving it a competitive advantage as it is better equipped to help its clients respond to the ever-increasing complexity of the global business environment. Deloitte has a diversified client base which includes major multinationals, large national enterprises, small and medium enterprises, public institutions and non-profit organisations. Deloitte's clients come from major industries such as consumer business & transportation, energy & resources, financial services, life science & health care, manufacturing, public sector and technology, media & telecommunications¹.

The Directors and the Audit Committee have considered various factors, including the adequacy of the resources of Deloitte, their experience and audit engagements, the number and experience of the supervisory and professional staff who will be assigned to the audit of the consolidated accounts and Deloitte's proposed audit arrangements for the Company, and are of the opinion that Deloitte will be able to meet the audit requirements of the Company and that Rule 712 of the Listing Manual has been complied with.

In accordance with the requirements of Rule 1203(5) of the Listing Manual, PwC has confirmed to Deloitte that it is not aware of any professional reasons why Deloitte should not accept appointment as the Auditors of the Company.

Further, in accordance with the requirements of Rule 1203(5) of the Listing Manual, the Company confirms that:-

- (a) there were no disagreements with PwC on accounting treatments within the last 12 months;
- (b) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders;
- (c) the specific reasons for the Proposed Change of Auditors are as disclosed above; and
- (d) it complies with Rule 712, and Rule 715 and 716 of the Listing Manual in relation to the Proposed Change of Auditors.

In this regard, Deloitte have given their consent to be appointed as the Auditors on 13 April 2012, subject to the approval of the Shareholders at the AGM. The retirement of PwC and the appointment of Deloitte will take effect upon obtaining the approval of the Shareholders at the AGM.

The Directors wish to express their appreciation for the past services rendered by PwC.

3. AUDIT COMMITTEE'S STATEMENT

The Proposed Change of Auditors has been reviewed and recommended by the Audit Committee.

¹ Source: corporate profile of Deloitte published electronically by the Singapore International Chamber of Commerce at <http://directory.sicc.com.sg/SICCCompInfo.aspx?classid=5&compid=105974>

LETTER TO SHAREHOLDERS

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale and benefit of the Proposed Change of Auditors, all the Directors are of the unanimous opinion that the Proposed Change of Auditors is in the best interests of the Company. Accordingly, the Directors unanimously recommend that the Shareholders vote in favour of the Resolution to be proposed at the AGM to be held on 30 April 2012.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 92 to 93 of the Annual Report, will be held at Maxwell Chambers, 32 Maxwell Road #03-01, Singapore 069115 on 30 April 2012 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the Resolution set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

Lodgement of Proxies

A Shareholder who is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form (attached to the Annual Report) in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 3 Raffles Place, #07-01 Bharat Building, Singapore 048617 not less than 48 hours before the time fixed for the AGM. Completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM in place of the proxy if he so wishes.

Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 48 hours before the AGM.

LETTER TO SHAREHOLDERS

8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal office hours from the date of this Appendix up to, and including, the date of the AGM:-

- (a) the Company's Memorandum and Articles of Association;
- (b) PwC's professional clearance letter to Deloitte; and
- (c) the letter of consent to act as the Auditors from Deloitte.

Yours faithfully
For and on behalf of the Board of Directors of
Delong Holdings Limited

Ding Liguo
Executive Chairman

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