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Changgang Dunxin Enterprise Company Limited

長港敦信實業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2229)

CLARIFICATION ANNOUNCEMENT TERMINATION OF MEMORANDUM OF UNDERSTANDING RESUMPTION OF TRADING

The Company entered into a non-legally binding memorandum of understanding with 2 investors on 8 July 2015 relating to certain proposed notifiable transactions which was terminated on 6 August 2015.

The Investors are not connected with the Company, any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

CLARIFICATION

Reference is made to the announcement of Changgang Dunxin Enterprise Company Limited (the “Company”) dated 9 July 2015 in relation to the halt in trading of shares of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company wishes to clarify that the Company signed a non-legally binding memorandum of understanding on 8 July 2015 (the “MOU”) instead of an agreement.

TERMINATION OF THE MOU

On 8 July 2015, the Company signed the MOU with two investors (the “Investors”) in respect of certain proposed notifiable transactions. The Investors are independent third parties not connected with the Company, any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates. One of the terms under MOU, if materialised,

may result in the Investors being required to make a mandatory offer for all issued Shares (other than those already owned by or agreed to be acquired by the Investors or their concert parties) in accordance with Rule 26.1 of the Code on Takeovers and Mergers (the “Takeovers Code”).

After long time negotiation, no conclusion can be reached between the parties to the MOU.

On 6 August 2015, the parties to the MOU unanimously agreed to terminate the MOU with no claim against each other thereunder.

EFFECT ON THE COMPANY

There being no material impact on the Company’s business and financial performance.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:47 a.m. on 9 July 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the shares with effect from 9:00 a.m. on 10 August 2015.

By order of the Board
Changgang Dunxin Enterprise Company Limited
Zheng Dunmu
Chairman

Hong Kong, 7 August 2015

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Zheng Dunmu, Mr. Zheng Dunqian, and Mr. Chen Ruomao; and three independent non-executive directors, namely Mr. Kwong Kwan Tong, Mr. Ye Deshan and Mr. Hu Zhenghui.