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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)

UNAUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

FINANCIAL HIGHLIGHTS				
		Year ended 31 December		
	Unit	2015	2014	Change
Revenue	RMB'000	849,960	1,074,206	-20.9%
Gross profit	RMB'000	169,391	236,823	-28.5%
Net profit after tax	RMB'000	71,243	146,776	-51.5%
Gross profit margin		19.9%	22.0%	-2.1pts
Net profit margin		8.4%	13.7%	-5.3pts

This announcement is made by Changgang Dunxin Enterprise Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company refers to the announcements issued by the Company dated 15 February 2016 in relation to suspension of trading due to discovery of irregularities in share certificates of the Company, 4 March 2016 in relation to the conditions of resumption of trading and 24 March 2016 in relation to the adjournment of meeting of the Board to Thursday, 31 March 2016 (the “**Board Meeting**”) for the purpose of approving, among other matters, the annual results of the Company and its subsidiaries for the year ended 31 December 2015 (the “**2015 Annual Results**”) and delay in publication of 2015 Annual Results.

UNAUDITED FINANCIAL INFORMATION OF THE GROUP

As the auditors of the Company, Links CPA & Co., have informed the Company that they intended to carry out extra audit work, the audited financial statements of the Company for the year ended 31 December 2015 have not yet finalized.

To comply with Rule 13.49(3)(i) of the Listing Rules and in order to provide information to the shareholders of the Company and potential investors for them to assess the performance of the Group, the Board announces the unaudited consolidated financial information of the Group for the years ended 31 December 2015 (together with the comparative audited results for the year ended 31 December 2014) as follows:

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Revenue	849,960	1,074,206
Cost of sales	<u>(680,569)</u>	<u>(837,383)</u>
Gross profit	169,391	236,823
Other income	14,748	15,500
Distribution costs	(26,006)	(5,842)
Administrative expenses	(31,801)	(37,263)
Finance costs	<u>(11,740)</u>	<u>(8,734)</u>
Profit before tax	114,592	200,484
Income tax expense	<u>(43,349)</u>	<u>(53,708)</u>
Profit for the year	<u>71,243</u>	<u>146,776</u>
Attributable to:		
Owners of the Company	<u>71,243</u>	<u>146,776</u>
Earnings per share attributable to ordinary equity holders of Company		
Basic and diluted	<u>RMB7 cents</u>	<u>RMB17 cents</u>

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Profit for the year	<u>71,243</u>	<u>146,776</u>
Other comprehensive income		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	<u>(6,430)</u>	<u>(321)</u>
Other comprehensive income for the year, net of tax	<u>(6,430)</u>	<u>(321)</u>
Total comprehensive income for the year	<u><u>64,813</u></u>	<u><u>146,455</u></u>
Attributable to:		
Owners of the Company	<u><u>64,813</u></u>	<u><u>146,455</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Non-current Assets		
Property, plant and equipment	559,862	292,432
Investment properties	4,015	4,376
Prepaid land lease payments	21,113	21,646
Deposits for prepaid land lease payments and items of property, plant and equipment	<u>304,760</u>	<u>8,581</u>
	<u>889,750</u>	<u>327,035</u>
Current Assets		
Inventories	22,170	39,375
Trade receivables	202,736	242,404
Prepayments and other receivables	25,170	473
Pledged bank deposits	461	24,242
Cash and cash equivalents	<u>251,532</u>	<u>631,963</u>
	<u>502,069</u>	<u>938,457</u>
Current Liabilities		
Trade and bills payables	73,642	155,543
Other payables and accruals	30,315	8,506
Interest bearing bank borrowings	90,459	131,707
Income tax payable	<u>14,016</u>	<u>14,706</u>
	<u>208,432</u>	<u>310,462</u>
Net Current Assets	<u>293,637</u>	<u>627,995</u>
Total Assets Less Current Liabilities	<u>1,183,387</u>	<u>955,030</u>
Non-current Liabilities		
Bonds	<u>136,535</u>	<u>—</u>
	<u>136,535</u>	<u>—</u>
Net Assets	<u><u>1,046,852</u></u>	<u><u>955,030</u></u>

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
EQUITY		
Equity attributable to owners of the Company		
Share capital	9,542	7,891
Reserves	<u>1,037,310</u>	<u>947,139</u>
 Total Equity	 <u><u>1,046,852</u></u>	 <u><u>955,030</u></u>

The above financial information has not been reviewed or audited by the auditors of the Company and may be subject to changes. **Shareholders and investors are reminded not to rely on the above unaudited financial information.** As at the date of this announcement, there is yet to be an expected date of announcement of the audited financial statements which have been agreed with the auditors. However, the Company will make announcement on the audited financial results for the year ended 31 December 2015 once the audited financial statements are available.

The above financial information has been reviewed by the audit committee of the Company (the “**Audit Committee**”). As the above financial information has not been reviewed or audited by the auditors of the Company and the Company has not been informed by the auditors of their formal opinion on the above financial information, the Audit Committee is not in a position to determine on whether there is any disagreement on the above financial information with the auditors.

As noted in the announcement of the Company dated 4 March 2016 on the conditions of resumption of trading, the Board is aware that investigation made by the Independent Investigation Committee (the “**Committee**”) is in progress and the members of Committee have informed of the Board that the interim investigation report will be issued soon.

The Company is currently working with its advisors to take the necessary steps to fulfil the above Resumption Conditions with the aim of resuming trading in the Shares on the Stock Exchange as soon as practicable. The Company shall make further announcement if it is aware of any material development in respect of the above matter as and when appropriate.

CONTINUATION OF SUSPENSION OF TRADING

Trading in Shares has been suspended from 9:00 a.m. on 20 January 2016 and will remain to be suspended until further notice.

By order of the Board
Changgang Dunxin Enterprise Company Limited
Zheng Dunqian
Executive Director

Hong Kong, 31 March 2016

As at the date of this announcement, the executive directors of the Company are Mr. Zheng Dunqian and Mr. Chen Ruomao; and the independent non-executive directors are Mr. Ye Deshan, Mr. Hu Zhenghui and Mr. Lo Pak Ho.

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the Company at www.dxwj.com under the section of “Investor Relations/Announcement and Notices” respectively. The annual report of the Company for the Year will be dispatched to the Shareholders and will be available on the same websites in due course.