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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)

TERMINATION OF BOND ISSUANCE

Reference is made to the announcement of the Company dated 24 January 2016 on placing of bonds of up to HK\$80,000,000 under specific mandate (the “**Announcement**”). The capitalised terms used herein shall have the same meaning ascribed to them in the Announcement.

As disclosed in the Announcement, on 22 January 2016, the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Company agreed to issue and the Placing Agents agreed to place, on a best effort basis, the Bonds with a principal amount of up to HK\$80,000,000 to not less than six Placees. Assuming the Bonds are fully placed and the Conversion Conditions are fulfilled, based on the initial Conversion Price of HK\$0.49 per Conversion Share, 163,265,306 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Bonds. The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the grant of the Specific Mandate.

On 28 January 2016, the Company was informed by the Placing Agent that the Bonds of a total amount of HK70,200,000 (the “**Subscription Amount**”) were placed by the Placing Agent and were subscribed by the Bondholders. On the same date, the proceeds of the Bonds (net of commission and expenses) were paid to the Company.

As the trading of Shares has been suspended since 20 January 2016, on 21 March 2016, the legal representative of Ping An Securities Limited wrote to the Company requesting, *inter alia*, the Company to clarify and inform the Bondholders whether there is an event of default and the status of the Incident or return of the Subscription Amount within 21 business days from the date of the letter.

In term of the Bonds, the Company considers that the Incident and/or suspension of trading has not constituted a material adverse effect on the Company's business, operations, assets or financial condition in contravention of clause 27.9 of the terms and conditions of the Bonds which will constitute event of default of the Bonds. Therefore, the Company considers there is no event of default under clause 27.9. However, on 6 April 2016, the legal representative of Ping An Securities Limited further demanded that the Subscription Amount and the accrued interest should be returned on or before 29 April 2016. Having said that, the Company has reached an agreement with the Placing Agents to terminate the Placing Agreement and to redeem the Bonds from Bondholders in full by 31 July 2016.

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, 29 April 2016

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