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DONGYUE GROUP LIMITED

東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 189)

VOLUNTARY ANNOUNCEMENT

**COMPLETION OF ACQUISITION OF EXPLORATION RIGHTS
OF MINES IN INNER MONGOLIA**

Reference is made to the announcement of Dongyue Group Limited (the “**Company**”) dated 18 March 2012.

The board of directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce that, the acquisition (the “**Acquisition**”) by 內蒙古東岳氟材料有限公司 (Inner Mongolia Dongyue Flourine Chemicals Co., Ltd.*) (“**Dongyue Flourine**”), a wholly-owned subsidiary the Company, of exploration rights of two mines, a fluorspar, rare earth and iron mine and a nickel mine (together, the “**Mines**”) in Inner Mongolia Autonomous Region in the People’s Republic of China (“**Inner Mongolia**”) has been completed and new mineral exploration licences for the Mines have been issued to Dongyue Flourine by the relevant governmental authorities of Inner Mongolia.

All conditions of the Acquisition under the relevant agreements have been satisfied and under the new mineral exploration licences, the Group has exclusive exploration rights of the fluorite mine until 26 October 2013 and the nickel mine until 11 November 2013.

It is expected that the Acquisition would enable the Group to secure a supply of raw materials for its existing business and better control costs. The Board considers the completion of the Acquisition an important step in the Group’s strategy of vertical integration into the fluorochemical value chain.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

**For identification purposes only.*

The People’s Republic of China, 15 November 2012

As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Liu Chuanqi, Mr. Cui Tongzheng, Mr. Yan Jianhua and Mr. Zhang Jian as executive directors, and Mr. Yue Run Dong, Mr. Liu Yi and Mr. Ting Leung Huel, Stephen as independent non-executive directors.