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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)

UPDATES ON DELAY IN PUBLICATION OF THE 2015 ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2015 ANNUAL REPORT AND ADJOURNMENT OF ANNUAL GENERAL MEETING

Reference is made to the announcement of the Company dated 31 March 2016 in relation to appointment of the Independent Counsel and the Independent Forensic Expert and delay in publication of the 2015 Annual Results and delay in despatch of the 2015 Annual Report (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning ascribed to them in the Announcement.

UPDATES ON DELAY IN PUBLICATION OF THE 2015 ANNUAL RESULTS AND DELAY IN DESPATCH OF THE 2015 ANNUAL REPORT

As disclosed in the Announcement, the Independent Forensic Expert anticipated that it would complete its fieldwork in relation to the Review and provide the Independent Counsel with a preliminary draft report in or around mid-May 2016, subject to any necessary extensions depending on the progress of the Review. The Board wishes to update its shareholders and the public that, as advised by the Independent Forensic Expert, further time is needed for additional inquiries and analytical work for the purpose of the Review. Based on the current circumstances, the Independent Forensic Expert anticipates to provide the preliminary draft of its report in June 2016, subject to any further necessary extensions. As explained in the Announcement, the process of providing further or requisite information to the Company’s auditors for them to perform and complete their audit procedures in respect of the consolidated results of the Group for the year ended 31 December 2015 can only be completed upon satisfactory completion of the Review and issuance of the report(s) of the Independent Forensic Expert. Therefore, the Board expects that publication of the 2015 Annual Results and despatch of the 2015 Annual Report will be further delayed.

ADJOURNMENT OF ANNUAL GENERAL MEETING

As a result of the delay in publication of the 2015 Annual Results and the delay in despatch of the 2015 Annual Report, the Board proposes an adjournment of the 2016 annual general meeting of the Company (the “**2016 AGM**”) until further notice.

The Company will use its best endeavours to cooperate with and assist the Independent Task Force in performing the Review and to publish the 2015 Annual Results and despatch the 2015 Annual Report as soon as practicable. The Company will publish further announcement(s) to inform the shareholders of the Company of the date of the release of the 2015 Annual Results and the despatch of the 2015 Annual Report, and the date of the 2016 AGM as and when appropriate.

UPDATE ON DEVELOPMENT OF THE INVESTIGATIONS BY THE PUBLIC SECURITY AUTHORITY

The Company was informed by the Public Security Authority that it has identified 14 individuals in total who were involved in the Suspected Misappropriation and the Suspected Potential Misappropriation, including seven individuals (sub-branch president, vice-president and department heads) from the relevant bank(s), three

individuals (legal representative and senior management) from the recipients of the funds, three former employees of the Group and one other individual. Among such 14 individuals, the Public Security Authority has taken various enforcement measures, including arrest, criminal detention and on bail pending trial, against 13 individuals and is currently pursuing the remaining individual who remains at large. The investigations by the Public Security Authority is still on-going and the Company will update its shareholders and the public on further material developments of the investigations by the Public Security Authority, if any, when such information becomes available to the Company.

Trading in the shares of the Company on the Stock Exchange has been suspended at the request of the Company since 9:00 a.m. on 1 April 2016 and will remain suspended until further notice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 20 May 2016

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. Feng Jianjun and Mr. Zhang Jian as executive directors, and Mr. Ting Leung Huel, Stephen , Mr. Yang Xiaoyong and Mr. Yue Run Dong as independent non-executive directors.