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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)

POSITIVE PROFIT ALERT

This announcement is made by Dongyue Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the five months ended 31 May 2018, the Group has recorded an increase by approximately 63% in its net profit attributable to owners of the Company for the five months ended 31 May 2018, as compared to that for the corresponding period in 2017 and based on such information, the Board expects that the Group may record a significant increase in its net profit attributable to owners of the Company for the six months ending 30 June 2018, as compared to that for the six months ended 30 June 2017.

Based on the information currently available, the Board considers that such increase was mainly attributable to (i) a continuous boost in the market sentiment of the fluorine silicon industry resulting in increases in market prices of the Group’s major products; (ii) the maintenance of stable and large-volume production by leveraging on the scale and industrial zones of the Group’s fluorine silicon production chain and through management; (iii) the ability of the Group to maintain its production and sales at the fullest level in the context of tightened environmental protection and safety policies of the government; and (iv) higher margin of increase in selling prices of the Group’s products than that of increase in purchase prices of raw materials.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the five months ended 31 May 2018 and information currently available to the Company, and is not based on any figures or information which have been reviewed by the Company’s auditors. The interim financial reporting period for the Group ending 30 June 2018 has not yet ended and accordingly, the actual results of Group for such period may differ from the information contained in this announcement. The Shareholders and potential investors of the Company should refer to the Group’s interim results announcement for the six months ending 30 June 2018, which is expected to be published by the end of August 2018, for details of the performance of the Group.

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, 26 June 2018

As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Liu Chuanqi, Mr. Zhang Zhefeng, Mr. Zhang Bishu 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.