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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)

CHANGE IN AUDITOR

Reference is made to the announcement of the Company dated 30 September 2016 (the “**Announcement**”) in relation to, among other things, findings of the Forensic Report. Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the Announcement.

CHANGE IN AUDITOR

The board of directors (the “**Board**”) of Dongyue Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Deloitte Touche Tohmatsu (“**Deloitte**”) has resigned as the auditor of the Company on 9 December 2016 as they are of the view that they have not received sufficient information and explanations in relation to the circumstances surrounding the suspected misappropriation of funds of the Group as referred to in the Announcement for them to commence and perform their audit procedures in respect of the financial results of the Group for the year ended 31 December 2015.

Deloitte has requested for among others interviews to be conducted with Li Bin, the former PRC financial controller of the Company, and the two Cashier Officers and information concerning the MC Companies. The investigation by the Public Security Authority into the individuals who have been arrested or released on bail pending trial is still on-going and as such, despite that the Company, together with the audit committee of the Board, have been liaising with Deloitte to respond to their requests, nonetheless, Deloitte is not satisfied with the sufficiency of information required.

The Board has appointed Elite Partners CPA Limited (“**Elite Partners**”) as the new auditor of the Company with effect from 9 December 2016 to fill the casual vacancy following the termination of engagement with Deloitte. Elite Partners shall hold office until the conclusion of the next annual general meeting of the Company.

Deloitte has confirmed that other than disclosed above, there are no other matters in connection with their termination of engagement that need to be brought to the attention of holders of securities of the Company.

Save for matters disclosed in this announcement, the Board confirms that there are no matters in relation to the resignation of Deloitte which need to be brought to the attention of holders of securities of the Company.

ENGAGEMENT OF INTERNAL CONTROL ADVISER

As disclosed in the Announcement, the Board has resolved to engage an internal control adviser to conduct a review on the internal control system of the Group and provide recommendations to the Company. In this regard, the Board wishes to update its shareholders that it has appointed one of the big four accounting firms on 12 December 2016 as its internal control adviser (the “**Internal Control Adviser**”). The scope of work of the Internal Control Adviser includes conducting a review of among others, the treasury functions, financial and accounting information reporting and communications and procedures on inside information disclosures of the Group, and to provide recommendations to the Company.

CONTINUED SUSPENSION OF TRADING

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, 14 December 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.