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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 2017, the Group has recorded an increase by approximately 130% in its net profit for the five months ended 31 May 2017, as compared to the net profit of the Group for the corresponding period in 2016 and based on such information, the Board expects that the Group may record a significant increase in its net profit for the six months ending 30 June 2017, as compared to that for the six months ended 30 June 2016.

Based on the information currently available, the Board considers that the significant increase in the amount of net profit for the five months ended 31 May 2017 was mainly attributable to (i) a general improvement in the market sentiment of the fluorine silicon industry and increases in market prices of the Group’s major products; (ii) a recovery in the organic silicone material industry overall which has led to an improvement in the Group’s organic silicone business segment; (iii) higher margin of increase in selling prices of the Group’s products than that of increase in purchase prices of raw materials; and (iv) the maintenance of stable and large-volume production by leveraging on the scale of the Group’s fluorine silicon production chain, continuous improvement in the Group’s technical expertise and enhanced production efficiency through management.

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 2017 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 2017 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 2017, which is expected to be published by the end of August 2017, 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, 12 June 2017

*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.*