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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)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

Reference is made to (i) the announcement of Dongyue Group Limited (the “**Company**”) dated 28 August 2017 in relation to the interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2017 (the “**Interim Results Announcement**”) and (ii) the interim report of the Group for the six months ended 30 June 2017 published on 7 September 2017 on the respective websites of The Stock Exchange of Hong Kong Limited and the Company (the “**Interim Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Interim Results Announcement and the Interim Report.

The Company would like to provide the following supplemental information on the available-for-sale investments of the Group as contained in the condensed consolidated statement of financial position as at 30 June 2017 in the Interim Results Announcement and the Interim Report (Note 13):

AVAILABLE-FOR-SALE INVESTMENTS

	As at 30 June 2017 RMB'000 (unaudited)	As at 31 December 2016 RMB'000 (audited)
Unlisted equity securities, at cost		
– Zibo ZhangDian Huitong Microfinance Co., Ltd. (“ Zhangdian Huitong ”) (Note a)	26,703	26,703
– Shandong Peninsula Ocean Blue Economic Investment Co., Ltd. (“ SPOBE ”) (Note b)	126,256	126,256
– China MinSheng Investment Co., Ltd. (“ CMIC ”) (Note c)	1,000,000	1,000,000
– Taihe Assets Management Co., Ltd. (“ Taihe ”) (Note d)	120,000	–
	<u>1,272,959</u>	<u>1,152,959</u>

The above unlisted investments represent equity investments in private entities. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

Notes:

- (a) Zhangdian Huitong is a private entity and was established in the PRC. Zhangdian Huitong is principally engaged in the money lending business in Shandong Province, the PRC. The Group holds 15% of the equity interest in ZhangDian Huitong.
- (b) SPOBE is a private entity and was incorporated in the Cayman Islands. SPOBE is principally engaged in investment activities. During the year ended 31 December 2011, the Company entered into a subscription agreement with SPOBE to subscribe for 20,000,000 shares in SPOBE at a total contribution of US\$20,000,000 (equivalent to RMB126,256,000). As at 30 June 2017 and 31 December 2016, the Company held 20,000,000 shares which represented 18.18% equity interest in SPOBE.
- (c) CMIC is a private entity and was established in the PRC. CMIC is principally engaged in equity investment and assets management. On 9 May 2014, the Group subscribed for 1,000,000,000 shares in CMIC, which represented 2% equity interest in CMIC, at a consideration of RMB1,000,000,000.
- (d) Taihe is a private entity and was established on 24 January 2017. Taihe was principally engaged in inter alia, asset management and bulk transfer of non-performing assets of financial enterprises in Shandong Province, the PRC. The Group and other partners established Taihe and the registered capital amount of Taihe was RMB10,000 million, of which the Group will contribute RMB600 million, representing 6% of the total registered capital of Taihe. As at 30 June 2017, the Group has paid RMB120 million.

Save as supplemental information to Note 13 of the Interim Report, the above information does not change or affect in any way other information contained in the Interim Results Announcement and the Interim Report.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 8 September 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 Jian, Mr. Zhang Bishu and Mr. Zhang Zhefeng as executive directors, and Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Yue Run Dong as independent non-executive directors.