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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)

VOLUNTARY ANNOUNCEMENT
PROPOSED SPIN-OFF AND SEPARATE LISTING OF
HYDROGEN ENERGY MATERIALS BUSINESS
ON THE SHANGHAI STOCK EXCHANGE

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Dongyue Group Limited (the “**Company**”) on a voluntary basis.

The Board has resolved to approve (i) the spin-off of Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. (山東東岳未來氫能材料有限公司) (“**Dongyue Future**”), an indirect non-wholly owned subsidiary of the Company which is primarily engaged in the business of production and sale of hydrogen energy materials, hydrogen membrane materials, packaging materials and fluoropolymer fiber, by way of separate offering and listing of Dongyue Future’s shares on Sci-Tech innovation board (STAR Market) (科創板) of the Shanghai Stock Exchange (the “**Proposed Spin-off**”) on detailed terms to be determined at a later stage; (ii) the engagement of relevant professional parties to provide assistance and advices to the Company and/or Dongyue Future in relation to the Proposed Spin-off; and (iii) possible investment by potential investor(s) in Dongyue Future before the Proposed Spin-off (the “**Possible Pre-IPO Investment**”) on terms and conditions to be agreed.

The Proposed Spin-off is at a preliminary stage. If the Proposed Spin-off is proceeded with, the Company will also submit a spin-off proposal in respect of the Proposed Spin-off to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for approval pursuant to Practice Note 15 of The Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”) in due course.

The Proposed Spin-off, if materializes, is expected to accelerate the development of Dongyue Future’s business, broaden its financing channels and enhance its growth potential, competitiveness and industry status.

If the Possible Pre-IPO Investment and/or the Proposed Spin-off are proceeded with, the Directors expect that the Company’s equity interest in Dongyue Future may or will be reduced upon completion of the Possible Pre-IPO Investment and/or the Proposed Spin-off, which may constitute notifiable transaction(s) of the Company under Chapter 14 of the Listing Rules. However, the Proposed Spin-off is at a preliminary stage and the detailed terms of the Possible Pre-IPO Investment (if any) and the Proposed Spin-off are subject to further determination and final decisions of the Board, taking into account various factors including, among others, prevailing market conditions. The Company will comply with the relevant requirements under the Listing Rules (including Chapter 14 thereof) as and when appropriate.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among others, approvals from relevant authorities, including the Stock Exchange and the China Securities Regulatory Commission, and the prevailing market conditions. There is no assurance as to whether and when the Possible Pre-IPO Investment and/or the Proposed Spin-off will proceed or materialize. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) in relation to

the Possible Pre-IPO Investment and/or the Proposed Spin-off in accordance with the requirements of the Listing Rules as and when appropriate.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 9 April 2020

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.