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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)

PROFIT WARNING

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 four months ended 30 April 2020, the net profit attributable to owners of the Company for the four months ended 30 April 2020 has significantly decreased by approximately 60% as compared to that for the four months ended 30 April 2019. Based on such information, the Board expects that the Group may record a considerable decrease in its net profit attributable to owners of the Company for the six months ending 30 June 2020, as compared to that for the six months ended 30 June 2019. Based on the information currently available, the Board considers that such decrease was mainly attributable to the decrease in average market prices of the Group’s major products (including but not limited to refrigerant products, organic silicone products, PVC, chlorine alkali, dichloromethane, liquid alkali and other products) as compared to the same period of 2019 due to market conditions and the novel coronavirus (COVID-19) pandemic, which led to the decrease in revenue and gross profit margin of the Group during the relevant period.

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 four months ended 30 April 2020 and information currently available to the Company, and is not based on any figures or information which have been audited or reviewed by the Company’s auditors. Figures and information are in the course of being considered and checked and are therefore subject to adjustments. The Shareholders and potential investors of the Company should refer to the Group’s interim results announcement for the six months ending 30 June 2020, which is expected to be published by the end of August 2020, 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, 14 May 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.