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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 AND QUARTERLY RESULTS OF SUBSIDIARY**

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 nine months ended 30 September 2020, the net profit attributable to owners of the Company for the nine months ended 30 September 2020 has significantly decreased by approximately 60% as compared to that for the nine months ended 30 September 2019. Based on such information, the Board expects that the Group may record a significant decrease in its net profit attributable to owners of the Company for the year ending 31 December 2020, as compared to that for the year ended 31 December 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 fluoropolymer products, refrigerant products, organic silicone products, PVC, chlorine alkali, dichloromethane, liquid alkali and other products) as compared to 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 regarding the Group is only based on a preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the nine months ended 30 September 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 of the Group are in the course of being considered and checked and are therefore subject to adjustments. Please refer to the Group’s annual results announcement for the year ending 31 December 2020, which is expected to be published before the end of March 2021, for details of the performance of the Group.

On the date of this announcement, Shandong Dongyue Organosilicone Materials Co., Ltd. (山東東岳有機硅材料股份有限公司), a non-wholly owned subsidiary of the Company listed on ChiNext of the Shenzhen Stock Exchange, has published its third quarterly report 2020 on the website of the Shenzhen Stock Exchange, the further details of which may be found via [www.szse.cn](http://www.szse.cn).

**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, 27 October 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.*