

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 unaudited consolidated management accounts of the Group for the five months ended 31 May 2023, the Group has recorded a significant decrease by approximately 83% in its net profit attributable to owners of the Company for the five months ended 31 May 2023, as compared with that for the corresponding period in 2022. Based on such information and after thorough consideration, the Board expects that the Group may record a significant decrease in its net profit attributable to owners of the Company for the six months ending 30 June 2023, as compared with that for the six months ended 30 June 2022.

During the five months ended 31 May 2023, the Group’s business operations remained stable, where both its production capacity and sales volume have increased as compared to the corresponding period in 2022. The Group has been actively investing in research to develop new product applications, develop new markets and increase future development potential. Based on the analysis performed using information currently available, the Board considers that the aforementioned decrease in the Group’s net profit attributable to owners of the Company for the five months ended 31 May 2023 was mainly attributable to (i) the significant decrease in average market prices of some of the Group’s major products during the five months ended 31 May 2023 as compared to the corresponding period in 2022, which led to the decrease in revenue of the Group during the same period; and (ii) the change in prices of raw material during the same period being unable to make up for the impact on net profit of the Group caused by the decline in market prices of products. The proportionate decrease in cost of sales of the Group was lower than the decrease in revenue of the Group, leading to a decrease in profit margin.

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 2023 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 2023 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 2023, which is expected to be published by the end of August 2023, 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 June 2023

*As at the date of this announcement, the directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Wang Weidong, Mr. Zhang Zhefeng and Mr. Zhang Jian as executive directors, and Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong as independent non-executive directors.*