

*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.*

*This announcement is for information purposes only and does not constitute, and is not intended to be, an invitation or offer to acquire, purchase or subscribe for, or offer to sell or a solicitation of any offer to buy securities in Hong Kong, the United States, the PRC or elsewhere.*



## **DONGYUE GROUP LIMITED**

**東岳集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 189)**

### **INSIDE INFORMATION**

#### **UPDATE ON THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF DONGYUE ORGANOSILICONE ON THE SHENZHEN STOCK EXCHANGE**

This announcement is made by the board (the “**Board**”) of directors of Dongyue Group Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 29 March 2018, 12 October 2018, 12 November 2018, 4 November 2019 and 28 November 2019 (the “**Announcements**”) and the circular of the Company dated 15 October 2018 (the “**Circular**”) in relation to the Proposed Spin-off of Dongyue Organosilicone. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as those defined in the Announcements and the Circular.

#### **A SHARE OFFERING OF DONGYUE ORGANOSILICONE ON THE SHENZHEN STOCK EXCHANGE**

The Board is pleased to announce that Dongyue Organosilicone (Shenzhen Stock Exchange stock short name: Dongyue Silicon (東岳硅材); stock code: 300821) proposed and has obtained the CSRC’s approval to issue not more than 300,000,000 A shares at an offer price to be determined (the “**A Share Offering**”).

#### **PROSPECTUS OF DONGYUE ORGANOSILICONE**

In accordance with the relevant rules and regulations of the CSRC, the prospectus of Dongyue Organosilicone in respect of the A Share Offering (the “**Prospectus**”) has been published on the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)). The Prospectus does not constitute, and is not intended to be, an invitation or offer to acquire, purchase or subscribe for, or offer to sell or a solicitation of any offer to buy securities of the Company or Dongyue Organosilicone in Hong Kong. The Prospectus has not been and will not be registered under the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong).

The Prospectus contains financial information of certain subsidiaries the Company for the year ended 31 December 2019 (the “**2019 Financial Information**”). Extracts of the 2019 Financial Information of the major operating subsidiaries of the Company from the Prospectus are set out below:

<b>(1) Dongyue Fluorosilicone Science and Technology Group Co., Ltd.<sup>1</sup></b>	<b>As at / for the year ended 31 December 2019</b> <i>(audited)</i> <b>RMB'000</b>
Total asset	16,099,249
Net asset	10,113,474
Net profit	1,642,790
<b>(2) Dongyue Organosilicone</b>	<b>As at / for the year ended 31 December 2019</b> <i>(audited)</i> <b>RMB'000</b>
Total asset	2,498,067
Net asset	2,107,776
Net profit	553,425
<b>(3) Shandong Dongyue Polymers Co., Limited</b>	<b>As at / for the year ended 31 December 2019</b> <i>(unaudited)</i> <b>RMB'000</b>
Total asset	3,409,730
Net asset	2,295,318
Net profit	438,181
<b>(4) Shandong Dongyue Fluo-Silicon Materials Co., Ltd.</b>	<b>As at / for the year ended 31 December 2019</b> <i>(unaudited)</i> <b>RMB'000</b>
Total asset	1,710,388
Net asset	830,037
Net profit	171,846
<b>(5) Shangdong Dongyue Chemical Co., Limited</b>	<b>As at / for the year ended 31 December 2019</b> <i>(unaudited)</i> <b>RMB'000</b>
Total asset	5,146,480
Net asset	3,176,950
Net profit	408,101
<b>(6) Shandong Huaxia Shenzhou New Materials Co., Ltd.</b>	<b>As at / for the year ended 31 December 2019</b> <i>(unaudited)</i> <b>RMB'000</b>
Total asset	1,456,991
Net asset	1,172,482
Net profit	184,748
<b>(7) Shandong Dongyue Union Property Co., Ltd.</b>	<b>As at / for the year ended 31 December 2019</b> <i>(unaudited)</i> <b>RMB'000</b>
Total asset	2,450,274
Net asset	532,358
Net profit	202,057

---

<sup>1</sup> This company is the direct or indirect holding company of the other subsidiaries of the Company mentioned in this announcement.

Further information on the 2019 Financial Information can be found in the Prospectus by visiting the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)). Shareholders and potential investors of the Company are reminded that the 2019 Financial Information was prepared in accordance with the internal management records of the Group and has not been audited or reviewed by external auditors of the Company in accordance with the accounting standards adopted by the Company. **Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company.**

Further announcement will be made by the Company as and when appropriate in respect of any material development in relation to the Proposed Spin-off and the A Share Offering.

**Shareholders and potential investors of the Company should note that the Proposed Spin-off and the A Share Offering are subject to, among other things, the prevailing market conditions and therefore may or may not materialize. Accordingly, 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, 24 February 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.*