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東岳集團有限公司

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

**(Stock Code: 189)**

## **INSIDE INFORMATION WITHDRAWAL OF DEPOSITS UNDER THE AMENDED FINANCIAL SERVICES MASTER AGREEMENT**

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 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).

Reference is made to the announcement of the Company dated 12 May 2022 in relation to the amended continuing connected transactions between Dongyue Polymers (an indirect subsidiary of the Company) and Macro-link Finance under the Amended Financial Services Master Agreement (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

On 28 March 2024, with a view to replenish the working capital of the Group, Dongyue Polymers issued a notice to Macro-link Finance to withdraw the outstanding balance of deposits placed and maintained by Dongyue Polymers with Macro-link Finance (including interest accrued thereon) as at 27 March 2024 of an aggregate of approximately RMB318.9 million (the “**Outstanding Amount**”). According to such notice, Macro-link Finance is required to transfer the Outstanding Amount to an account designated by Dongyue Polymers on or before 31 March 2024, failing which Dongyue Polymers will take steps to enforce its legal rights. Following such withdrawal, Dongyue Polymers no longer intends to place deposits with Macro-link Finance under the Amended Financial Services Master Agreement.

Dongyue Polymers has not received the Outstanding Amount within the prescribed deadline. As a result, on 1 April 2024, the legal advisors of Dongyue Polymers as to the laws of the PRC submitted a statement of claim to the applicable court in the PRC against Macro-link Finance demanding immediate repayment of the Outstanding Amount. Subsequently, on 2 April 2024, Dongyue Polymers received a letter from Macro-link Finance stating that it is unable to return the Outstanding Amount to Dongyue Polymers.

As mentioned in the Announcement, certain Security Arrangement is in place to secure the repayment obligations of Macro-link Finance under the Amended Financial Services Master Agreement, including but not limited to a pledge provided by the Pledgor of shares representing approximately 11.91% equity interest in Hunan Hualian Porcelain Industry Co., Ltd. (湖南華聯瓷業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 001216.SZ) that is principally engaged in the research, development, manufacturing and sales of ceramic products. Considering (i) Dongyue Polymers has already initiated legal proceedings to claim the Outstanding Amount from Macro-link Finance; (ii) the Outstanding Amount is secured by, among others, the Pledge Shares as mentioned above; and (iii) the value of the Pledged Shares is higher than the Outstanding Amount (based on the closing price of shares of the Pledged Target Company as quoted on the Shenzhen Stock Exchange on 2 April 2024), the Company is of the view that the inherent risk relating to obtaining the Outstanding Amount from Macro-link Finance is manageable.

By Order of the Board  
**Dongyue Group Limited**  
**Zhang Jianhong**  
*Chairman*

The PRC, 2 April 2024

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