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東岳集團有限公司  
**Dongyue Group Limited**

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

**(Stock code: 189)**

**ANNOUNCEMENT**

**CLARIFICATION OF PRESS NEWS  
AND  
RESUMPTION OF TRADING**

This announcement is made by Dongyue Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”).

**CLARIFICATION OF PRESS NEWS**

The board of directors of the Company (the “**Board**”) note that in recent press articles, it is reported that among other matters (i) two shareholders of the Company proposed to offer shares of the Company (the “**Shares**”) by way of placing; and (ii) the Company proposed to issue bonds which are convertible into Shares (the “**Bonds**”).

The Board would like to inform the shareholders of the Company (the “**Shareholders**”) that the Company had considered various means for raising capital for its business needs, including issuance of new Shares and/or the Bonds, and in this connection it has engaged a placing agent. The Board would like to clarify that the Company had never issued any documents for offer of Shares, Bonds or other securities of the Company. As informed by the placing agent, it has, in the usual bookbuilding process, contacted certain potential institutional investors and sent these selected investors a term sheet containing indicative offer terms of the proposed placing of Shares by certain shareholders and the proposed issuance of the Bonds by the Company. To the best of knowledge of the Board, other than the indicative offer terms of the proposed placing and bond issuance, the term sheet did not contain any price sensitive information in relation to the Group.

The Board would like to inform the Shareholders and potential investors that, notwithstanding that the placing agent has been in discussion with certain potential investors of the offer of Shares by Shareholders and proposed issuance of the Bonds by the Company, the Company had not reached any agreement on the terms of the proposed issuance of Shares and/ or Bonds nor had it entered into any definitive agreement in this connection. To the best of knowledge of the Board, as at the date of this announcement, none of the Shareholders had entered into any definitive agreement relating to the placing of Shares.

The Board hereby confirms that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

## **RESUMPTION OF TRADING**

The Board refers to the announcement of the Company on 19 April 2012 relating to the suspension of trading in Shares (stock code: 189) with effect from 9:00 a.m. on 19 April 2012 at the request of the Company, pending the release of an announcement in respect of certain price sensitive information relating to a potential placing of shares of the Company and/or issue of securities by the Company.

Prior to launch of the bookbuilding process, the Board considered there to be a possible risk of leakage of price sensitive information of the Company that may result in unequal information dissimulation in the market. On this basis the Board considered it appropriate to request for suspension of trading of the Shares pending release of a formal announcement in order to prevent a disorderly market after the Shares commence trading on 19 April 2012.

Following the release of this announcement, application has been made to the Stock Exchange for the resumption of trading in Shares with effect from 1:00 p.m. on 23 April 2012.

**SHAREHOLDERS OF THE COMPANY AND THE POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY.**

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

Hong Kong, 23 April 2012

*As at the date of this announcement, the Directors of the Company are Mr. Zhang Jianhong, Mr. Fu Kwan, Mr. Liu Chuanqi, Mr. Cui Tongzheng, Mr. Yan Jianhua and Mr. Zhang Jian as executive Directors, and Mr. Yue Run Dong, Mr. Liu Yi and Mr. Ting Leung Huel, Stephen as independent non-executive Directors*