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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)

**VOLUNTARY ANNOUNCEMENT
APPROVAL OBTAINED FOR THE CONSTRUCTION OF
A NEW PVDF PROJECT WITH A PRODUCTION CAPACITY OF
10,000 TONNE PER YEAR**

This Announcement is made by Dongyue Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) on a voluntary basis.

Recently, Shandong Huaxia Shenzhou New Material Co., Ltd. (山東華夏神舟新材料有限公司), a subsidiary of the Company, has obtained all approvals for a PVDF project with a production capacity of 10,000 tonne per year (the “**Project**”), the construction of which is about to commence. The Project is another important product of the Group focusing on new battery-level PVDF in addition to coating-level PVDF, water treatment membrane-level PVDF and solar panel membrane-level PVDF. The construction of the Project is expected to complete in October 2022 with operation starting at the same time.

After the Project is completed, the production capacity of PVDF for lithium ion battery will reach 10,000 tonne per year, and the Group’s production capacity of PVDF resin will reach 25,000 tonne per year, covering all mainstream product grades, thus achieving full coverage in various product categories, such as lithium battery, photovoltaic, coating and water treatment.

The Group is currently preparing the approval procedures relating to achieving the remaining production capacity of 30,000 tonne per year in its plan of a PVDF production capacity of 55,000 tonne per year by 2025.

The board of directors (the “**Board**”) of the Company believes the completion of the construction of the Project will strengthen the leading position of the Group in the domestic market. The Project and the future PVDF project with a production capacity of 30,000 tonne per year are the Group’s important strategic deployments in the field of new energy and new material, which will play a key supporting role in the future development of the Group.

By Order of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

The PRC, 28 December 2021

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, Mr. Zhang Bishu 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.