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If you have sold or transferred all your shares in Dongyue Group Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 189)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES
PROPOSED DECLARATION OF DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting (“AGM”) of the Company to be held at 11:00 a.m. on 6 June 2024 at Space Event D, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong is set out on pages AGM-1 to AGM-5 of this circular. A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

13 May 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	The annual general meeting of the Company to be held at Space Event D, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 6 June 2024 at 11:00 a.m.
“AGM Notice”	The notice convening the AGM as set out on pages AGM-1 to AGM-5 of this circular
“Articles of Association”	The articles of association of the Company, as amended from time to time
“Board”	The board of Directors
“Buy-back Shares”	an aggregate of 520,977,818 Shares legally and beneficially owned by the Vendors, as to 370,977,818 Shares by MACRO-LINK International Investment Co, Ltd. and 150,000,000 Shares by Macrolink Overseas Development Limited
“CCASS”	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Dongyue Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	The director(s) of the Company
“Final Dividend”	The proposed final dividend of HK\$0.10 per Share in respect of the year ended 31 December 2023 to Shareholders whose names appear on the Register on the Record Date
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	6 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Memorandum and Articles of Association”	The memorandum and articles of association of the Company, as amended from time to time
“PRC”	The People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Record Date”	17 June 2024, being the record date for determining entitlements of the Shareholders to the Final Dividend
“Register”	The register of members of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	Ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Buy-back”	the proposed buy-back of the Buy-back Shares by the Company from the Vendors for cancellation
“Share Buy-back Agreement”	the share buy-back agreement dated 23 October 2023 entered into between the Vendors and the Company in relation to the Share Buy-back
“Shareholder(s)”	Holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchase
“treasury shares”	Shares repurchased and held by the Company in treasury, as authorised by the laws of its place of incorporation or equivalent constitutional documents, which, for the purpose of the Listing Rules, include shares repurchased by the Company and held or deposited in CCASS for sale on the Stock Exchange
“Vendors”	collectively, MACRO-LINK International Investment Co, Ltd. and Macrolink Overseas Development Limited, being the vendors under the Share Buy-back Agreement
“%”	Percent

For the purpose of this circular, certain English translation of Chinese name or words are included for information purpose only and should not be relied upon as the official translation of such Chinese names or words.

LETTER FROM THE BOARD



**DONGYUE
FEDERATION**
DONGYUE GROUP LIMITED
東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 189)

Executive Directors:

Mr. Zhang Jianhong (*Chairman*)
Mr. Wang Weidong
Mr. Zhang Zhefeng
Ms. Chung Tak Lai

Independent Non-Executive Directors:

Mr. Ting Leung Huel, Stephen
Mr. Ma Zhizhong
Mr. Yang Xiaoyong

Registered Office:

Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavillion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

*Principal place of business
in Hong Kong:*

Room 2621, 26/F
Tower 1, Admiralty Center
18 Harcourt Road
Admiralty, Hong Kong

13 May 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES
PROPOSED DECLARATION OF DIVIDEND
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the proposed declaration of Final Dividend; (ii) the re-election of Directors; and (iii) the grant of general mandates to the Directors for the issue and the repurchase of the Company's securities up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of passing of such resolutions, and the extension of the general mandate to the Directors to issue shares to include the aggregate nominal amount of such securities repurchased under the repurchase mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised seven Directors, namely Mr. Zhang Jianhong, Mr. Wang Weidong, Mr. Zhang Zhefeng, Ms. Chung Tak Lai, Mr. Ting Leung Huel, Stephen, Mr. Ma Zhizhong and Mr. Yang Xiaoyong.

Pursuant to Article 84(1) of the existing Articles of Association, at each of the annual general meeting, one third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years.

Pursuant to Article 83(3) of the existing Articles of Association, any newly appointed Directors shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election.

Accordingly, three of the existing Directors (including the newly-appointed Director), retiring by rotation as stated above, will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

Article 85 of the existing Articles of Association provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election as a Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The minimum period for lodgment of the notices required shall be at least 7 days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

Biographical and other details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the annual general meeting of the Company held on 9 June 2023, ordinary resolutions were passed by the Shareholders granting to the Directors a general mandate to exercise the powers of the Company to repurchase Shares and a further general mandate to allot, issue and deal with new Shares. Such general mandates, unless renewed, will lapse at the conclusion of the AGM.

New general mandates to allot, issue and deal with the Shares and/or to resell or transfer Shares held in treasury (to the extent permitted by, and subject to the provisions of, the Listing Rules and applicable laws and regulations) up to a maximum of 20% (346,542,327 Shares based on the number of issued Shares as at the Latest Practicable Date, excluding any treasury shares) (the “**Issue Mandate**”) and to repurchase Shares up to a maximum of 10% (173,271,163 Shares based on the number of issued Shares as at the Latest Practicable Date, excluding any treasury shares) (the “**Repurchase Mandate**”) respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolutions as set out in Resolutions 6A and 6B respectively of the AGM Notice will be proposed at the AGM. Resolution authorising the extension of the general mandate to the Directors to issue Shares to include the aggregate nominal amount of such securities (if any) repurchased under the Repurchase Mandate as set out in Resolution 6C of the AGM Notice will be proposed at the AGM.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any Shares pursuant to the relevant mandates as at the date of this circular.

The Board notes that with effect from 11 June 2024, the Listing Rules will be amended to remove the requirement to cancel repurchased Shares and to adopt a framework to (i) allow repurchased Shares to be held in treasury and (ii) govern the resale of treasury shares. Following such changes to the Listing Rules, if the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may (i) cancel the repurchased Shares or (ii) hold such Shares in treasury, subject to market conditions and the capital management needs of the Company at the relevant time such repurchases of Shares are made. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the Issue Mandate and made in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against Resolution 6B to be proposed at the AGM in relation to the proposed Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

FINAL DIVIDEND

As stated in the announcement issued by the Company dated 26 March 2024 relating to the annual results of the Group for the year ended 31 December 2023, the Board recommends the payment of the Final Dividend of HK\$0.10 per Share to the Shareholders whose names appear on the Register on the Record Date. The Final Dividend is subject to approval by the Shareholders at the AGM and resolutions will be proposed to the Shareholders for voting at the AGM.

CLOSURE OF THE REGISTER

The Register will be closed from Thursday, 13 June 2024 to Monday, 17 June 2024 (both dates inclusive) in order to determine the Shareholders' entitlements to the Final Dividend, during which no transfer of Shares will be registered.

To qualify for the Final Dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited for registration no later than 4:30 p.m. on Wednesday, 12 June 2024.

Shareholders whose names appear on the Register on the Record Date, i.e. Monday, 17 June 2024 will be entitled to the Final Dividend.

The expected timetable for the Final Dividend is as follows:

Events	Date
The Final Dividend ex-entitlement date	Tuesday, 11 June 2024
Record date for the Final Dividend	Monday, 17 June 2024
Latest time for the Shareholders to lodge transfer documents to Tricor Investor Services Limited in order to qualify for receiving the Final Dividend	4:30 p.m. on Wednesday, 12 June 2024 (All transfer of shares accompanied by the relevant share certificates and transfer form must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration)
Closure of the Register (to qualify for receiving the Final Dividend)	Thursday, 13 June 2024 to Monday, 17 June 2024
Upon the Shareholders' approval of the payment of the Final Dividend at the AGM, the expected payment date of the Final Dividend	Friday, 12 July 2024

LETTER FROM THE BOARD

THE AGM

The AGM Notice is set out on pages AGM-1 to AGM-5 of this circular. At the AGM, in addition to the ordinary business of the AGM, resolutions will be proposed to the Shareholders to consider and, if thought fit, approve, among other things, the proposed re-election of Directors, the proposed grant of the general and unconditional mandates to issue and repurchase the Shares, and the declaration of Final Dividend.

A form of proxy for the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM or any adjourned meeting thereof, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

No refreshment or drinks will be served and no corporate gifts will be distributed.

Pursuant to Rule 13.39(4) of the Listing Rules, except for those resolutions relating purely to procedural or administrative matters, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions to be considered and, if thought fit, approved at the AGM will be taken by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the proposed grant of general mandates to issue and repurchase securities and the proposed declaration of Final Dividend are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions set out in the AGM Notice.

LETTER FROM THE BOARD

GENERAL

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Dongyue Group Limited
Zhang Jianhong
Chairman

LIST OF DIRECTORS FOR RE-ELECTION

The biographical and other details of the Directors standing for re-election at the AGM are set out below.

Mr. WANG Weidong (王維東), aged 60, was appointed as the executive director of the Company in March 2021. Mr. Wang has worked for the Group since September 1996 and is responsible for technology R&D and corporate management matters. During the period, he chaired the overall preparation works for incorporation of fluorosilicone companies as well as organic silicon companies. He then acted as the general manager of fluorosilicone companies, silicon companies and chemical companies of Dongyue. Mr. Wang is also the chairman of Shandong Dongyue Organosilicon Materials Co. Ltd (a company listed on the ChiNext of the Shenzhen Stock Exchange). He has over 30 years' experience for manufacture and management in the chemical industry. He is currently the president of the Group, a director of Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. (山東東岳未來氫能材料股份有限公司) and the director of the subsidiaries of Dongyue Group. Mr. Wang also received various awards such as the nationwide outstanding chemical engineering (全國化工優秀科技工作者) from Petroleum and Chemical Industry Federation (石油和化工工業協會), Outstanding Contribution Entrepreneurs (傑出貢獻企業家) and Shandong Outstanding Entrepreneurs (山東省優秀企業家). Mr. Wang holds a master degree in business administration from Shanghai Jiao Tong University.

Save as disclosed above, Mr. Wang did not hold any other directorships in any other listed public companies in the past three years immediately prior to the Latest Practicable Date and Mr. Wang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. There is no service contract and fixed term of service between Mr. Wang and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. During the year ended 31 December 2023, Mr. Wang is entitled to receive an annual director's fee of RMB144,000, an annual salary of RMB6,000,000 and an discretionary bonus of RMB16,276,000, which is determined with reference to his duties and responsibilities with the Company and the Company's current standards for emoluments and the market conditions and has been approved by the Company's Remuneration Committee.

As at the Latest Practicable Date, Mr. Wang did not have any interest in Shares within the meaning of Part XV of the SFO. There is no other information relating to the re-election of Mr. Wang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders.

Ms. CHUNG Tak Lai (鍾德麗), aged 42, is a company secretary of the Company. She joined the Group in March 2015 and is primarily responsible for overseeing and managing regulatory compliance matters of the Company. Ms. Chung is a director of Hong Kong Tai Li International Trading Company Limited, a wholly-owned subsidiary of the Company.

Ms. Chung has over 20 years of work experience in accounting, corporate finance, compliance and strategic investment. Prior to joining the Group, Ms. Chung had worked in the audit division and financial advisory services (M&A Transactions) of Deloitte. Ms. Chung had also worked in the merger and acquisition team of Hong Kong Li & Fung Group, and the strategic investment team of Simsen International Corporate Limited (a company then listed on the Main Board of the Stock Exchange). Ms. Chung holds a bachelor's degree in business administration, majoring in professional accountancy from the Chinese University of Hong Kong and a bachelor's degree in laws from the University of London. Ms. Chung is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

Save as disclosed above, Ms. Chung did not hold any other directorships in any other listed public companies in the past three years immediately prior to the Latest Practicable Date and Ms. Chung does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. There is no service contract and fixed term of service between Ms. Chung and the Company but she is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Ms. Chung is entitled to receive an annual director's fee of HK\$120,000 and an annual salary of HK\$1,092,000 and an discretionary bonus which is determined with reference to her duties and the Company's remuneration policies and the prevailing market conditions approved by the Company's Remuneration Committee. As at the Latest Practicable Date, under the meaning of Part XV of the SFO, Ms. Chung is interested in 188,000 shares in the Company as a beneficial owner. There is no other information relating to the re-election of Ms. Chung that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders.

Mr. YANG Xiaoyong (楊曉勇), aged 68, was appointed as an independent non-executive director of the Company in August 2014. Mr. Yang has over 30 years of experience in fluoropolymer and organic silicon industries. Mr. Yang served at China Bluestar Chengrand Research Institute of Chemical Industry as chief engineer and director of National Organic Silicon Engineering and Technological Research Centre and National Synthetic Resin Quality Supervision and Inspection Centre, and the chief secretary of the Organic Silicon Professional Committee of China Association of Fluorine and Silicon Industry and so forth. Mr. Yang is currently the honorary president and the chief engineer of the Expert Committee of China Association of Fluorine and Silicon Industry. In addition, Mr. Yang is currently an independent director of Henan Hengxing Science & Technology Co. Ltd., a company listed on Shenzhen Stock Exchange, an independent director of New Asia Man Silicon Chemistry Co., Ltd. (新亞強硅化學股份有限公司) and an independent director of Hubei Jiangnan New Materials Co., Ltd. (湖北江瀚新材料股份有限公司).

Save for the aforesaid, Mr. Yang does not have any other directorships in other listed companies in the past 3 years immediately prior to the Latest Practicable Date and Mr. Yang does not have any relationship with any Directors, senior management, substantial or controlling Shareholders. There is no service contract and fixed term of service between Mr. Yang and the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Article of Association. Mr. Yang is entitled to receive an annual director's fee of RMB204,000 which is determined with reference to his duties and responsibilities with the Company and the Company's current standards for emoluments and the market conditions and is subject to review by the Remuneration Committee of the Company from time to time. Mr. Yang will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Mr. Yang has served as INEDs of the Company for more than nine years as at the Latest Practicable Date. The Board and the Nomination Committee have reviewed the annual independence confirmation of Mr. Yang and assessed his independence having considered the independence guidelines under Rule 3.13 of the Listing Rules. The Board and the Nomination Committee consider that Mr. Yang meets the independence guidelines under Rule 3.13 of the Listing Rules and maintain his independence in accordance with the terms of the guidelines despite the length of his service on the Board. During his years of service, Mr. Yang has shared their experience and expertise both at and outside board/committee meetings, which has been invaluable to the Group's business development and strategy. He has not been involved in any management role nor in any relationships which would interfere with the exercise of his independent mindset and judgement. Taking into account the independent nature of their roles and duties on the Board and various board committees, his independent views and judgement exercised in the past, his character and professionalism demonstrated in his service to the Board and board committees, the Board believes that Mr. Yang will continue to demonstrate strong independence in his judgment, contribution and commitment to the Company and that his positions outside the Company will not affect him in maintaining his current role in, and his functions and responsibilities for, the Company. On the basis of the inter alia, the foregoing, the Board considers that Mr. Yang is still independent and should be re-elected. His re-election is expected to continue to enhance the governance and oversight of the Company at

both the Board and the board committee levels. In compliance with Code Provision B.2.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, the re-election of Mr. Yang at the AGM will be subject to the approval of Shareholders by way of a resolution.

As at the Latest Practicable Date, Mr. Yang did not have any interest in Shares within the meaning of Part XV of the SFO. Save as aforesaid, he will not be entitled to any remuneration nor bonus payments as a Director. There is no other information relating to the re-election of Mr. Yang that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there are no other matters that need to be brought to the attention of the Shareholders.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the Company had 1,732,711,637 Shares in issue or an issued share capital of HK\$173,271,164. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 173,271,163 Shares, representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution (excluding any treasury shares), during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

As stated in the Letter from the Board, with effect from 11 June 2024, the Listing Rules will be amended to remove the requirement to cancel repurchased Shares and to adopt a framework to (i) allow repurchased Shares to be held in treasury and (ii) govern the resale of treasury shares. Following such changes to the Listing Rules, if the Company repurchases Shares pursuant to the Repurchase Mandate, the Company may (i) cancel the repurchased Shares or (ii) hold such Shares in treasury, subject to market conditions and the capital management needs of the Company at the relevant time such repurchases of Shares are made. If the Company holds Shares in treasury, any resale of Shares held in treasury will be subject to the Issue Mandate and made in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands. Any resale of treasury shares pursuant to the Issue Mandate may only be made after the amendments to the Listing Rules have come into effect on 11 June 2024.

To the extent that any treasury shares are deposited with CCASS pending resale, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those shares were registered in the Company's own name as treasury shares. These measures may include approval by the Board that (i) the Company will not (or will procure its broker not to) give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings for the treasury shares deposited with CCASS and (ii) in the case of dividends or distributions, the Company will withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase its shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

FUNDING OF REPURCHASES

Any repurchase of securities of the Company made pursuant to the proposed Repurchase Mandate would be made out of funds which are legally available for the purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable Cayman Islands laws. Under the Cayman Islands law, repurchases by the Company may only be made out of profits of the Company, from sums standing to the credit of the share premium account of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, subject to the statutory test of solvency, out of capital. The premium, if any, payable on the repurchase, shall be provided for out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the statutory test of solvency, out of capital.

FINANCIAL IMPACT

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. The Directors anticipate that if the general mandate to repurchase securities were to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital and gearing level of the Company by referring to the audited consolidated financial statements of the Company as at 31 December 2023. The Directors do not propose to exercise the mandate to repurchase shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICE

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months of the Company as at the Latest Practicable Date:

	*Price Per Share	
	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2023		
April	8.38	7.60
May	8.10	6.85
June	7.57	5.19
July	7.75	5.97
August	7.98	6.68
September	6.85	5.67
October	6.39	5.21
November	6.24	5.46
December	5.89	5.25
2024		
January	6.18	5.22
February	7.29	5.20
March	7.44	6.75
April	6.13	7.04
May (up to the Latest Practicable Date)	7.38	7.09

TAKEOVERS CODE CONSEQUENCES

If as a result of repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase.

As at the Latest Practicable Date, the following persons had interests or short positions in the Shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Number of shares interested	% of issued share capital as at the Latest Practicable Date
Mr. Zhang Jianhong	Corporate interest ⁽¹⁾	258,948,451 (L)	14.94 (L)
	Beneficial interest	7,147,636 (L)	0.41 (L)
Dongyue Team Limited	Beneficial interest ⁽¹⁾	258,948,451 (L)	14.94 (L)

Notes:

- (1) Pursuant to the SFO, as Mr. Zhang Jianhong holds 100% interest in Dongyue Team Limited, Mr. Zhang Jianhong is deemed to be interested in the 258,948,451 Shares (L) held by Dongyue Team Limited.
- (2) L: Long Position.

Based on the above shareholding interests of Mr. Zhang Jianhong and Dongyue Team Limited, and in the event that the Repurchase Mandate is exercised in full by the Company and assuming that Mr. Zhang Jianhong and Dongyue Team Limited do not dispose of any of their Shares, their percentage shareholding in the Company will be increased to approximately 19.20% of the aggregate nominal amount of the issued share capital of the Company. Accordingly under Rule 26 of the Takeovers Code, no obligation to make a general offer to Shareholders will arise as a result of an exercise of the Repurchase Mandate in full.

As at the Latest Practicable Date, the Company's issued share capital in the hands of the public was over 70%, which is above the requirement of having at least 25% of the issued share capital of the Company held by the public under Rule 8.08 of the Listing Rules.

SHARE REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, the Company had repurchased its Shares as follows:

On 23 October 2023, the Company entered into the Share Buy-back Agreement with the Vendors (each being a wholly-owned subsidiary of Macrolink Holding Limited, a substantial shareholder of the Company prior to the completion of the Share Buy-back) pursuant to which the Vendors had proposed to sell, and the Company had proposed to buy-back for cancellation, an aggregate of 520,977,818 Shares (representing approximately 23.12% of the issued share capital of the Company as at 24 October 2023) at an aggregate consideration of HK\$3,698,700,646, being approximately HK\$7.1 per Buy-back Share, subject to fulfilment of all conditions under the Share Buy-back Agreement.

All conditions to the completion of the Share Buy-back had been fulfilled and an aggregate of 520,966,818 Shares had been repurchased off-market on 5 March 2024 at an aggregate consideration of HK\$3,698,700,646.

For further details of the Share Buy-back, please refer to the announcements of the Company dated 24 October 2023 and 6 March 2024, as well as the circular of the Company dated 30 November 2023.

GENERAL

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates currently intends to sell Shares to the Company or its subsidiaries in the event that the proposed Repurchase Mandate is approved. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate in accordance with the Listing Rules and applicable Cayman Islands laws.

No core connected persons of the Company, as defined in the Listing Rules, have notified the Company that he/she/it has a present intention to sell Shares held by them to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

Neither this explanatory statement nor the Repurchase Mandate has any unusual features.

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東岳集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 189)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “**Meeting**”) of Dongyue Group Limited (the “**Company**”) will be held at Space Event D, 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 6 June 2024 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2024.
2.
 - A. To re-elect Mr. Wang Weidong as an executive director of the Company.
 - B. To re-elect Ms. Chung Tak Lai as an executive director of the Company.
 - C. To re-elect Mr. Yang Xiaoyong as an independent non-executive director of the Company.
3. To authorize the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint Elite Partners CPA Limited as auditors of the Company and to authorize the board of directors of the Company to fix their remuneration.
5. To declare a final dividend of HK\$0.10 per Share for the year ended 31 December 2023.
6. As additional business, to consider and if thought fit, pass the following resolutions (with or without modification):
 - A. “**THAT:**
 - (a) subject to sub-paragraph (c) of this resolution, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of the Company (the “**Shares**”) or securities convertible into Shares, options, warrants or similar rights to subscribe for, or to convert any securities (including bonds and convertible debentures)

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into, any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval given in sub-paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) pursuant to the approval given in sub-paragraph (a) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible persons of Shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company,

shall not exceed 20 percent of the aggregate nominal amount of the issued share capital of the Company (excluding any treasury shares) as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:
 - (i) “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

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- (cc) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting of the Company.
- (ii) “**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).
- (iii) Any reference to an allotment, issue, conversion, grant or dealing of Shares shall include the resale or transfer of Shares held in treasury (including to satisfy any obligation upon the conversion or exercise of any convertible securities, options, warrants or similar rights to subscribe for shares of the Company) to the extent permitted by, and subject to the provisions of, the Listing Rules and applicable laws and regulations.”

B. “THAT:

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Takeovers and Mergers and Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10 percent of the aggregate nominal amount of the issued share capital of the Company (excluding any treasury shares) at the date of the passing of this resolution and the approval granted under paragraph (a) of this resolution should be limited accordingly; and

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- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting of the Company.”
- C. “**THAT**, conditional upon the passing of the resolutions 6A and 6B in the notice convening the Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to resolution 6A as set out in the notice convening the Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution 6B as set out in the notice convening the Meeting provided that such amount shall not exceed 10 percent of the aggregate nominal amount of the issued share capital of the Company (excluding any treasury shares) at the date of the passing of this resolution.”

On behalf of the Board
Zhang Jianhong
Chairman

The PRC, 13 May 2024

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Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on the poll, vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy of that power attorney or authority must be delivered to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (3) The register of members will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for attending and voting at the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2024.
- (4) Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personal or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for the purpose seniority shall be determined by the order in which name stand in the register of members in respect of the joint holdings.
- (5) Please refer to Appendix I of the circular of the Company dated 13 May 2024 for the details of the Directors subject to re-election at the Meeting.
- (6) An explanatory statement regarding the general mandate of the repurchase of Shares sought in the above Resolution 6B is set out in Appendix II of the circular of the Company dated 13 May 2024.
- (7) **No refreshment or drinks will be served and no corporate gifts will be distributed.**
- (8) As at the date of the notice, the executive directors are Mr. Zhang Jianhong, Mr. Wang Weidong, Mr. Zhang Zhefeng and Ms. Chung Tak Lai; independent non-executive directors are Mr. Ting Leung Huel, Stephen, Mr. Yang Xiaoyong and Mr. Ma Zhizhong.