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

## **(1) SUPPLEMENTAL ANNOUNCEMENT; AND (2) CHANGE IN USE OF PROCEEDS**

Reference is made to the annual report of Dongyue Group Limited (the “**Company**”) for the year ended 31 December 2024 published on 22 April 2025 (the “**Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meaning as defined in the Annual Report.

To supplement the information provided in the Annual Report, the board of directors of the Company (the “**Board**”) would like to provide further information relating to the paragraph headed “Allocation of the Net Proceeds from Placing of New Shares under the General Mandate” in the section headed “Report of the Directors” in the Annual Report.

The net proceeds (after deduction of the relevant expenses and fees) from the placing amounted to approximately HK\$3.31 billion, and the details of the use of such proceeds during the year ended 31 December 2024 are as follows:

	Amount of net proceeds utilised as of 31 December 2023 HK\$'000	Amount of net proceeds utilised during the year ended 31 December 2024 HK\$'000	Amount of net proceeds utilised as of 31 December 2024 HK\$'000	Amount of net proceeds unutilised as of 31 December 2024 HK\$'000	Intended timetable for use of the unutilised net proceeds
Usage					

Enhancing the Group’s production capacity of PVDF (a type of fluoropolymer that is climate resistant and highly machinable with excellent mechanical properties, which can be used as weather-resistant coating materials, adhesives for lithium batteries and photovoltaic backplanes) and its raw material (being R142b coolant)

2,000,000    1,436,636    459,124    1,895,760    104,240

Please refer  
to below

Usage	Amount of net proceeds allocated <i>HK\$'000</i>	Amount of net proceeds utilised as of 31 December <i>HK\$'000</i>	Amount of net proceeds utilised during the year ended 31 December <i>HK\$'000</i>	Amount of net proceeds utilised as of 31 December <i>HK\$'000</i>	Balance of net proceeds unutilised as of 31 December <i>HK\$'000</i>	Intended timetable for use of the unutilised net proceeds
Enhancing the Group's production capacity of PTFE (a synthetic fluoropolymer with high level of resistance to temperature changes, electrical insulation, and aging and chemical resistant) and its raw material (being R22 coolant)	800,000	628,405	27,115	655,520	144,480	Please refer to below
Replenishing the general working capital of the Group	510,000	510,000	N/A	510,000	0	N/A
<b>Total</b>	<b>3,310,000</b>	<b>2,575,041</b>	<b>486,239</b>	<b>3,061,280</b>	<b>248,720</b>	—

The Company confirms that the net proceeds have been utilised in accordance with the usage previously disclosed.

## CHANGE IN USE OF PROCEEDS

Since 31 December 2024 and up to the date of this announcement, the Group has utilised the net proceeds in the amount of approximately HK\$56.8 million in accordance with the intended usage set out above. As of the date of this announcement, the unutilised net proceeds from the placing amounted to approximately HK\$191.9 million (the “**Unutilised Net Proceeds**”). Having considered (i) the increased supply of PVDF and PTFE products in their respective markets by other market participants destabilising the supply-demand relationship hence the unit price of such products, thereby leading to a less-than-expected return on the Group's prior investments in these production lines; and (ii) the expected development in the high-end fluoropolymers and new-type coolant markets, the Board has resolved to change the use of the Unutilised Net Proceeds. The table below sets forth the proposed change of use of the Unutilised Net Proceeds:

Usage	Amount of Unutilised Net Proceeds allocated <i>HK\$'000</i>	Intended timetable for use of the Unutilised Net Proceeds
Increasing the Group's production capability of high purity PTFE products, such as high end PTFE that can be utilised in the semiconductor industry	89,558	December 2026
Green and intelligent transformation of the production line of tetrafluoroethylene, which is one of the raw materials of PTFE	68,234	December 2026
Pilot project of tetrafluoropropylene production, which is a new-type coolant	34,117	December 2025
<b>Total</b>	<b>191,909</b>	—

The Board confirms that there are no material changes in the nature of the business of the Group since the date of the Annual Report. The Board believes the above change in the use of the Unutilised Net Proceeds would allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run and is therefore in the interests of the Group and the Shareholders as a whole.

On the progress of the use of the Unutilised Net Proceeds, the Company will provide update to its Shareholders through disclosures in its annual report going forward. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules and other applicable laws as and when appropriate.

The Board will continuously monitor the use of the Unutilised Net Proceeds and may revise or amend the plan for such use where necessary to cope with market conditions and strive for better business performance of the Group.

The information set out above is supplemental to the Annual Report and does not affect other information in the Annual Report. Save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

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

The People's Republic of China, 4 August 2025

*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.*