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China Graphite Group Limited

中国石墨集团有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2237)

ESTIMATED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

This announcement is made by China Graphite Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment of the latest available unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 (“**1H 2023**”) and the information currently available to the Board, the Group is expected to record a net loss of not more than RMB4.0 million for 1H 2023 as compared to the net profit of approximately RMB13.2 million for the six months ended 30 June 2022 (“**1H 2022**”). The Board believes that the above was primarily attributable to the competition in the automobile markets, the slowdown of growth of the lithium-ion battery industry in 1H 2023 as compared to the rapid growth of the same in 1H 2022; and the strategy of our downstream customers to digest their inventory backlogs in the PRC, leading to the relative decrease in market demand and price for graphite products in 1H 2023.

Gradual recovery of the graphite market in Mainland China is expected in the long run considering the continuous development of the new energy vehicles market and the increasing demand for lithium-ion battery anode materials. The Group recorded over RMB20.0 million revenue from the sales of graphite products in July 2023, as compared to the revenue from the sales of graphite products ranging from approximately RMB46.0 million to approximately RMB48.0 million for 1H 2023. The management of the Company will endeavour to capture market opportunities and further strengthen operation efficiency in the second half of 2023, thereby continuing to enhance the value to the shareholders of the Company.

The information contained in this announcement is based on the information currently available to the Company and the preliminary assessment of the Board on the management accounts prepared in accordance with applicable Hong Kong Financial Reporting Standards which have not been audited or reviewed by the independent auditors and/or the audit committee of the Company, and is therefore subject to further adjustment(s). The unaudited consolidated financial results of the Group for 1H 2023 is expected to be released by the end of August 2023 which may be different from the figures and information contained in this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Graphite Group Limited
Zhao Liang

Chairman, executive Director and chief executive officer

Hong Kong, 18 August 2023

As at the date of this announcement, the Board comprises Mr. Zhao Liang (chairman and chief executive officer) and Mr. Lei Wai Hoi as executive Directors; Mr. Chiu G Kiu Bernard, Mr. Shen Shifu, Mr. Liu Zezheng and Ms. Zhao Jingran as independent non-executive Directors.

This announcement is prepared in English language and translated into Chinese. In the event of any inconsistency between the Chinese and English versions, the English version shall prevail.