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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 2024

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 2024 (“**1H 2024**”) and the information currently available to the Board, the Group is expected to record a net loss of not more than RMB17.5 million for 1H 2024 as compared to the net loss of approximately RMB3.3 million for the six months ended 30 June 2023 (“**1H 2023**”). The Board believes that the above was primarily attributable to the slowdown in the downstream market growth of the anode industry in 2024, the intense competition in the graphite market, and the implementation of export control measures for graphite items in December 2023 that restricts the export of graphite, which has affected the orders from the downstream customers of the Group. As a result, the sales price of graphite and the sales volume of the spherical graphite of the Group in 1H 2024 decreased further as compared to 1H 2023, resulting in a decrease in the revenue and profits of the Group.

The Group’s own mines are able to ensure the supply of natural graphite, coupled with the low energy consumption of natural graphite in production, which is more in line with the requirements of the national “dual carbon” policy. The Group is adapting to the competitive landscape of the industry, and endeavours to capitalize on the market opportunities to enhance its operating performance and create value for its shareholders.

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 2024 is expected to be released by the end of August 2024 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, 16 August 2024

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.