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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)

POSITIVE PROFIT ALERT AND INSIDE INFORMATION

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 year ended 31 December 2022 and the information currently available to the Board, the Group is expected to record (i) a net profit after tax of not less than RMB76.0 million for the year ended 31 December 2022, representing an increase of not less than 42% as compared to that of approximately RMB53.3 million for the year ended 31 December 2021; and (ii) an adjusted net profit after tax (which excluded the non-recurring listing expenses and government grant to reflect the actual performance of the Group’s operation) of not less than RMB80.0 million, representing an increase of not less than 52% as compared to that of approximately RMB52.3 million for the year ended 31 December 2021. The Board believes that such increase was primarily attributable to: (i) the increase of the Group’s revenue driven by the rapid development of new energy vehicle industry in the People’s Republic of China (the “**PRC**”) during 2022 which increased the demand from our downstream customers, and the average selling price of our graphite products and our sales volume of spherical graphite increased accordingly; (ii) the increase in the production volume of our flake graphite concentrate and spherical graphite as a result of our effective management in our operating activities which leads to increase in revenue; and (iii) the synergy brought by our graphite mine in Heilongjiang Province, the PRC, the extraction of which significantly increased the volume of our graphite ore during 2022, thereby providing a stable supply for our production.

As at the date of this announcement, the Company is in the process of finalizing the consolidated financial results of the Group for the year ended 31 December 2022. 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 yet been audited or reviewed by the independent auditors of the Company nor reviewed by the audit committee of the Company. The annual results of the Group for the

year ended 31 December 2022 may be subject to further adjustment(s) and may be different from the information contained in this announcement. Shareholders and potential investors of the Company are advised to read carefully the details of the announcement of the annual results of the Group for the year ended 31 December 2022 which is expected to be released in March 2023.

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

Heilongjiang, the PRC, 14 February 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.