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CHINA GRAPHENE GROUP LIMITED

中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a substantial loss of approximately HK\$80 million for the year ended 31 December 2018 as compared to a profit of approximately HK\$51,898,000 for the year ended 31 December 2017.

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

This announcement is made by China Graphene Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 “**SFO**”).

Based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, the board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a substantial loss of approximately HK\$80 million for the year ended 31 December 2018 as compared to a profit of approximately HK\$51,898,000 for the year ended 31 December 2017.

The expected substantial loss of the Group were mainly due to the cessation of graphene business in Japan, and as a result, the prepayment for equipment and machinery for manufacturing of graphene recorded in the accounting books of overseas subsidiaries amounting to approximately HK\$54,516,000 has been written off for the year ended 31 December 2018.

The Company is still in the process of finalising the audited annual results of the Group for the year ended 31 December 2018 and the results announcement is expected to be published on or around 29 March 2019. The information contained in this announcement is only based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board.

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

By order of the Board
China Graphene Group Limited
Zhou Chen
Executive Director

Hong Kong, 25 March 2019

As at the date of this announcement, the Board comprises Mr. Chen Meng and Mr. Zhou Chen as executive Directors; Mr. Li Feng Mao as non-executive Director; and Mr. Wang Song Ling, Mr. Gao Han and Mr. Chow Chi Ping as independent non-executive Directors.