CHINA GRAPHENE GROUP LIMITED
中 國 烯 谷 集 團 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of 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 wishes to inform the shareholders of the Company and potential investors that the Group expects to record a substantial reduction of loss which may lead to a slight net profit or a slight net loss (subject to final audited results) for the year ended 31 December 2019 as compared to the net loss recorded for the year ended 31 December 2018.

Shareholders of the Company 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**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group expects to record a substantial reduction of loss which may lead to a slight net profit or a slight net loss (subject to final audited results) for the year ended 31 December 2019 as compared to the net loss recorded for the year ended 31 December 2018.

Based on the relevant information currently available to the Company, the Board considers that the expected turnaround from net loss to net profit of the Group was mainly attributable to the net effect of:

(i) the operating and administrative expenses decreased as senior management's remuneration for the year ended 31 December 2019 were reduced as compared to that for the year ended 31 December 2018;

(ii) the value of assets held by the Group increased resulting in a significant increase in the valuation gains on assets recorded for the year ended 31 December 2019 by the Group;

(iii) write-off of prepayment for property, plant and equipment of Japan subsidiaries for the year ended 31 December 2018; and

(iv) gain on disposal of subsidiaries for the year ended 31 December 2019.

The Company is still in the process of finalizing the final results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the draft unaudited consolidated management accounts of the Group for the year ended 31 December 2019, which have neither been confirmed nor audited by the Company's auditors and are subject to adjustments. Shareholders of the Company and potential investors are advised to read carefully the Company's announcement regarding the final results of the Group for the year ended 31 December 2019 which is expected to be published in late March 2020.

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

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By order of the Board
China Graphene Group Limited
Huang Binghuang
Chairman

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Hong Kong, 06 March 2020

As at the date of this announcement, the Board consists of Mr. Huang Binghuang, Mr. Zhou Chen and Ms. Xia Ping as executive Directors; Ms. Wang Lijiao as non-executive Director; and Mr. Lum Pak Sum, Mr. Chow Chi Ping and Mr. Gao Han as independent non-executive Directors.