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ZHONGHAN INTERNATIONAL HOLDINGS GROUP LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

- (I) COMPLETION OF THE SALE AND PURCHASE OF
SALE SHARES OF CHINA GRAPHENE GROUP LIMITED;
AND
(II) UNCONDITIONAL MANDATORY CASH GENERAL OFFER BY
GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES IN
CHINA GRAPHENE GROUP LIMITED (OTHER THAN
THOSE ALREADY OWNED OR TO BE ACQUIRED BY
ZHONGHAN INTERNATIONAL HOLDINGS GROUP LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to the Offeror



Guotai Junan Capital Limited

COMPLETION OF THE SALE AND PURCHASE AGREEMENT

Pursuant to the Sale and Purchase Agreement entered into by the Offeror and the Receivers on 21 June 2019 (before trading hours), the Receivers agreed to sell the Sale Shares and the Offeror agreed to purchase the Sale Shares for a total consideration of HK\$350,000,000 (equivalent to approximately HK\$0.166 per Sale Share). The Sale Shares collectively represent approximately 74.93% of the existing issued share capital of the Company as at the date of this announcement. The Sale and Purchase Completion took place on 21 June 2019.

UNCONDITIONAL MANDATORY CASH OFFER FOR SHARES

Immediately prior to the Sale and Purchase Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon the Sale and Purchase Completion and as the date of this announcement, the Offeror and parties acting in concert with it are interested in a total of 2,112,395,735 Shares, representing approximately 74.93% of the total issued share capital of the Company.

As such, the Offeror is required to make an unconditional mandatory cash general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this announcement, the Company has 2,819,102,084 Shares of par value of HK\$0.05 each in issue and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), based on the publicly available information.

Guotai Junan Securities will, for and on behalf of the Offeror and in compliance with the Takeovers Code, make the Offer to acquire all the Offer Shares on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer

For every Offer Share accepted under the OfferHK\$0.166 in cash

The Offer Price is approximately equal to but not lower than the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Receivers.

The total consideration of the Offer would be approximately HK\$117,313,254 based on the Offer Price, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

The Offer will be unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Confirmation of financial resources available for the Offer

The Offeror intends to settle the entire consideration payable under the Offer from internal resources. Guotai Junan Capital, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptances of the Offer.

WARNING:

SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITIONS, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

A. BACKGROUND

On 11 December 2017, HK Guoxin as borrower and Clever Robust as lender entered into the Loan Agreement to grant HK Guoxin the Loan. To secure the payment obligations of HK Guoxin under the Loan Agreement, HK Guoxin executed the Share Charge, pursuant to which the Loan owed by HK Guoxin under the Loan Agreement were secured by way of charge over the Sale Shares in favour of Clever Robust. Since HK Guoxin defaulted in the repayment of the Loan which constituted an event of default under the Loan Agreement, Clever Robust decided to exercise its rights under the Share Charge and executed the Deed of Appointment to appoint the Receivers as the joint and several receivers and managers of the Sale Shares on 20 December 2018.

On 9 May 2019, the Offeror issued a letter (the “**Letter**”) to Clever Robust and the Receivers, pursuant to which the Offeror made the unilateral irrevocable offer to purchase the Sale Shares from Clever Robust and the Receivers and paid a sum of HK\$10,000,000 as the deposit (the “**Deposit**”). Clever Robust and the Receivers did not accept the unilateral irrevocable offer under the Letter by the last day of acceptance as set out in the Letter. The unilateral irrevocable offer under the Letter has been lapsed on 10 June 2019 and no contract has been formed under the Letter. Subsequent to the lapse of the offer under the Letter, the Offeror and the Receivers continued to discuss the terms of the potential acquisition of the Sale Shares by the Offeror. On 21 June 2019 (before trading hours), the Sale and Purchase Agreement were entered between the Receivers and the Offeror and the Deposit was applied towards the Consideration upon the Sale and Purchase Completion.

B. SALE AND PURCHASE AGREEMENT

Date: 21 June 2019 (before trading hours)

Parties:

The Receivers (as the receivers over the Sale Shares and as the agent of HK Guoxin)

The Offeror (as the purchaser of the Sale Shares)

Number of

Sale Shares: 2,112,395,735

Consideration: HK\$350,000,000

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Receivers agreed to sell the Sale Shares and the Offeror agreed to purchase the Sale Shares free from encumbrance and with all rights and benefits attaching to them, including all rights to receive any dividend or other distribution paid, declared or made on or after the Sale and Purchase Completion.

Consideration

The Consideration (equivalent to approximately HK\$0.166 per Sale Share) was determined after arm's length negotiations between the Offeror and the Receivers, after taking into account of the latest closing price of the Shares before entering into of the Sale and Purchase Agreement, the listing status of the Company and the fact that the Offeror is able to obtain the controlling stake in the Company.

The Consideration was payable by the Offeror to the Receivers in cash as follows:

- (a) the Deposit applied towards the Consideration upon the Sale and Purchase Completion; and
- (b) the balance of HK\$340,000,000 paid on the Sale and Purchase Completion in cash in accordance with the terms and conditions of the Sale and Purchase Agreement.

The Sale and Purchase Completion

The Consideration was settled by the internal resources of the Offeror. The Sale and Purchase Completion took place on 21 June 2019 and the entire Consideration was paid upon the Sale and Purchase Completion.

Shareholding structure of the Company

The table below sets out the shareholding structure of the Company (i) immediately prior to the Sale and Purchase Completion; and (ii) immediately upon the Sale and Purchase Completion and as at the date of this announcement (but before the unconditional mandatory cash general offer was made), based on the publicly available information:

	Immediately before the Sale and Purchase Completion		Immediately after the Sale and Purchase Completion and as at the date of this announcement (but before the unconditional mandatory cash general offer was made)	
	<i>Number of shares</i>	<i>Percentage of shareholding approximately (%)</i>	<i>Number of shares</i>	<i>Percentage of shareholding approximately (%)</i>
HK Guoxin	2,112,395,735	74.93	–	–
The Offeror and parties acting in concert with it	–	–	2,112,395,735	74.93
Public Shareholders	706,706,349	25.07	706,706,349	25.07
Total	2,819,102,084	100.0	2,819,102,084	100.0

C. UNCONDITIONAL MANDATORY CASH GENERAL OFFER FOR SHARES

Immediately prior to the Sale and Purchase Completion, the Offeror and parties acting in concert with it did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately after the Sale and Purchase Completion and as at the date of this announcement, the Offeror and the parties acting in concert with it are interested in 2,112,395,735 Shares, representing approximately 74.93% of the total issued share capital of the Company.

As such, the Offeror is required to make an unconditional mandatory cash general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this announcement, the Company has 2,819,102,084 Shares of par value of HK\$0.05 each in issue and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), based on the publicly available information.

Principal terms of the Offer

Guotai Junan Securities, for and on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer

For every Offer Share accepted under the Offer HK\$0.166 in cash

The Offer Price is determined at a price approximately equal to but not lower than the purchase price per Sale Share under the Sale and Purchase Agreement which was arrived at after arm's length negotiations between the Offeror and the Receivers.

The Offer will be unconditional in all respects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Based on the publicly available information, the Company does not have any outstanding warrants, options, derivatives or securities convertible into Shares and the Company has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company which are convertible or exchangeable into Shares as at the date of this announcement.

Total consideration of the Offer

As at the date of this announcement, there are 2,819,102,084 Shares in issue. Assuming that there is no change in the issued shares capital of the Company and on the basis of the Offer Price at HK\$0.166 per Share, the entire issued share capital of the Company is valued at approximately HK\$467,970,945.9.

The total consideration of the Offer would be approximately HK\$117,313,254 based on the Offer Price, which will be the maximum amount payable by the Offeror under the Offer in the event that the Offer is accepted in full.

The Offer will extend to all Shares in issue other than those Shares held by the Offeror and persons acting in concert with it on the date on which the Offer is made, being the date of the Offer Document.

Comparison of value

The Offer Price of HK\$0.166 represents:

- (i) a premium of approximately 17.73% over the closing price of HK\$0.141 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 47.95% over the average of the closing prices as quoted on the Stock Exchange for the 5 consecutive Trading Days up to and including the Last Trading Day of approximately HK\$0.1122 per Share;
- (iii) a premium of approximately 45.49% over the average of the closing prices as quoted on the Stock Exchange for the 10 consecutive Trading Days up to and including the Last Trading Day of approximately HK\$0.1141 per Share;

- (iv) a premium of approximately 28.38% over the average of the closing prices as quoted on the Stock Exchange for the 30 consecutive Trading Days up to and including the Last Trading Day of approximately HK\$0.1293 per Share;
- (v) a premium of approximately 137.82% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.0698 per Share (based on the total number of issued Shares as at the date of this announcement) as at 31 December 2018, being the date to which the latest published audited financial results of the Group were made up.

Highest and lowest Share prices

During the six-month period preceding the date of this announcement and the period up to and including the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.27 on 1 March 2019, 13 March 2019 and 14 March 2019;
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.102 on 17 June 2019.

Confirmation of financial resources available for the Offer

The Offeror intends to settle the entire consideration payable under the Offer from internal resources. Guotai Junan Capital, as the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person to the Offeror that all Offer Shares to be sold by such person under the Offer are fully paid and free from all liens, charges, options, claims, encumbrances, adverse interests, pre-emptive rights and all third party rights of any nature together with all rights attached thereto as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive all dividends and other distributions recommended or declared, if any, paid or made on or after the date on which the Offer is made, being the date of posting of the Offer Document by or on behalf of the Offeror in respect of the Offer.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the higher of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer will be deducted from the amount payable by the Offeror to such person on acceptance of the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Settlement

Settlement of the considerations for the Offer Shares will be made in cash as soon as possible but in any event within seven Business Days of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent acting on behalf of it) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Dealing and interests in the Company's securities

None of the Offeror and parties acting in concert with it has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six-month period preceding the date of this announcement and the period up to and including the date of this announcement save for the Sale and Purchase Agreement to which the Offeror or a party acting in concert with it is a party.

Overseas Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders of the Offer Shares, including the Overseas Shareholders. The availability of the Offer to the Overseas Shareholders may be subject to, or limited by, the laws and regulations of their respective jurisdictions which they reside. Overseas Shareholders should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

If the receipt of the Offer Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Offer Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers in case of any doubt.

Other arrangements

The Offeror confirms that as at the date of this announcement:

- (i) save for the Sale Shares held by the Offeror, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them holds, owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;
- (iii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iv) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offer;
- (v) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or condition to the Offer; and
- (vi) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the offer.

The Offeror confirms that as at the date of this announcement that save for the Sale and Purchase Agreement, (1) there is no agreement or arrangement which constitutes a special deal under Rule 25 of the Takeovers Code between the Offeror and the parties acting in concert with it on one hand and each of the Receivers, Clever Robust, HK Guoxin and their respective parties acting in concert on the other hand; and (2) there is no other consideration or benefit in whatever form paid or payable by the Offeror and parties acting in concert with it to each of the Receivers, Clever Robust, HK Guoxin and their respective parties acting in concert.

Intention of the Offeror in relation to the Group

The Offeror intends that the Group will continue to operate its existing business. Upon completion of the Offer, the Offeror will conduct a detailed review of its business and operations in order to formulate a long-term strategy for the Group and explore other business opportunities for enhancing its future development and strengthening its revenue bases. As at the date of this announcement, the Offeror has not identified such investment or business opportunities.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for the proposed change of the Board composition as detailed in the section sub-headed “Proposed change to the Board composition of the Company” below) or to dispose of or re-allocate the Group’s assets other than those in its ordinary course of business of the Group.

Proposed Change to the Board Composition of the Company

As at the date of this announcement, the Board consists of Mr. Chen Meng, Mr. Zhou Chen; Mr. Li Feng Mao; Mr. Wang Song Ling, Mr. Gao Han and Mr. Chow Chi Ping. The Offeror will nominate new Directors to facilitate the business operation, management and strategy of the Group. Any of such appointments of new Directors will be made in compliance with the Takeovers Code and the Listing Rules and may take effect on or after the earliest day permitted under the Takeovers Code, which is the date immediately after the Offer Document is posted. Details of the Directors will be set out in the Offer Document. Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcements will be made as and when appropriate.

Maintaining the listing status of the Company

The Offeror intends the issued Shares to remain listed on the Stock Exchange upon the close of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

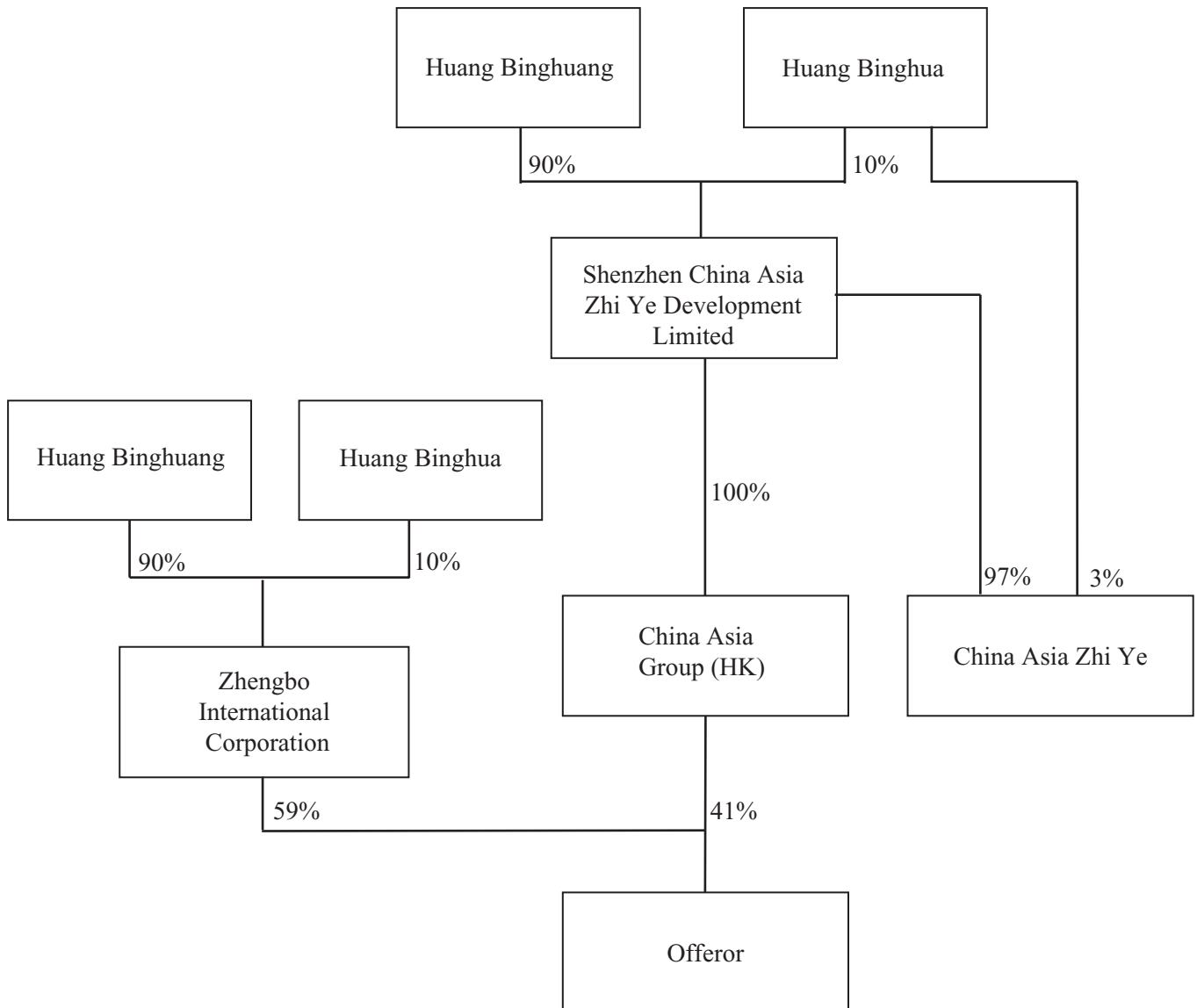
then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.

The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer.

In this connection, in the event that the public float of the Company falls below 25% upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the Listing Rules can be met. Appropriate announcement(s) will be made in this regard as and when appropriate in compliance with the Listing Rules.

D. INFORMATION ON THE OFFEROR

Below is the shareholding structure of the Offeror as at the date of this Announcement:



The Offeror is a company incorporated in Hong Kong with limited liability, and is an investment holding company ultimately and beneficially owned as to 90% by Mr. Huang Binghuang and as to 10% by Mr. Huang Binghua; and Mr. Huang Binghuang, Mr. Huang Binghua and Ms. Wang are the directors of the Offeror as at the date of this announcement.

The Offeror is owned as to 41% by China Asia Group (HK) and 59% by Zhengbo International Corporation. Zhengbo International Corporation is owned as to 90% by Mr. Huang Binghuang and as to 10% by Mr. Huang Binghua. China Asia Group (HK) is wholly owned by Shenzhen China Asia Zhi Ye Development Limited, which in turn is owned as to 90% by Mr. Huang Binghuang and as to 10% by Mr. Huang Binghua.

Shenzhen China Asia Zhi Ye Development Limited is the parent company of China Asia Zhi Ye which is principally engaged in real estate development, property management, high-tech research and development, property leasing, business planning and management, exhibition planning and information consulting services.

Mr. Huang Binghuang is the chief executive officer of China Asia Zhi Ye.

Mr. Huang Binghua is the legal representative of China Asia Zhi Ye and Shenzhen China Asia Zhi Ye Development Limited. Mr. Huang Binghuang and Mr. Huang Binghua are brothers.

Ms. Wang is the chief executive officer of China Asia Zhi Ye.

The board of directors of Zhengbo International Corporation consists of Mr. Huang Binghuang and Mr. Huang Binghua; the board of directors of China Asia Group (HK) consists of Mr. Huang Binghuang, Mr. Huang Binghua and Ms. Wang; the board of directors of Shenzhen China Asia Zhi Ye Development Limited consists of Mr. Huang Binghuang, Mr. Huang Binghua and Mr. Huang Zhi.

E. GENERAL

Rule 8.2 of the Takeovers Code

In accordance with Rule 8.2 of the Takeovers Code, the Offer Document is required to be posted by or on behalf of the Offeror within 21 days of the date of this announcement. Pursuant to the Takeovers Code, the Company is required to send a response document to the Shareholders within 14 days from the posting the Offer Document, unless the Executive consents to a later date and the Offeror agrees to extend the first closing date.

Dealing disclosure

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, shareholders of the Company having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING: SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITIONS, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“associate”	has the meaning ascribed thereto under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks are generally open for business in Hong Kong, other than Saturdays, Sundays and public holidays and/or a day on which the Stock Exchange is open for the transaction of business
“China Asia Group”	Shenzhen China Asia Zhi Ye Development Limited and its subsidiaries, including but not limited to China Asia Zhi Ye
“China Asia Group (HK)”	China Asia Group (HK) Limited, a company incorporated in Hong Kong, is wholly owned by Shenzhen China Asia Zhi Ye Development Limited
“China Asia Zhi Ye”	China Asia Zhi Ye Group Limited Company* (中亞置業集團有限公司), a company incorporated in the PRC, is owned as to 97% by Shenzhen China Asia Zhi Ye Development Limited
“Clever Robust”	Clever Robust Limited, a company incorporated in the British Virgin Islands
“Company”	China Graphene Group Limited (stock code: 63), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Consideration”	the aggregate consideration for the sale and purchase of the Sale Shares in a sum of HK\$350,000,000 under the Sale and Purchase Agreement
“Deed of Appointment”	the deed of appointment dated 20 December 2018 executed by Clever Robust to appoint the Receivers as joint and several receivers and managers of the Sale Shares
“Director(s)”	the director(s) of the Company

“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“Guotai Junan Capital”	Guotai Junan Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity as defined in the SFO
“Guotai Junan Securities”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined in the SFO
“HK Guoxin”	HK Guoxin Investment Group Limited (Receivers appointed pursuant to the Share Charge over the charged securities (as defined in the Share Charge) including the Sale Shares beneficially owned by it), and is wholly owned by Mr. Li Feng Mao, being a director of the Company as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders other than the Offeror and the parties acting in concert with it
“Last Trading Day”	20 June 2019, being the last trading day for the Shares immediately prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a term loan in the principal amount of HK\$350,000,000 granted by Clever Robust to HK Guoxin under the Loan Agreement
“Loan Agreement”	a loan agreement dated 11 December 2017 entered into between HK Guoxin as borrower and Clever Roust as lender for granting the Loan
“Mr. Huang Binghuang”	Mr. Huang Binghuang* (黃炳煌), the ultimate controlling shareholder of the Offeror
“Mr. Huang Binghua”	Mr. Huang Binghua* (黃炳華), the brother of Mr. Huang Binghuang and indirectly holds a minority interest in the Offeror

“Mr. Huang Zhi”	Mr. Huang Zhi* (黃志), the son of Mr. Huang Binghuang
“Ms. Wang”	Ms. Wang Lijiao* (王麗姣), the chief financial officer of China Asia Zhi Ye
“Offer Document”	the offer document to be issued by or on behalf of the Offeror to all Shareholders in accordance with the Takeovers Code containing, inter alia, details of the Offer
“Offeror”	Zhonghan International Holdings Group Limited, a company incorporated in Hong Kong, is owned as to 41% by China Asia Group (HK) and 59% by Zhengbo International Corporation
“Offer Price”	the price at which the Offer will be made, being HK\$0.166 per Share
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer”	the unconditional mandatory cash general offer to be made by Guotai Junan Securities on behalf of the Offeror for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
“Overseas Shareholder(s)”	Independent Shareholder(s) whose addresses as shown on the register of members of the Company are outside Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Receivers”	Osman Mohammed Arab and Lai Wing Lun, both of RSM Corporate Advisory (Hong Kong) Limited, the joint and several receivers and managers over the Sale Shares of HK Guoxin and the agent and lawful attorney of HK Guoxin
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 June 2019 entered into between the Receivers and the Offeror in respect of the sale and purchase of the Sale Shares
“Sale and Purchase Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement

“Sale Shares”	an aggregate of 2,112,395,735 Shares, beneficially owned by HK Guoxin and charged in favour of Clever Robust
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shares”	the ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Charge”	the share charge dated 11 December 2017 executed by HK Guoxin in favour of Clever Robust in respect of Sale Shares
“Shenzhen China Asia Zhi Ye Development Limited”	Shenzhen China Asia Zhi Ye Development Limited Company* (深圳市中亞實業發展有限公司), a company incorporated in the PRC, is owned as to 90% by Mr. Huang Binghuang and as to 10% by Mr. Huang Binghua
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Trading Day”	a day when the Stock Exchange is open for trading in Hong Kong
“Zhengbo International Corporation”	Zhengbo International Corporation, a company incorporated in the British Virgin Islands, is owned as to 90% by Mr. Huang Binghuang and as to 10% by Mr. Huang Binghua
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the board of directors
Zhongan International Holdings Group Limited
Huang Binghuang
Director

Hong Kong, 21 June 2019

As at the date of this announcement, Mr. Huang Binghuang, Mr. Huang Binghua and Ms. Wang Lijiao are the directors of the Offeror.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The information relating to the Group in this announcement has been extracted from or based on the published information relating to the Group, including its annual report for the year ended 31 December 2018. The only responsibility accepted by the directors of the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.

** For identification purposes only*