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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)

**DESPATCH OF RESPONSE DOCUMENT RELATING TO UNCONDITIONAL
MANDATORY GENERAL CASH OFFER BY GUOTAI JUNAN
SECURITIES (HONG KONG) LIMITED FOR AND ON BEHALF OF
ZHONGHAN INTERNATIONAL HOLDINGS GROUP LIMITED TO
ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE
ALREADY OWNED OR AGREED TO BE ACQUIRED BY
ZHONGHAN INTERNATIONAL HOLDINGS GROUP LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to China Graphene Group Limited



Wilson International Capital Limited

Reference is made to the announcement of Zhonghan International Holdings Group Limited (the “**Offeror**”) dated 21 June 2019, the clarification announcement of the Offeror dated 4 July 2019 and the announcement of the Company dated 2 July 2019 in relation to, among others, the unconditional mandatory general cash offer (the “**Offer**”) to be made by Guotai Junan Securities (Hong Kong) Limited for and on behalf of the Offeror to acquire all the issued shares in the Company (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 Hong Kong Code of Takeovers and Mergers (the “**Takeovers Code**”).

Reference is also made to the offer document issued by the Offeror dated 12 July 2019 in relation to the Offer and the response document (the “**Response Document**”) issued by the Company dated 26 July 2019 in relation to the Offer. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Response Document.

DESPATCH OF THE RESPONSE DOCUMENT

The Response Document setting out, among other things, information relating to the Group and the Offer, the letter from the Board, the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer, the advice from the Independent Financial Adviser to the Independent Board Committee on the Offer and the property valuation report issued by the Independent Property Valuer has been despatched to the Shareholders on 26 July 2019 in accordance with the Takeovers Code.

Shareholders of the Company should read carefully the advice, opinion, financial information of the Group and other information contained in the Response Document, including the recommendation from the Independent Board Committee, the advice from the Independent Financial Adviser and the property valuation report issued by the Independent Property Valuer before deciding whether or not to accept the Offer.

Notwithstanding the advice, opinion, financial information of the Group and other information contained in the Response Document, the Independent Shareholders are strongly advised that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

By order of the Board
China Graphene Group Limited
Chow Chi Ping
Independent non-executive Director

Hong Kong, 26 July 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.

The directors of the Company (except Mr. Li Feng Mao and Mr. Wang Song Ling for the reasons stated below) jointly and severally accept full responsibility for the accuracy of 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.

Mr. Li has been in disagreement with the Board and has refused to respond and give confirmation as to the accuracy and completeness of the information contained in the document required to be issued by the Company in relation to the Offer whereas no effective response has been received from Mr. Wang by the Company as at and following the date of formation of the Independent Board Committee which is why he is not in the Independent Board Committee although the Board has used its best endeavors to do so. As such, an application has been made to the Executive pursuant to Rule 9.4 of the Takeovers Code to exclude Mr. Li and Mr. Wang from the responsibility statement contained in any documents to be issued by the Company in relation to the Offer. The Executive has granted such consent.