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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Graphene Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) REQUISITION RECEIVED FOR
PROPOSED APPOINTMENT OF DIRECTORS AND
PROPOSED GENERAL MANDATES;
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A notice convening a special general meeting of China Graphene Group Limited to be held at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Monday, 30 September 2019 at 4:00 p.m. is set out on pages 16 to 19 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the SGM or any adjourned meeting should you so wish.

30 August 2019

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company currently in force with any amendments thereto from time to time
“Companies Act”	the Companies Act of 1981 of Bermuda
“Company”	China Graphene Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 August 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Appointment”	the proposed appointment (i) Mr. Huang Binghuang, Ms. Xia Ping and Ms. Wang Lijiao as Directors; and (ii) Mr. Lum Pak Sum as independent non-executive Directors as set out in the Requisition Notice
“Proposed General Mandates”	the proposed general mandates to the granted to the Shareholders to allot, issue and deal with additional Shares and repurchase Shares
“Requisition”	the requisition for the convening of a special general meeting of the Company for the purposes of, among other matters, the Proposed Appointment and the Proposed General Mandates as set out in the Requisition Notice

DEFINITIONS

“Requisition Notice”	a written requisition dated 6 August 2019 from the Requisitioning Shareholder to the Company
“Requisitioning Shareholder”	Zhonghan International Holdings Group Limited, the controlling shareholder of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be held at 4:00 p.m. on Monday, 30 September 2019 at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong for the Shareholders to consider and, if thought fit, approve the resolutions contained in the notice of the meeting which is set out on pages 16 to 19 of this circular, or any adjournment thereof
“Share(s)”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



CHINA GRAPHENE GROUP LIMITED

中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

Executive director:

Mr. Zhou Chen

Independent non-executive directors:

Mr. Gao Han

Mr. Chow Chi Ping

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of

business in Hong Kong:

Rooms 1908-1916

19/F., Sun Hung Kai Centre

30 Harbour Road, Wanchai

Hong Kong

30 August 2019

To the Shareholders

Dear Sir or Madam,

**(1) REQUISITION RECEIVED FOR
PROPOSED APPOINTMENT OF DIRECTORS; AND
PROPOSED GENERAL MANDATES;
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 28 August 2019 in relation to the Requisition.

The purpose of this circular is to provide you with further information regarding the Requisition in respect of, inter alia, the Proposed Appointment and the Proposed General Mandate, and to give you notice of the SGM.

LETTER FROM THE BOARD

REQUISITION FROM SHAREHOLDER

As set out in the announcement of the Company dated 28 August 2019, the Company received the Requisition Notice from the Requisitioning Shareholder, requisitioning for a special general meeting of the Company to be convened for the purpose of considering and passing, inter alia, the following ordinary resolutions:

1. **THAT** any director appointed to the Board during the period from 6 August 2019 to the date of the SGM be and is hereby removed as a director of the Company with immediate effect upon passing of this resolution;
2. **THAT** Mr. Huang Binghuang (黃炳煌) be appointed as a director of the Company with immediate effect upon passing of this resolution;
3. **THAT** Ms. Xia Ping (夏萍) be appointed as a director of the Company with immediate effect upon passing of this resolution;
4. **THAT** Ms. Wang Lijiao (王麗姣) be appointed as a director of the Company with immediate effect upon passing of this resolution;
5. **THAT** Mr. Lum Pak Sum (林柏森) be appointed as an independent non-executive director of the Company with immediate effect upon passing of this resolution;
6. **THAT:**
 - (a) Subject to paragraph 6(c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
 - (b) The approval in paragraph 6(a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
 - (c) The aggregate number of shares of Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph 6(a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of the subscription rights under the share option scheme or similar arrangement adopted by the Company; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants or any securities, which carry rights to subscribe for or are convertible into shares of the Company, issued by the Company; or (iv) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time

LETTER FROM THE BOARD

shall not exceed 20% of the aggregate number of issued Shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

(d) For the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) The conclusion of the next annual general meeting of the Company;
- (ii) The expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) The revocation or variation of this resolution by an ordinary resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).

7. THAT:

(a) Subject to paragraph 7(b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;

(b) The aggregate number of shares of the Company repurchased by the Company pursuant to the approval in paragraph 7(a) during the Relevant Period shall not exceed 10% of the aggregate number of issued Shares of the Company in issue as at the date of passing of this resolution and the said approval be limited accordingly; and

(c) For the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) The conclusion of the next annual general meeting of the Company;

LETTER FROM THE BOARD

- (ii) The expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
 - (iii) The revocation or variation of this resolution by an ordinary resolution of the members of the Company in general meeting;
8. **THAT** conditional upon resolution nos. 6 and 7 above being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 7 above shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 6 above.

It is stated in the Requisition Notice that the Requisitioning Shareholder is “a registered shareholder of the Company holding, as of the date of the Requisition Notice, an aggregate of 2,112,425,891 Shares, representing 74.93% of the paid up share capital of the Company”. Based on the register of members of the Company, the Requisitioning Shareholder is the registered holder of 2,112,425,891 Shares as at the date of Requisitioning Notice.

RELEVANT PROVISIONS UNDER THE COMPANIES ACT AND THE BYE-LAWS

Pursuant to section 74 of the Companies Act, the directors of a Bermuda company shall, on the requisition of members of the company holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the company as at the date of the deposit carries the right of voting at general meetings of the company, forthwith proceed duly to convene a special general meeting of the company.

Pursuant to Bye-law 58, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so accordance with section 74 of the Companies Act.

Pursuant to Bye-law 88, no person other than a retiring Director shall be eligible for election as a Director at any general meeting, unless recommended by the Directors for election, or proposed by a notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election. Bye-law 88 further provides that the notice of proposal shall be accompanied by a Notice signed by the person to be proposed of his willingness to be elected and shall have been lodged at the head office or such place as the

LETTER FROM THE BOARD

Board may from time to time determine to keep a branch register of the Shareholders provided that the minimum length of the period, during which such notice is given, shall be at least seven (7) days.

PROPOSED APPOINTMENT OF DIRECTORS

The Requisition Notice did not set out any reasons and/or grounds for the Proposed Appointment. Nor did the Requisition Notice include any notice signed by any proposed director indicating his/her willingness to be elected to the office of director of the Company. Accordingly, the Board is not able to provide the Shareholders with any reasons and/or grounds in respect of the Proposed Appointment for consideration.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting. Details of the proposed Directors, which have been reproduced from and are solely based upon the information provided by the Requisitioning Shareholder in the Requisition Notice, are set out in Appendix I to this circular.

Shareholders should note that the details of the proposed Directors as set out in the Appendix to this circular have been reproduced from and are solely based upon the information provided by the Requisitioning Shareholder in the Requisition Notice. The Board has not verified the particulars of the proposed Directors stated in Appendix I to this circular. Accordingly no recommendation has been made by the Board or the nomination committee of the Company with regard to the Proposed Appointment. Further, the Board is not in a position to comment on whether there is any matter regarding the Proposed Appointment that needs to be brought to the attention of the Shareholders pursuant to Rule 13.51(2) of the Listing Rules in relation to each of the proposed Directors.

The Requisition Notice also proposed ordinary resolutions for removal of certain persons as Directors. However, those Directors proposed to be removed have resigned with effect from 23 August 2019 and therefore those proposed ordinary resolutions are no longer applicable. For details, please refer to the announcement of the Company dated 28 August 2019.

PROPOSED GENERAL MANDATES

The general mandates granted to the Directors to allot, issue and deal with additional Shares and repurchase Shares during the annual general meeting of the Company held on 29 May 2018 have expired and no new general mandates were granted during the annual general meeting of the Company held on 28 June 2019. As at the Latest Practicable Date, there was no general mandate to the Directors to allot, issue and deal with additional Shares nor repurchase Shares.

LETTER FROM THE BOARD

The Requisition Notice proposed the Proposed General Mandates to be granted at the SGM:

- (a) to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of issued Shares, which is equivalent to issue a maximum of 563,820,416 Shares, assuming that there is no change in the aggregate number of issued Shares from the Latest Practicable Date and up to the date of the SGM, at the date of the passing of such resolutions; and
- (b) to repurchase Shares subject to the maximum number of Shares of up to 10% of the aggregate number of issued Shares, which is equivalent to a maximum of 281,910,208 Shares, assuming there is no change in the aggregate number of issued Shares from the Latest Practicable Date up to the date of the SGM, at the date of passing of such resolution.

The Proposed General Mandates, if granted, will remain in effect until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of Bermuda to be held; (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

Subject to and conditional on the passing of the resolution to grant the Proposed General Mandates, an ordinary resolution will be proposed at the SGM to extend the issue mandate by the addition to the aggregate number of issued Shares, which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandates, the number of Shares repurchased by the Company pursuant to the repurchase mandate, provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares on the date of passing the resolution for approving the issue mandate.

SGM

The notice of the SGM is set out on pages 16 to 19 of this circular. At the SGM, resolutions will be proposed to approve, the Proposed Appointment and the Proposed General Mandates. Voting on the resolutions at the SGM will be conducted by poll.

For the purpose of ascertaining Shareholders who are entitled to attend and vote at the SGM or any adjournment thereof, the register of members of the Company will be closed from Wednesday, 25 September 2019 to Monday, 30 September 2019, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the SGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 24 September 2019.

LETTER FROM THE BOARD

Whether or not you are able to attend the SGM, you are required to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

Pursuant to Bye-law 66, any vote of the Shareholders at the general meetings must be taken by poll. Accordingly, all the proposed resolutions at the SGM will be put to vote by way of poll.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

By Order of the Board of
China Graphene Group Limited
Chow Chi Ping
Independent Non-executive Director

APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS PROVIDED BY THE REQUISITIONING SHAREHOLDER

Particulars of the individuals proposed to be appointed as Directors as provided by the Requisitioning Shareholder are set out below. Such particulars have been reproduced from and are solely based upon the information provided by the Requisitioning Shareholder in the Requisition Notice and have not been verified by the Board.

PROPOSED DIRECTORS

Mr. Huang Binghuang (黃炳煌) (“**Mr. Huang**”), aged 47, is the chief executive officer of China Asia Zhi Ye. Mr. Huang is the directors of the Offeror, Zhengbo International Corporation, China Asia Group (HK), Shenzhen China Asia Zhi Ye and China Asia Zhi Ye. Mr. Huang served as an executive director of Grand Field Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 115) during the period from 5 February 2007 to 6 October 2008 and as the chief executive officer and chief operation officer during the period from April 2007 to 6 October 2008. Mr. Huang was appointed as a member of the Tenth Committee of the Chinese People’s Political Consultative Conference of Jiangxi Province* (中國人民政治協商會議江西省第十屆委員會), the special representative of overseas Chinese and Hong Kong, Macao and Taiwan of the Eleventh Chinese People’s Political Consultative Conference of Jiangxi Province* (政協江西省第十一屆委員會特邀海外僑胞和港澳台代表) and the Dean and Consultant of Market Economy Academy, Peking University.

As at the date of the Requisition Notice, save as disclosed above, Mr. Huang does not hold any other position with the Group. Mr. Huang has not held any directorship in any listed public company in the last three years or any other major appointments and professional qualifications. Mr. Huang does not have any relationship with any directors, senior management, substantial shareholders of controlling shareholders (as defined in the Listing Rules) of the Company and other members of the Group. As at the date of Requisition Notice, Mr. Huang is deemed to be interested in 2,112,425,891 shares of the Company held by the Requisitioning Shareholder within the meaning of Part XV of the SFO. There is no matter relating to the appointment of Mr. Huang that needs to be brought to the attention of the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of the Rules 13.51(2)(h) to (v) of the Listing Rules.

Ms. Xia Ping (夏萍) (“**Ms. Xia**”), aged 47, graduated from the China Central Radio and TV University* (中央廣播電視大學) in the PRC majoring in Chinese Language and Literature in 2005 and obtained the qualification of intermediate accountant issued by the Ministry of Finance of the PRC in 2006. She is the executive president of Shenzhen Haogang Zhongya Electronic City Group Co., Ltd* (深圳市崗中亞電子城集團股份有限公司). Besides, Ms. Xia also acts as an executive director of Zhongya Daye Industrial Park Management Co., Ltd* (中亞大冶產業園管理有限公司), a director of Shenzhen Zhongya Film Industry Co., Ltd* (深圳市中亞影視產業有限公司) and a supervisor of Shenzhen Zhongya Film Industry Co., Ltd* (中亞視界科技(深圳)有限公司).

As at the date of the Requisition Notice, save as disclosed above, Ms. Xia does not hold any other position with the Company and other members of the Group. Ms. Xia has not held any directorship in any listed public company in the last three years or any other major appointments and professional qualifications. Ms. Xia does not have any relationship with

APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS PROVIDED BY THE REQUISITIONING SHAREHOLDER

any directors, senior management, substantial shareholders of controlling shareholders (as defined in the Listing Rules) of the Company and other members of the Group. Ms. Xia does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no matter relating to the appointment of Ms. Xia that needs to be brought to the attention of the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of the Rules 13.51(2)(h) to (v) of the Listing Rules.

Ms. Wang Lijiao (王麗姣) (“**Ms. Wang**”), aged 38, is the director of the Offeror and China Asia Group (HK). She has served as the chief financial officer of China Asia Zhi Ye since 8 April 2008.

As at the date of the Requisitioning Notice, save as disclosed above, Ms. Wang does not hold any other position with the Company and other members of the Group. Ms. Wang has not held any directorship in any listed public company in the last three years or any other major appointments and professional qualifications. Ms. Wang does not have any relationship with any directors, senior management, substantial shareholders of controlling shareholders (as defined in the Listing Rules) of the Company and other members of the Group. Ms. Wang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no matter relating to the appointment of Ms. Wang that needs to be brought to the attention of the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of the Rules 13.51(2)(h) to (v) of the Listing Rules.

PROPOSED INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lum Pak Sum (林柏森) (“**Mr. Lum**”), aged 58, has been a fellow member of the Hong Kong Institute of Certified Public Accountants and The Chartered Association of Certified Accountants UK since 1996 and 1993 respectively. He obtained a master’s degree in business administration from The University of Warwick in 1994 and a bachelor’s degree in laws from University of Wolverhampton in 2002. Mr. Lum has been the independent non-executive director of Great China Properties Holdings Limited (formerly known as Waytung Global Group Limited and Beauforte Investors Corporation Limited) (stock code: 0021), a company listed on the Stock Exchange, since August 2007; independent non-executive director of i-Control Holdings Limited (stock code: 8355), a company listed on the Stock Exchange, since May 2015; independent non-executive director of Kwan On Holdings Limited (stock code: 1559), a company listed on the Stock Exchange, since August 2016; independent non-executive director of Anxian Yuan China Holdings Limited (stock code: 0922), a company listed on the Stock Exchange, since May 2017; independent non-executive director of S. Culture International Holdings Limited (stock code: 1255), a company listed on the Stock Exchange, since June 2017; and has been a non-executive director of Sunway International Holdings Limited (stock code: 0058), a company listed on the Stock Exchange, since May 2019. Mr. Lum was an independent non-executive director of Yuhua Energy Holdings Limited (stock code: 2728), a company listed on the Stock Exchange, from December 2014 to April 2019; independent non-executive director of Beautiful China Holdings Company Limited (stock code: 0706), a company listed on the

**APPENDIX I BIOGRAPHICAL DETAILS OF THE PROPOSED DIRECTORS
PROVIDED BY THE REQUISITIONING SHAREHOLDER**

Stock Exchange, from January 2014 to August 2018; independent non-executive director of Pearl Oriental Oil Limited (stock code: 0632), a company listed on the Stock Exchange, from December 2017 to June 2018.

As at the date of the Requisitioning Notice, save as disclosed above, Mr. Lum does not hold any other position with the Company and other members of the Group. Mr. Lum has not held any directorship in any listed public company in the last three years or any other major appointments and professional qualifications. Mr. Lum does not have any relationship with any directors, senior management, substantial shareholders of controlling shareholders (as defined in the Listing Rules) of the Company and other members of the Group. Mr. Lum does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. There is no matter relating to the appointment of Mr. Lum that needs to be brought to the attention of the shareholders of the Company nor any information that needs to be disclosed pursuant to the requirements of the Rules 13.51(2)(h) to (v) of the Listing Rules.

The following explanatory statement contains the information required to be provided to all Shareholders pursuant to Rule 10.06 of the Listing Rules relating to the resolution to be proposed at the SGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the total number of issued Shares of the Company was 2,819,102,084 Shares. Subject to the passing of the ordinary resolution approving the general mandate to repurchase shares (the “Repurchase Mandate”) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 281,910,208 Shares (being 10% of the Shares in issue) during the period up to (i) the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of Bermuda to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in a general meeting of the Company, whichever occurs first.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares. The Requisitioning Shareholder did not provide any reason for proposing the Repurchase Mandate.

3. FUNDING OF REPURCHASES

The Company is empowered by its Bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of the fund of the Company that would otherwise be legally available for dividend or distribution or out of the share premium accounts of the Company for such purpose under the laws of Bermuda. Under Bermuda law, the shares so repurchased will be treated as cancelled but the total number of authorised Shares will not be reduced so that the shares may be subsequently re-issued. In addition, the Company Act 1981 of Bermuda (as amended) provides that a company may not repurchase its shares if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the Company is, or after the repurchase would be, unable to pay its liabilities as they become due.

4. IMPACT ON WORKING CAPITAL OR GEARING LEVEL

As compared with the financial position of the Company as disclosed in its most recent published audited consolidated accounts as at 31 December 2018, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed Repurchase Mandate were to be exercised in full

during the proposed purchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the repurchase proposal is granted by the Shareholders, to sell any Shares to the Company or its subsidiaries.

The Directors have not received any notification from any connected person (as defined in the Listing Rules) of a present intention to sell any Shares to the Company or its subsidiaries, or has undertaken not to do so in the event that the Repurchase Mandate is granted by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power to make repurchases of Shares pursuant to the Repurchase Mandate and in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the Bye-laws.

7. EFFECT OF TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by, the Directors, the Requisitioning Shareholder (i.e. Zhonghan International Holdings Group Limited) was interested in approximately 74.93% of the issued share capital of the Company.

Assuming that the Requisitioning Shareholder will not dispose of its interests in the Shares nor will it acquire additional Shares, if the Repurchase Mandate was exercised in full, the percentage shareholding of the Requisitioning Shareholder would be increased to approximately 83.25% of the issued share capital of the Company.

On the basis of the shareholding interests of the Requisitioning Shareholder in the Company, an exercise of the Repurchase Mandate in full would not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed

above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert, who may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

9. SHARE PRICES

During each of the previous twelve months, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

Months	Per Share	
	Highest HK\$	Lowest HK\$
2018		
August	0.310	0.221
September	0.285	0.231
October	0.270	0.220
November	0.228	0.222
December	0.290	0.210
2019		
January (<i>Note</i>)	–	–
February	0.250	0.195
March	0.285	0.188
April	0.230	0.131
May	0.175	0.111
June	0.160	0.091
July	0.560	0.183
August (up to the Latest Practicable Date)	0.330	0.237

Note: Trading of Shares were suspended during the period between 31 December 2018 and 21 February 2019.

NOTICE OF SGM



CHINA GRAPHENE GROUP LIMITED

中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“**Meeting**”) of **CHINA GRAPHENE GROUP LIMITED** (“**Company**”) will be held at Suites 903-905, 9th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Monday, 30 September 2019 at 4:00 p.m. for the purpose of considering and passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. **THAT** any director appointed to the Board during the period from 6 August 2019 to the date of the SGM be and is hereby removed as a director of the Company with immediate effect upon passing of this resolution;
2. **THAT** Mr. Huang Binghuang (黃炳煌) be appointed as a director of the Company with immediate effect upon passing of this resolution;
3. **THAT** Ms. Xia Ping (夏萍) be appointed as a director of the Company with immediate effect upon passing of this resolution;
4. **THAT** Ms. Wang Lijiao (王麗姣) be appointed as a director of the Company with immediate effect upon passing of this resolution;
5. **THAT** Mr. Lum Pak Sum (林柏森) be appointed as an independent non-executive director of the Company with immediate effect upon passing of this resolution;
6. **THAT:**
 - (a) Subject to paragraph 6(c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

NOTICE OF SGM

- (b) The approval in paragraph 6(a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) The aggregate number of shares of Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph 6(a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of the subscription rights under the share option scheme or similar arrangement adopted by the Company; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants or any securities, which carry rights to subscribe for or are convertible into shares of the Company, issued by the Company; or (iv) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time shall not exceed 20% of the aggregate number of issued Shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) For the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company);

NOTICE OF SGM

7. **THAT:**

- (a) Subject to paragraph 7(b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) The aggregate number of shares of the Company repurchased by the Company pursuant to the approval in paragraph 7(a) during the Relevant Period shall not exceed 10% of the aggregate number of issued Shares of the Company in issue as at the date of passing of this resolution and the said approval be limited accordingly; and
- (c) For the purposes of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the members of the Company in general meeting;

8. **THAT** conditional upon resolution nos. 6 and 7 above being passed, the aggregate number of shares of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 7 above shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 6 above.

On behalf of the board of directors
CHINA GRAPHENE GROUP LIMITED
Chow Chi Ping
Independent Non-executive Director

Hong Kong, 30 August 2019

NOTICE OF SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Rooms 1908-1916
19/F, Sun Hung Kai Centre
30 Harbour Road, Wan Chai
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A member of the Company who is the holder of two or more Shares of the Company may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be).
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from Wednesday, 25 September 2019 to Monday, 30 September 2019, both days inclusive, for the purpose of determining the identity of shareholders who are entitled to attend and vote at the extraordinary general meeting. In order to be eligible to attend and vote at the special general meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 24 September 2019.
5. As at the date of this notice, the executive director of the Company is Mr. Zhou Chen; and the independent non-executive directors of the Company are Mr. Gao Han and Mr. Chow Chi Ping.