

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of China Graphene Group Limited nor is it a solicitation of any vote or approval in any jurisdiction.



CHINA GRAPHENE GROUP LIMITED

中國烯谷集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 63)

**ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Financial adviser to the Company



Wilson International Capital Limited

Independent Financial Adviser to the Independent Board Committee

VEDA | CAPITAL
智 略 資 本

Reference is made to the announcement published by the Company on 2 July 2019 (the “**Rule 3.2 Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Rule 3.2 Announcement.

Pursuant to Rule 2.1 and 2.8 of the Takeovers Code, an Independent Board Committee, comprising Mr. Gao Han and Mr. Chow Chi Ping, both being independent non-executive Directors, has been formed to make recommendation to the independent shareholders of the Company other than the Offeror and any parties acting in concert with it whether the Offer is fair and reasonable for acceptance or not.

According to Rule 2.1 and 2.8 of the Takeovers Code, the independent board committee should have comprised all non-executive Directors who have no direct or indirect interest in the Offer or involvement in the Offer. However:

1. Mr. Li Feng Mao, a non-executive Director, is the sole shareholder and sole director of HK Guoxin which was the sole beneficial owner of the Sale Shares before the receivership of the Sale Shares. He has conflict of interest in the Offer and was not appointed as a member of the Independent Board Committee. Mr. Li Feng Mao has been in disagreement with the Board and has refused to respond and give the Confirmation; and
2. Up to the time when the Board approves the establishment of independent board committee, no effective response has been received from Mr. Wang Song Ling, being an independent non-executive Director, by the Company although the Board has used its best endeavours to do so.

The Company has applied for, and the Executive has granted its consent, pursuant to Rule 9.4 of the Takeovers Code to exclude Mr. Li Feng Mao and Mr. Wang Song Ling from the responsibility statement contained in any documents to be issued by the Company in relation to the Offer.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company announces that Veda Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), has been appointed as the independent financial adviser of the Company (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The letter of advice from the Independent Financial Adviser to the Independent Board Committee will be included in the response document to be despatched to the shareholders of the Company.

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

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

Hong Kong, 12 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. Wong Song Ling for the reasons stated above, 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.