

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Accountant’s Report”	the report of the Reporting Accountant, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, conditionally adopted on [●], 2022 with effect from the [REDACTED], a summary of which is set out in Appendix V to this document, and as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beishan Mine”	a graphite mine located approximately 28 km northwest of Luobei County in Heilongjiang Province, the mining rights of which were obtained by us in 2019
“BGRIMM Group”	Mineral Processing Research and Design Institute of BGRIMM Technology Group Co., Ltd. (北京礦冶科技集團有限公司選礦研究設計所)
“Board” or “Board of Directors”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate
“[REDACTED]”	[REDACTED]
“Cayman Companies Act” or “Companies Act”	the Companies Act, (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

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“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this document only, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Circular 7”	the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (國稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告) issued by the State Administration of Taxation in February 2015

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“Circular 9”	the Announcement on Certain Issues Concerning the Beneficial Owners in a Tax Agreement (《關於稅收協定中“受益所有人”有關問題的公告》) issued by SAT on February 3, 2018
“Circular 13”	Circular of the SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies* (關於進一步簡化和改進直接投資外匯管理政策的通知)
“Circular 36”	the Circular of Full Implementation of Business Tax to VAT Reform (《關於全面推開營業稅改徵增值稅試點的通知》) jointly issued by MOF and SAT on March 23, 2016
“Circular 37”	Circular on Relevant Issues concerning Foreign Exchange Administration of the Overseas Investment and Financing and Return Investment Conducted by Domestic Residents through Overseas Special Purpose Vehicle* (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知)
“Civil Code”	the Civil Code of the PRC (《中華人民共和國民法典》), which was promulgated by the NPC and became effective on January 1, 2021
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	China Graphite Group Limited 中国石墨集团有限公司, an exempted company incorporated under the laws of the Cayman Islands with limited liability on August 3, 2020
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules and, in the context of this document, refers to the controlling shareholders of our Company, being Mr. Zhao and Sandy Mining Limited
“CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

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“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	a novel coronavirus (2019-nCov)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities market
“Decisions on Revision of Four Laws”	the Decisions of the SCNPC on Revising Four Laws Including the Law of the PRC on Wholly Foreign-owned Enterprises (全國人民代表大會常務委員會關於修改《中華人民共和國外資企業法》等四部法律的決定)
“Deed of Indemnity”	the deed of indemnity dated [●] given by each of our Controlling Shareholders in favor of our Company (for itself and as trustee for and on behalf of its subsidiaries), further information of which is set out in section headed “Statutory and General Information — D. Other Information — 2. Estate duty and other indemnities” in Appendix VI to this document
“Director(s)”	the director(s) of our Company
“Double Tax Avoidance Arrangement”	an Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》)
“EIT”	enterprise income tax
“EIT Law”	the Law of the PRC on Enterprise Income Tax (中華人民共和國企業所得稅法)
“EIT Regulation”	the Implementation Rules to the EIT Law (《中華人民共和國企業所得稅法實施條例》), which was issued by the State Council on December 6, 2007, became effective on January 1, 2008, and was revised on April 23, 2019

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“Environmental Laws”	the collection of major governing environmental laws and regulations in the PRC, which consists of the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was most recently amended on April 24, 2014 and became effective on January 1, 2015, the Law on the Prevention and Control of Water Pollution of the PRC (《中華人民共和國水污染防治法》), which was most recently amended on June 27, 2017 and became effective on January 1, 2018, the Law on the Prevention and Control of Air Pollution of the PRC (《中華人民共和國大氣污染防治法》), which was most recently amended and became effective on October 26, 2018, the Law on the Prevention and Control of Solid Waste Pollution of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was partially amended on April 29, 2020 and became effective on 1 September, 2020, and the Law on the Prevention and Control of Noise Pollution of the PRC (《中華人民共和國環境噪聲污染防治法》), which was promulgated on October 29, 1996 and amended on December 29, 2018
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“F&S Report”	the market research report prepared by Frost & Sullivan and commissioned by us
“Fire Protection Law”	the Fire Protection Law of the PRC (《中華人民共和國消防法》), which was promulgated by the SCNPC on April 29, 1998, last revised and became effective on April 29, 2021
“Foreign Exchange Regulation”	the Regulation of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》), which most recently amended by the State Council on August 1, 2008 and effective on August 5, 2008
“Foreign Investment Law”	the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》), which was adopted by the NPC on March 15, 2019 and came into force as on January 1, 2020, replacing the Law of Sino-Foreign Equity Joint Ventures of the PRC, the Law of the PRC on Sino-Foreign Contractual Joint Ventures, and the Law of the PRC on Wholly Foreign-owned Enterprise
“FRC”	the Financial Reporting Council of Hong Kong
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc. Shanghai Branch Co., an Independent Third Party, being a consulting firm that provides market research and analysis
“[REDACTED]”	[REDACTED]

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“[REDACTED]”	[REDACTED]
“Group”, “our Group”, “the Group”, “we” or “us”	our Company and our subsidiaries, or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the businesses which have since been acquired or carried on by them or as the case may be their predecessors
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

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“[REDACTED]”	[REDACTED]
“Housing Provident Funds Regulations”	the Regulations on Management of Housing Provident Funds (《住房公積金管理條例》), which was promulgated by the State Council, came into effect on April 3, 1999, and was amended on March 24, 2002 and March 24, 2019
“Independent Technical Consultant” or “SRK”	SRK Consulting (Hong Kong) Limited, an Independent Third Party that specialises in providing expert advice and solutions for clients requiring specialised services in the fields of mining, geotechnics, water, waste, energy and the environment
“Independent Technical Report”	the report prepared by the Independent Technical Consultant and commissioned by us, the text of which is set out in Appendix III to this document
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, to the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not a connected person of our Company
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

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“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Latest Practicable Date”	[February 20], 2022, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented or otherwise modified from time to time
“Loans”	a loan in the amount of approximately RMB47.0 million due from Yixiang Graphite to Mr. Zhao and a loan in the amount of approximately RMB26.2 million due from Yixiang New Energy to Mr. Zhao as at May 27, 2021, whose rights in both of the loans have been assigned to the WFOE
“Loan Consideration Capitalization”	the capitalization of the consideration for the assignment of the Loans in an aggregate sum of approximately RMB[REDACTED] by way of issuance of [REDACTED] new Share, credited as fully paid, by our Company to Sandy Mining Limited
“M&A Provisions”/ “M&A Rules”	the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), which was jointly promulgated by six PRC regulatory agencies, including MOFCOM, the State-Owned Assets Supervision and Administration Commission of the State Council, SAT, the State Administration for Industry and Commerce, SAFE, and China Securities Regulatory Commission on September 8, 2006, and subsequently amended by MOFCOM on June 22, 2009

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“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company, conditionally adopted on [●] with effect from the [REDACTED], a summary of which is set out in Appendix V to this document
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“Mr. Zhao”	Mr. Zhao Liang (趙亮), our chairman, executive Director, chief executive officer and one of our Controlling Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NEV(s)”	new energy vehicles
“NPC”	the National People’s Congress (全國人民代表大會)
“Occupational Diseases Prevention Law”	the Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), which was promulgated by the SCNPC on October 27, 2001, became effective on May 1, 2002, and was amended on December 31, 2011, July 2, 2016, November 4, 2017, and December 29, 2018
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

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“[REDACTED]”	[REDACTED]
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), which was issued by the SCNPC on December 29, 1993, last revised and became effective on October 26, 2018
“PRC Government” or “State”	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
“PRC Labor Contract Law”	the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), which was promulgated on June 29, 2007, became effective on January 1, 2008, and was further amended on December 28, 2012
“PRC Labor Law”	the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated on July 5, 1994, became effective on January 1, 1995, and was further amended on August 27, 2009 and December 29, 2018
“PRC Legal Advisers”	Tian Yuan Law Firm, our legal advisers as to PRC law
“PRC Social Insurance Law”	the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018
“[REDACTED]”	[REDACTED]
“Product Quality Law”	the Product Quality Law of the PRC (《中華人民共和國產品質量法》), which was issued by the SCNPC on February 22, 1993, last revised and became effective on December 29, 2018
“Regulation S”	Regulation S under the U.S. Securities Act

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“Reorganization”	the reorganization of our Group conducted in preparation for the [REDACTED], details of which are set out in the section headed “History, Reorganization and Corporate Structure” in this document
“Reporting Accountant”	PricewaterhouseCoopers
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAIC”	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局) (since March 2018 known as the State Administration for Market Regulation (國家市場監督管理總局))
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“SCNPC”	the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal or par value of HK\$0.001 each in the capital of our Company
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on [●], the principal terms of which are summarized in the section headed “Statutory and General Information — D. Other Information — 1. Share Option Scheme” in Appendix VI to this document
“Shareholder(s)”	holder(s) of the Shares from time to time
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Sole Sponsor”	Lego Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the sole sponsor of the [REDACTED]

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“[REDACTED]”	[REDACTED]
“State Council”	State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the financial years ended December 31, 2019, 2020 and 2021
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“U.S.” or “United States”	the United States of America, including its territories and possession and all areas subject to its jurisdiction
“U.S. dollar(s)” or “US\$”	United States dollar(s), the lawful currency of the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
“VAT”	value added tax
“VAT Law”	the collection of major governing laws of value-added tax in the PRC, which consists of the Interim Value-added Tax Regulations of the PRC (《中華人民共和國增值稅暫行條例》) which was amended and became effective on November 19, 2017 and the Implementing Rules for the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was amended on October 28, 2011 and became effective on November 1, 2011
“WFOE”	Beijing Yixiang Carbon Technology Company Limited* (北京溢祥烯碳科技有限公司), a limited liability company established in the PRC on November 26, 2020 and a wholly-owned subsidiary of China Graphite Holdings Group (HK) Limited

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“Yixiang Graphite”	Heilongjiang Baoquanling Farmland Yixiang Graphite Company Limited* (黑龍江省寶泉嶺農墾溢祥石墨有限公司), a company established under the laws of the PRC with limited liability on June 26, 2006 and is our indirect wholly-owned subsidiary
“Yixiang New Energy”	Heilongjiang Baoquanling Farmland Yixiang New Energy Materials Company Limited* (黑龍江省寶泉嶺農墾溢祥新能源材料有限公司), a company established under the laws of the PRC with limited liability on April 20, 2011 and is our indirect wholly-owned subsidiary
“%”	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this document are as at the Latest Practicable Date.

Unless otherwise stated, the conversion of RMB and USD into HKD in this document have been based on the exchange rates of RMB1.00 to [HK\$1.20] and US\$1.00 to HK\$7.80. No representation is made that any amounts in RMB and/or US\$ can be or could have been converted into HK\$ at the related dates at the above rates or any other rates or at all.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

The English names of PRC entities, PRC laws or regulations, and PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese marked with “” is for identification purposes only.*