

UK Blocks Chinese Graphene Asset Sale

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Britain has blocked the proposed sale of key graphene-related assets owned by Versarien Plc to a joint venture linked to China, citing national security concerns.

The decision, announced on Thursday, prevents Versarien from transferring either physical or intellectual property to Anhui Boundary Innovative Materials Technology, a Chinese-linked partner in the deal. The final order was issued by Pat McFadden, Chancellor of the Duchy of Lancaster, who said the intervention was “necessary and proportionate” to mitigate potential risks to UK security.

The proposed transaction would have involved both tangible assets and specialist know how tied to graphene production. Officials noted that such technology could be considered “dual-use,” meaning it has applications in both civilian industries and military systems, including advanced electronics, defence, and aerospace.

Versarien, a Cheltenham-based advanced materials company, has been seeking ways to offload parts of its graphene operations as it faces ongoing financial pressures. The blocked transaction underscores heightened government scrutiny of foreign involvement in

British strategic industries, particularly in sensitive sectors such as semiconductors, energy, and advanced materials.

The National Security and Investment Act, introduced in 2021, grants the government authority to review and halt foreign takeovers of UK assets if they pose security risks. The law has already been applied in technology and defence-related cases, reflecting wider concerns over foreign influence in critical supply chains.

While the government declined to provide further details on the security review, the order ensures that neither the intellectual property nor the specialist equipment involved can be transferred outside Versarien's control. The company has not yet commented on how the ruling will affect its restructuring plans.

Industry analysts note that graphene has long been described by researchers as a “wonder material,” with potential uses ranging from lightweight construction and energy storage to next generation military technologies. With such broad applications, UK officials remain cautious about allowing domestic research and development to fall under the influence of foreign states seen as strategic competitors.

Critics argue that repeated government interventions in China-linked deals highlight years of insufficient protection of key national assets. Despite pledges to secure British industry, ministers are often acting only when proposed sales reach an advanced stage. Business leaders warn that the UK needs a more consistent industrial strategy to protect innovation while still attracting investment considered safe.

For now, the government's ruling keeps British developed graphene technology under UK oversight. However, with companies like Versarien under financial strain, pressure is likely to grow for ministers to find domestic solutions that safeguard advanced research while keeping the industry commercially viable.