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GRAPHEX

GRAPHEX GROUP LIMITED

烯石電動汽車新材料控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6128)

CONVERSION OF CONVERTIBLE NOTES

Reference is made to the announcements of Graphex Group Limited (the “**Company**”) dated 19 January 2021, 28 January 2021, 29 January 2021, 1 February 2021, 1 March 2021, 15 March 2021, 12 April 2021, 26 April 2021, 10 May 2021, 24 May 2021, 27 May 2021, 7 June 2021, 30 June 2021, 14 July 2021, 21 July 2021, 23 July 2021, 24 August 2021 and 10 September 2021 (the “**Announcements**”) and the circular of the Company dated 30 June 2021 (the “**Circular**”) in relation to the Subscription. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements and Circular.

CONVERSION OF CONVERTIBLE NOTES

Pursuant to the Subscription Agreement, the Company issued the following Convertible Notes to Lexinter International Inc. (“**Lexinter**”):

No	Issuing Date	Outstanding principal amount of the Convertible Note
(i)	1 February 2021	US\$500,000
(ii)	15 March 2021	US\$500,000
(iii)	7 June 2021	US\$750,000

(No. (i), (ii) and (iii) above collectively referred to as “**Converted CN**”)

On 25 October 2021, the Company received a conversion notice from Lexinter as Noteholder in respect of the exercise of the Conversion Rights attached to the Converted CN in the aggregate principal amount of US\$1,750,000 at the initial conversion price of HK\$0.65 per Share (the “**Conversion**”). As a result of the Conversion, the Company allotted and issued a total of 20,865,383 Conversion Shares to Lexinter on 10 November 2021. Such Conversion Shares rank pari passu in all respects among themselves and with all other existing Shares in issue. These 20,865,383 Conversion Shares representing approximately 4.27% of the total issued Shares of the Company before the Conversion and approximately 4.10% of the total issued Shares of the Company as enlarged by the allotment and issue of the 20,865,383 Conversion Shares upon the Conversion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the Conversion, the Company has 488,251,538 Shares in issue. After the Conversion and as at the date of this announcement, the Company has 509,116,921 Shares in issue. For illustrative purpose only, the shareholding structure of the Company (i) immediately before the Conversion and (ii) immediately after the issue of the 20,865,383 Conversion Shares is set out below:

Shareholders	Immediately before the Conversion		Immediately after the Conversion	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
Chan Yick Yan Andross ¹	97,920,887	20.06	97,920,887	19.23
PBLA Limited	75,223,669	15.41	75,223,669	14.78
Lau Hing Tat Patrick ²	55,215,444	11.31	55,215,444	10.85
Tian Ming	4,930,000	1.01	4,930,000	0.97
Lexinter	—	—	20,865,383	4.10
Other public Shareholders	<u>254,961,538</u>	<u>52.21</u>	<u>254,961,538</u>	<u>50.07</u>
Total	<u><u>488,251,538</u></u>	<u><u>100</u></u>	<u><u>509,116,921</u></u>	<u><u>100</u></u>

Notes:

1. Mr. Chan Yick Yan Andross, an Executive Director and the Chief Executive Officer of the Company, holds 4,204,000 Shares by himself and 93,716,887 Shares through CY Y Holdings Limited, a company wholly owned by him.
2. Mr. Lau Hing Tat, Patrick, the Chairman and an Executive Director of the Company, holds 7,232,000 Shares by himself, 46,003,444 Shares through LSBJ Holdings Limited, a company wholly owned by him and is interested in 1,980,000 Shares held by his spouse.
3. Mr. Tian Ming, an Executive Director of the Company, holds 4,930,000 by himself.

By Order of the Board
Graphex Group Limited
Lau Hing Tat Patrick
Chairman

Hong Kong, 10 November 2021

As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, Mr. Tian Ming, Mr. Yang Liu and Mr. Qiu Bin; the non-executive Director is Mr. Ma Lida; and the independent non-executive Directors are Ms. Tam Ip Fong Sin, Mr. Wang Yuncai, Mr. Liu Kwong Sang, Mr. Tang Zhaodong and Mr. Chan Anthony Kaikwong.