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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)**

## **COMPLETION OF THE ISSUES OF SUBSEQUENT NOTE AND SUBSEQUENT WARRANT UNDER SPECIFIC MANDATE**

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.

## **COMPLETION OF THE ISSUE OF SUBSEQUENT NOTE**

The Company is pleased to announce that the Company has on 10 January 2022 issued a Subsequent Note in the principal amount of US\$6,910,000 due in 2024 to the Subscriber (the “**Subsequent Note**”) which entitles the Noteholder to convert into 82,338,461 Conversion Shares at the initial Conversion Price of HK\$0.65 per Conversion Share.

The net proceeds arising from the issue of the Subsequent Note shall all be applied to the redemption of the Company’s outstanding debt securities issued to third parties and the general working capital of the Group.

The approval for the listing of, and the permission to deal in 82,388,461 Conversion Shares upon conversion of the Subsequent Note has been granted by the Listing Committee of the Stock Exchange.

## **COMPLETION OF THE ISSUE OF SUBSEQUENT WARRANT**

The Company is pleased to announce that the Company has on 10 January 2022 issued the Subsequent Warrant to the Subscriber.

The Subsequent Warrant is issued by the Company to the Subscriber at the Warrant Purchase Price of US\$1.00, which entitles the Warrant holder to exercise the Warrant Subscription Right of up to the Subsequent Warrant Amount of US\$3,455,000 worth of Warrant Shares equivalent to 41,194,230 Warrant Shares at the initial Warrant Exercise Price of HK\$0.65 per Warrant Share.

The approval for the listing of, and the permission to deal in 41,194,230 Warrant Shares upon exercise the Warrant Subscription Right of the Subsequent Warrant has been granted by the Listing Committee of the Stock Exchange.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose only, set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediate upon the allotment and issuance of all Conversion Shares at the initial Conversion Price under the outstanding Other Initial Notes and the Subsequent Note; and (iii) immediate upon the allotment and issuance of all Conversion Shares at the initial Conversion Price under the outstanding Other Initial Notes, the Subsequent Note and all Warrant Shares at the initial Warrant Exercise Price under the Initial Warrant and the Subsequent Warrant:

Shareholders	As at the date of this announcement		Immediately upon the allotment and issuance of all Conversion Shares at the initial Conversion Price under the outstanding Other Initial Notes and the Subsequent Note		For illustration purpose only, immediate upon the allotment and issuance of all Conversion Shares at the initial Conversion Price under the outstanding Other Initial Notes, the Subsequent Note and all Warrant Shares at the initial Warrant Exercise Price under the Initial Warrant and the Subsequent Warrant (Note 4)	
	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)	Number of Shares	Approximate (%)
	Chan Yick Yan Andross (Note 1)	97,920,887	19.23	97,920,887	14.81	97,920,887
PBLA Limited	75,223,669	14.78	75,223,669	11.38	75,223,669	10.02
Lau Hing Tat Patrick (Note 2)	55,215,444	10.85	55,215,444	8.35	55,215,444	7.36
The Subscriber (Note 3)	20,865,383	4.10	166,923,075	25.25	256,346,151	34.15
EMA (Note 5)	—	—	5,961,538	0.90	5,961,538	0.79
Other Public Shareholders	<u>259,891,538</u>	<u>51.04</u>	<u>259,891,538</u>	<u>39.31</u>	<u>259,891,538</u>	<u>34.63</u>
<b>Total</b>	<b><u>509,116,921</u></b>	<b><u>100</u></b>	<b><u>661,136,151</u></b>	<b><u>100</u></b>	<b><u>750,559,227</u></b>	<b><u>100</u></b>

### Notes

- 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.
- 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. On 10 November 20,865,383 Conversion Shares were allotted and issued by the Company to the Subscriber at the Conversion Price of HK\$0.65 per Conversion Share following the exercise by the Subscriber of the Conversion Rights attached to Convertible Notes with an aggregate principal amount of US\$1,750,000.
4. Under the conditions of both the Convertible Notes and the Warrants, the exercise of the Conversion Rights and the Warrant Subscription Rights are restricted should the exercise of such rights may result in (i) the Company not fulfilling the public float requirements under rule 8.08 of the Listing Rules; or (ii) result in the holder of Convertible Notes or Warrants triggering a mandatory offer obligation under rule 26 of the Takeovers Code on the part of the holders of the Convertible Notes or the Warrants and any parties acting in concert with it (as defined in the Takeovers Code).
5. EMA and its ultimate beneficial owner being independent investors are not connected to the Subscriber and being Independent Third Parties are being classified as public Shareholders.

## **GENERAL**

Unless specified the otherwise, conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.75. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or other rates or at all.

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

Hong Kong, 10 January 2022

*As at the date of this announcement, the executive Directors are Mr. Lau Hing Tat Patrick, Mr. Chan Yick Yan Andross, 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.*