



Monthly Return for Equity Issuer and Hong Kong Depositary Receipts listed under Chapter 19B of the Exchange Listing Rules on Movements in Securities

For the month ended: 31 December 2021

Status: New Submission

To : Hong Kong Exchanges and Clearing Limited

Name of Issuer: Graphex Group Limited (Incorporated in the Cayman Islands with limited liability)

Date Submitted: 06 January 2022

I. Movements in Authorised / Registered Share Capital

1. Type of shares	Ordinary shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	Yes	
Stock code	06128	Description				
	Number of authorised/registered shares	Par value		Authorised/registered share capital		
Balance at close of preceding month	2,000,000,000	HKD	0.01	HKD	20,000,000	
Increase / decrease (-)	0			HKD	0	
Balance at close of the month	2,000,000,000	HKD	0.01	HKD	20,000,000	

Total authorised/registered share capital at the end of the month: HKD 20,000,000

II. Movements in Issued Shares

1. Type of shares	Ordinary shares	Class of shares	Not applicable	Listed on SEHK (Note 1)	Yes	
Stock code	06128	Description				
Balance at close of preceding month			509,116,921			
Increase / decrease (-)			0			
Balance at close of the month			509,116,921			

III. Details of Movements in Issued Shares

(A). Share Options (under Share Option Schemes of the Issuer)

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes		
Stock code of shares issuable (if listed on SEHK) (Note 1)		06128					
Particulars of share option scheme	Number of share options outstanding at close of preceding month	Movement during the month		Number of share options outstanding at close of the month	No. of new shares of issuer issued during the month pursuant thereto (A)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month	The total number of securities which may be issued upon exercise of all share options to be granted under the scheme at close of the month
1). Share Option Scheme	25,500,000			25,500,000	0	25,500,000	0
General Meeting approval date (if applicable)		03 June 2014					

Total A (Ordinary shares): _____ 0

Total funds raised during the month from exercise of options: HKD _____ 0

(B). Warrants to Issue Shares of the Issuer which are to be Listed

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes		
Stock code of shares issuable (if listed on SEHK) (Note 1)		06128					
Description of Warrants	Currency	Nominal value at close of preceding month	Movement during the month		Nominal value at close of the month	No. of new shares of issuer issued during the month pursuant thereto (B)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1). Initial Warrant	USD	4,045,000			4,045,000	0	48,228,846
Stock code of the Warrant (if listed on SEHK) (Note 1)							
Subscription price	HKD	0.65					
Date of expiry	10 September 2026						

General Meeting approval date (if applicable)	21 July 2021
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Total B (Ordinary shares): _____ 0

(C). Convertibles (i.e. Convertible into Issue Shares of the Issuer which are to be Listed)

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes		
Stock code of shares issuable (if listed on SEHK) (Note 1)		06128					
Description of the Convertibles	Currency	Amount at close of preceding month	Movement during the month		Amount at close of the month	No. of new shares of issuer issued during the month pursuant thereto (C)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1). Convertible Notes due in 2023 – First Note (Maturity Date: 01/02/2023)	USD	0			0	0	0
Type of convertibles		Bond/Notes					
Stock code of the Convertibles (if listed on SEHK) (Note 1)							
Subscription/Conversion price		HKD 0.65					
General Meeting approval date (if applicable)		15 June 2020					
2). Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 01/03/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles		Bond/Notes					
Stock code of the Convertibles (if listed on SEHK) (Note 1)							
Subscription/Conversion price		HKD 0.65					
General Meeting approval date (if applicable)		15 June 2020					
3). Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 15/03/2023)	USD	0			0	0	0
Type of convertibles		Bond/Notes					

Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price HKD 0.65								
General Meeting approval date (if applicable) 15 June 2020								
4).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 12/04/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles Bond/Notes								
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price HKD 0.65								
General Meeting approval date (if applicable) 15 June 2020								
5).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 26/04/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles Bond/Notes								
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price HKD 0.65								
General Meeting approval date (if applicable) 15 June 2020								
6).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 10/05/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles Bond/Notes								
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price HKD 0.65								
General Meeting approval date (if applicable) 15 June 2020								
7).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 27/05/2023)	USD	1,250,000			1,250,000	0	14,903,846

Type of convertibles	Bond/Notes							
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price	HKD		0.65					
General Meeting approval date (if applicable)	15 June 2020							
8).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 07/06/2023)	USD	0			0	0	0
Type of convertibles		Bond/Notes						
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price		HKD		0.65				
General Meeting approval date (if applicable)		15 June 2020						
9).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 30/06/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles		Bond/Notes						
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price		HKD		0.65				
General Meeting approval date (if applicable)		15 June 2020						
10).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 14/07/2023)	USD	750,000			750,000	0	8,942,307
Type of convertibles		Bond/Notes						
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price		HKD		0.65				
General Meeting approval date (if applicable)		15 June 2020						

11).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 23/07/2023)	USD	500,000			500,000	0	5,961,538
Type of convertibles		Bond/Notes						
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price		HKD 0.65						
General Meeting approval date (if applicable)		15 June 2020						
12).	Convertible Notes due in 2023 – Other Initial Notes (Maturity Date: 24/08/2023)	USD	840,000			840,000	0	10,015,384
Type of convertibles		Bond/Notes						
Stock code of the Convertibles (if listed on SEHK) (Note 1)								
Subscription/Conversion price		HKD 0.65						
General Meeting approval date (if applicable)		15 June 2020						

Total C (Ordinary shares): _____ 0

Remarks:

Conversion of US\$ into HK\$ is based on the exchange rate of US\$1.00 to HK\$7.75 (for the purpose of illustration only).

(D). Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be listed, including Options (other than Share Options Schemes)

1. Type of shares issuable	Ordinary shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)	Yes	
Stock code of shares issuable (if listed on SEHK) (Note 1)	06128					
Description			General Meeting approval date (if applicable)	No. of new shares of issuer issued during the month pursuant thereto (D)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month	
1).	<p>On 19 January 2021, the Company entered into the Subscription Agreement with the Subscriber in relation to the issue and subscription of (i) the Convertible Notes up to the aggregate principal amount not exceeding the Total Commitment of US \$15,000,000 but not less than the Minimum Commitment of US\$5,000,000 and (ii) the Warrants, which are secured by the Share Charge and the purchase of the Warrants at the price of US\$1.00. The Convertible Notes shall be issued in tranches, namely the First Note, the Other Initial Notes and the Subsequent Notes, in the principal amount of US\$500,000, in the amount up to US\$7,590,000 and in Subsequent Notes Amount respectively. The initial Conversion Price of the Convertible Notes is HK\$0.65 per Conversion Share (subject to downward adjustment). The 96,457,692 Conversion Shares issuable under the First Note and the Other Initial Notes of US\$500,000 and up to US\$7,590,000 respectively at the initial Conversion Price of HK\$0.65 per Conversion Share will be issued under the General Mandate granted at the AGM on 15 June 2020.</p> <p>On 1 February, 1 March, 15 March, 12 April, 26 April, 10 May, 27 May, 7 June, 30 June, 14 July, 23 July and 24 August 2021, US\$500,000 Convertible Notes due in 2023 (i.e. First Note), US\$1,000,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$1,250,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$750,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$750,000 Convertible Notes due in 2023 (i.e. Other Initial Notes), US\$500,000 Convertible Notes due in 2023 (i.e. Other Initial Notes) and US\$840,000 Convertible Notes due in 2023 (i.e. Other Initial Notes) were issued by the Company respectively.</p> <p>On 24 May 2021, the Company and the Subscriber entered into a supplemental agreement to amend certain terms and conditions of the Subscription Agreement.</p> <p>On 10 September 2021, the Initial Warrant was issued by the Company to the Subscriber at the Warrant Purchase Price of US\$1.00, which entitles the Warrantholder to exercise the Warrant Subscription Right of up to an Initial Warrant Amount of US\$4,045,000 worth of Warrant Shares equivalent to 48,228,846 Warrant Shares at the initial Warrant Exercise Price of HK\$0.65 per Warrant Share. For details, please refer to the Company's announcements dated 19, 28 and 29 January, 1 February, 1 and 15 March, 12 and 26 April, 10, 24 and 27 May, 7 and</p>			0	241,442,308	

30 June, 14 and 23 July, 24 August, 10 September and 10 November 2021 and the Company's circular dated 30 June 2021.				
2. Type of shares issuable	Preference shares	Class of shares	Not applicable	Shares issuable to be listed on SEHK (Note 1)
Stock code of shares issuable (if listed on SEHK) (Note 1)				No
Description		General Meeting approval date (if applicable)	No. of new shares of issuer issued during the month pursuant thereto (D)	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1).	On 9 December 2021, the Company entered into the Agreement between the Company and Tycoon Partner Holdings Limited (the "Subscriber") in respect of the term extension and the subscription of the Preference Shares with the Subscriber. Pursuant to the Agreement, the Company and the Subscriber conditionally agreed for the Company to allot and issue to the Subscriber, 323,657,534 Preference Shares at the Subscription Price of HK\$0.73 per Preference Share, with an aggregated Subscription Price of HK\$236,270,000. For details, please refer to the Company's announcements dated 9 and 31 December 2021.		0	0

Total D (Ordinary shares): _____ 0

Total D (Preference shares): _____ 0

Remarks:

1. 96,457,692 shares were approved in the AGM held on 15 June 2020; 171,811,537 shares were approved in the EGM held on 21 July 2021
2. 241,442,308 shares include (i)48,228,846 new shares which may be issued pursuant to the Warrant as stated under "Warrants" above; and (ii) a total of 69,630,765 new shares which may be issued pursuant to the Convertible Notes as stated under "Convertibles" above.

(E). Other Movements in Issued Share Not applicable

Total increase / decrease (-) in Ordinary shares during the month (i.e. Total of A to E)	_____ 0
Total increase / decrease (-) in Preference shares during the month (i.e. Total of A to E)	_____ 0

IV. Information about Hong Kong Depositary Receipt (HDR) Not applicable

V. Confirmations

Not applicable

Submitted by: Kwok Ka Hei

Title: Company Secretary

(Director, Secretary or other Duly Authorised Officer)

Notes

1. SEHK refers to Stock Exchange of Hong Kong.
2. Items (i) to (viii) are suggested forms of confirmation which may be amended to meet individual cases. Where the issuer has already made the relevant confirmations in a return published under Main Board Rule 13.25A / GEM Rule 17.27A in relation to the securities issued, no further confirmation is required to be made in this return.
3. "Identical" means in this context:
 - . the securities are of the same nominal value with the same amount called up or paid up;
 - . they are entitled to dividend/interest at the same rate and for the same period, so that at the next ensuing distribution, the dividend/interest payable per unit will amount to exactly the same sum (gross and net); and
 - . they carry the same rights as to unrestricted transfer, attendance and voting at meetings and rank pari passu in all other respects.
4. If there is insufficient space, please submit additional document.
5. In the context of repurchase of shares:
 - . "shares issuable to be listed on SEHK" should be construed as "shares repurchased listed on SEHK"; and
 - . "stock code of shares issuable (if listed on SEHK)" should be construed as "stock code of shares repurchased (if listed on SEHK)"; and
 - . "type of shares issuable" should be construed as "type of shares repurchased"; and
 - . "issue and allotment date" should be construed as "cancellation date"
6. In the context of redemption of shares:
 - . "shares issuable to be listed on SEHK" should be construed as "shares redeemed listed on SEHK"; and

- . “stock code of shares issuable (if listed on SEHK)” should be construed as “stock code of shares redeemed (if listed on SEHK)”; and
- . “type of shares issuable” should be construed as “type of shares redeemed”; and
- . “issue and allotment date” should be construed as “redemption date”