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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, 10 September 2021, 10 November 2021, 10 January 2022 and 16 February 2022 (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

On 11 March 2022, the Company received a conversion notice from EMA Financial, LLC (“EMA”) as Noteholder in respect of the exercise of the Conversion Rights attached to Converted Notes with the aggregate principal amount of US\$1,500,000 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 17,884,615 Conversion Shares to EMA on 31 March 2022. Such Conversion Shares rank pari passu in all respects among themselves and with all other existing Shares in issue. These 17,884,615 Conversion Shares representing approximately 3.50% of the total issued Shares of the Company before the Conversion and approximately 3.38% of the total issued Shares of the Company as enlarged by the allotment and issue of the 17,884,615 Conversion Shares upon the Conversion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately before the Conversion, the Company has 511,501,536 Shares in issue. After the Conversion and as at the date of this announcement, the Company has 529,386,151 Shares in issue. For illustrative purpose only, the shareholding structure of the ordinary shares of the Company (i) immediately before the Conversion and (ii) immediately after the issue of the 17,884,615 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	19.14	97,920,887	18.50
PBLA Limited	75,223,669	14.71	75,223,669	14.21
Lau Hing Tat Patrick ²	55,215,444	10.80	55,215,444	10.43
Lexinter International Inc.	20,865,383	4.08	20,865,383	3.94
EMA	—	—	17,884,615	3.38
Other public Shareholders	<u>262,276,153</u>	<u>51.27</u>	<u>262,276,153</u>	<u>49.54</u>
Total	<u>511,501,536</u>	<u>100</u>	<u>529,386,151</u>	<u>100</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 CYY 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.

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

Hong Kong, 31 March 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.