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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)**

## **GRANT OF SHARE AWARDS**

References are made to the share award scheme adopted by Graphex Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 6 February 2023 (the “**Share Award Scheme**”) and the circular of the Company (the “**Circular**”) dated 12 January 2023 in relation to the Share Award Scheme and authorising the board of directors (the “**Directors**”) of the Company (the “**Board**”) to grant Awards under the Share Award Scheme and to allot and issue, procure the transfer of and otherwise deal with the Awarded Shares in connection with the Share Award Scheme. Capitalized terms used herein shall have the same meanings as those defined in the Circular unless otherwise stated.

## GRANT OF SHARE AWARDS

This announcement is made by the Company pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board hereby announces that, on 24 July 2023 (the “**Date of Grant**”), based on the recommendation of the remuneration committee of the Company (“the “**Remuneration Committee**”), the Board resolved to grant a total of 22,990,000 Awarded Shares, to 16 share award grantees (the “**Grantee(s)**”), pursuant to the Share Award Scheme at nil consideration, subject to the acceptances by the Grantees.

Details of the Awarded Shares are as follows:

Date of Grant	:	24 July 2023
Number of Shares granted	:	22,990,000
Number of Grantees	:	16
Vesting conditions	:	The Grantees shall remain in continuous employment with the Group from the Date of Grant until the vesting date
Vesting Date	:	16,190,000 Awarded Shares, representing approximately 70.42% of the total number of Awarded Shares granted to the Grantee shall be vested on such Grantees on the expiry of 12 months from the Date of Grant; and, the remaining 6,800,000 Awarded Shares, representing approximately 29.58% of the total number of Awarded Shares granted to the Grantees, shall be vested on such Grantee immediately upon acceptance of the grant
Performance target	:	There is no performance target attached to the Awarded Shares. The number of the Awarded Shares is determined based on the Grantees’ position, years of service, performance and future long-term contribution to the Group
Clawback mechanism	:	The Awarded Shares granted to the Grantees are subject to the general clawback mechanism as set out in the Appendix to the Circular

Out of the aggregate 22,990,000 Awarded Shares, 2,040,000 Awarded Shares are granted to the Directors who are connected persons of Group, and the remaining 20,950,000 Awarded Shares are granted to other employees of the Group.

Out of the aggregate 20,950,000 Awarded Shares granted to other employees of the Group, 14,150,000 Awarded Shares granted to 12 employees of the Group have vesting period of 12 months from the Date of Grant, and the remaining 6,800,000 Awarded Shares granted to an employee of the Group have vesting period of less than 12 months from the Date of Grant.

Further details of the Awarded Shares granted to the Directors and employees of the Group are set out below:

<b>Name of Grantees</b>	<b>Position in the Group</b>	<b>Number of Awarded Shares</b>
Mr. Lau Hing Tat Patrick	Chairman and executive Director of the Company	680,000
Mr. Chan Yick Yan Andross	Executive Director and chief executive officer of the Company	680,000
Mr. Qiu Bin	Executive Director of the Company	680,000
Other employees	Selected Employee Participants of the Group	20,950,000

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, each of the Grantees is a third party independent of the Company and its connected persons.

The 22,990,000 Awarded Shares granted to the Grantees represent approximately 2.94% of the issued share capital of the Company as at the date of this announcement. The 22,990,000 Awarded Shares represent the value of approximately HK\$10,575,400, taking into account of the closing price of HK\$0.46 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant.

## **REASONS FOR AND BENEFIT OF THE GRANT OF THE AWARDED SHARES**

The objectives of the Share Award Scheme are (i) to attract talents, suitable personnel and entities that are Eligible Participants who will accept Awarded Shares as part of their remuneration, compensation or payment packages for the development and growth of the businesses of the Group and Related Entities; (ii) to award certain Selected Participants with Awarded Shares for accepting their appointments, employments or engagement by the Group and Related Entities; (iii) to recognise the contributions by certain Selected Participants and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group and Related Entities; and (iv) to improve or create sense of connection and/or loyalty of certain Selected Participants to the Group and Related Entities.

The purpose of the grant of the Awarded Shares to the Grantees, comprising Directors and employees of the Group, is to (i) recognise their contributions to the development and growth of the businesses of the Group and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group; (ii) to improve their sense of connection and loyalty to the Group; and (iii) to award certain of the Grantees for staying on with the Group by accepting and/or continuing their appointments, employments and/or engagement by the Group.

The Directors (including the independent non-executive Directors) are of the view that the grant of the Awarded Shares to the Grantees, the respective terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT**

Subsequent to the grant of Awarded Shares, the number of Awarded Shares available for future grant pursuant to the Scheme Mandate and the Service Provider Sublimit is 12,128,072 and 7,198,215 respectively.

## **LISTING RULES IMPLICATIONS**

The grant of the Awarded Shares to the Directors has been approved by the Remuneration Committee and the Board (including all independent non-executive Directors, save and except for the relevant Director who is a Grantee whom has abstained from voting in relation to the grant of Awarded Shares to himself).

The grant of the Awarded Shares to the Directors also forms part of their remuneration packages under their respective service contracts with the Company, and is therefore exempt from the reporting, announcement and independent shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

The grant of Awarded Shares to the Directors and members of senior management of the Group without performance targets has been approved by the Remuneration Committee and the Board considers that the Awarded Shares granted to these Grantees aligns with the purpose of the Share Award Scheme in recognizing the contributions by them to the business of the Group and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group.

The grant of Awarded Shares to an employee that shall be vested on such Grantee immediately upon his acceptance of the grant has been approved by the Remuneration Committee and the Board considers that the vesting period for the Award Shares granted to such employee which is less than 12 months from the Date of Grant is appropriate and necessary to enable the Company to offer competitive employment package to him in order to retain valuable and loyal talent like him and to attract him in accepting to stay on and continue his employment with the Group to further promote the development and growth of the Group's businesses and to improve or create sense of connection and/or loyalty of him to the Group.

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

Hong Kong, 24 July 2023

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