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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)

**VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE**

This announcement is made by Graphex Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders of the Company and potential investors with information on recent business development of the Group.

The Board of Directors (the “**Board**”) of the Company is pleased to announce to its shareholders and potential investors the Company’s strategic initiative to establish a carbon coating production facility (the “**Factory**”) within Xuancheng Economic and Technological Development Zone (“**ETDZ**”) in Anhui Province, the People’s Republic of China. Carbon coating is a critical processing technique for anode material used lithium-ion batteries which effectively enhance the electrochemical properties of the natural graphite anode material.

The Factory is projected to commence commercial operations in the fourth quarter of 2025, with an initial planned annual production capacity of approximately 15,000 metric tons. To execute this project, the Company intends to form a special purpose vehicle or enter into a joint venture arrangement with strategic investors for the operation and management of the Factory.

Xuancheng ETDZ is a national-level development zone approved by the State Council of China, offering comprehensive infrastructure and policy support for industrial projects. The expansion of business into Xuancheng ETDZ represents a significant milestone in the Company's growth strategy, leveraging the zone's (i) strategic geographic location within the Yangtze River Delta economic hub; (ii) advanced industrial infrastructure for materials manufacturing; (iii) favorable government policies supporting high-tech enterprises; and (iv) established supply chain networks for raw materials and distribution. Additionally, Xuancheng's growing role in new energy vehicle and electronics production creates strong domestic demand for carbon coatings in battery components, conductive films, and wear-resistant applications make it stands out as an ideal location for anode material manufacturers seeking competitive production capabilities and access to both Chinese and international markets. The Board believes this investment will enhance the Company's production capabilities, improve cost efficiency, and strengthen its competitive position in both domestic and international carbon coating markets.

GENERAL

The Board wishes to emphasis that the establishment of the Factory shall not affect other expansion and development plans of the Group. Shareholders and investors of the Company are advised to note that this announcement is published as a voluntary announcement to inform the public of the latest business development of the Group. As at the date of this announcement, no definitive agreement in relation to the establishment of the Factory has been entered into by the Group. As such, the proposed establishment of the Factory may or may not be materialized. In the event that the Company proceed to set up the Factory, further announcement(s) regarding the investment structure, capital requirements, the project progresses and/or the joint venture partners will be made by the Company as and when appropriate in accordance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 June 2025

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 and Mr. Tang Zhaodong.