

Dated the 27th day of November, 2023

GRAPHEX GROUP LIMITED
(as “Company”)

and

TYCOON PARTNER HOLDINGS LIMITED
(as “Subscriber”)

SUBSCRIPTION AGREEMENT
relating to new ordinary shares in the capital of
GRAPHEX GRPUP LIMITED

Messrs. Tso Au Yim & Yeung
Solicitors
14nd Floor, Tai Sang Bank Building,
130-132 Des Voeux Road Central,
Hong Kong.
Tel. No.: 2527 3780
Fax. No.: 2537 3477
Ref. No.: BT/2311773/COM

THIS AGREEMENT is dated the 27th day of November, 2023

PARTIES:

1. **GRAPHEX GROUP LIMITED** (烯石電動汽車新材料控股有限公司), a company incorporated in the Cayman Islands with limited liability whose registered address is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business at 11/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong (the “**Company**”) of the first part; and
2. **TYCOON PARTNER HOLDINGS LIMITED**, a company incorporated in the British Virgin Islands with limited liability whose registered address is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Subscriber**”) of the second part.

WHEREAS:

1. As at the date of this Agreement, the Company has a total of 788,574,788 Shares in issued all of which are listed and traded on the Main Board of the Stock Exchange under stock code 6128.
2. As at the date of this Agreement, the Subscriber is the holder of 323,657,534 Preference Shares in issue all of which are not listed in any exchange and do not carry with them any rights to convene, attend or vote at any general meeting, other than when the business of the general meeting is to consider any resolution to (a) amend these Articles to modify the rights and privileges attached to the Preference Shares, or (b) adversely modify or abrogate any of the special rights and privileges attached to the Preference Shares, or (c) convene proceedings in respect of the Company for reconstruction, consolidation, amalgamation, merger, reorganisation or winding-up of the Company.
3. As at the date of this Agreement, the Subscriber is the holder of the Promissory Note with an outstanding principal of HK\$111,810,000.
4. The Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares under the General Mandate, pursuant to the terms and conditions as more particularly set out in this Agreement.

THE PARTIES AGREE THAT:

1. **INTERPRETATION**

- 1.1 **Definitions:** In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:-

“**AGM**” the annual general meeting of the Company held on 29 June 2023;

“Articles”	amended and restated articles of association of the Company adopted by a special resolution passed on 24 March 2022 and effective on 24 March 2022;
“Agreement”	this subscription agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;
“associate(s)”	has the meaning ascribed to it in Listing Rules;
“Business Day”	a day (excluding Saturdays, Sunday and public holidays) on which banks are generally open for business in Hong Kong;
“Completion Date”	the 5 th Business Days after the date upon which all the conditions set out in Clause 3.1 have been satisfied or such other date as the Company and the Subscriber may agree in writing;
“Completion”	completion of the Subscription in accordance with Clause 4;
“connected person”	has the meaning ascribed to it in Listing Rules;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange from time to time;
“General Mandate”	the mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with additional Shares not exceeding 20% of the then issued share capital of the Company as at the date of the AGM;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“HK\$”	Hong Kong currency;
“Long Stop Date”	10 December 2023 or such other date as may be agreed between the Company and the Subscriber;
“Parties”	the named parties to this Agreement and their respective successors and permitted assigns;
“Preference Share(s)”	preference shares with a nominal value of HK\$0.01

	each in the capital of the Company;
“Promissory Note”	the 2% per annum interest promissory note with principal amount of HK\$111,810,000 issued by the Company to the Subscriber on 25 March 2022 with maturity date on 6 August 2026;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary shares with a nominal value of HK\$0.01 each in the capital of the Company;
“Shareholders”	holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement;
“Subscription Price”	HK\$0.405 per Subscription Share (subject to automatic adjustment as a result of any corporate action taken by the Company including but not limited to any sub-division or consolidation, etc. of the Shares);
“Subscription Shares”	100,000,000 new Shares (subject to automatic adjustment as a result of any corporate action taken by the Company including but not limited to any sub-division or consolidation, etc. of the Shares); and
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC.

1.2 Construction: In this Agreement:

- (a) any reference to a document being “in the agreed form” means in the form of the document or the draft thereof signed for identification on behalf of the Subscriber and the Company with (in the case of a draft) such alterations (if any) as may be agreed between the Subscriber and the Company;

- (b) references in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and *vice versa*;
- (c) references to Recitals and Clauses are to the recitals and clauses of this Agreement; and
- (d) in this Agreement, (save as otherwise expressly stated herein) references to any statute, statutory provision or Listing Rules includes a reference to that statute, statutory provision or Listing Rules as from time to time amended, extended or re-enacted.

1.3 **Headings:** Headings are for convenience only and shall not affect the interpretation of this Agreement.

2. SUBSCRIPTION

2.1 Subject to fulfillment of the conditions set out in Clause 3.1 below, the Subscriber agrees to subscribe as principal for the Subscription Shares and the Company agrees to issue the Subscription Shares at the Subscription Price under the General Mandate on the Completion Date on the terms and subject to the conditions set out in this Agreement.

2.2 The Parties hereby agree that the total Subscription Price for the Subscription Shares in the aggregate sum of HK\$40,500,000 payable by the Subscriber to the Company at Completion shall be settled and satisfied by the Subscriber with the Company by setting-off such sum against the principal sum of the Promissory Note of HK\$40,500,000 under the Promissory Note as more particularly provided in Clause 4.2 below.

2.3 The Parties hereby agree that in the event the Company shall take any corporate action including but not limited to any sub-division or consolidation, etc. of the Shares prior to Completion, the Subscription Price and the number of Subscription Shares to be subscribed by the Subscriber shall be automatically adjusted on a pro-rata basis to reflect on the changes in the number of issued shares of the Company resulted in the corporate action taken by the Company.

3. CONDITIONS

3.1 **Conditions:** Completion is conditional upon fulfillment of the following conditions precedent:

- (a) the Stock Exchange having granted approval for the listing of and permission to deal in the Subscription Shares;
- (b) all other necessary consents and approvals required to be obtained from any relevant governmental authorities and regulatory bodies on the part of the

Company and/or the Subscriber, if any, for this Agreement and the transactions contemplated hereunder, having been obtained and remain in full force and effect; and

- (c) there has been no material breach of any representations, warranties or agreements by any Party under this Agreement.

3.2 **Fulfilment:** The Company and the Subscriber shall each use their respective best endeavours to procure the fulfilment of the conditions set out in Clause 3.1 and in particular shall furnish such information, supply such documents, pay such fee, give such undertakings and do all such acts and things as may reasonably be required by each other, the Stock Exchange and/or the SFC in connection with the fulfilment of such conditions.

3.3 **Non-Fulfilment:** The Company shall use its reasonable efforts to keep the Subscriber informed of the expected Completion Date. If the conditions set out in Clause 3.1 are not fulfilled by 4:00 p.m. (Hong Kong time) on or prior to the Long Stop Date, this Agreement shall terminate and neither Party shall have any claim against the other for costs, damages, compensation or otherwise save in respect of any antecedent breach of this Agreement which shall remain in full force and effect.

4. COMPLETION AND POST-COMPLETION OF THE SUBSCRIPTION

4.1 **Company's Obligations:** Subject to the fulfilment of the conditions set out in Clause 3.1 and subject to the performance by the Subscriber of its obligations under Clause 4.2, completion of the Subscription shall take place at the office of the Company at or before 3:00 p.m. (Hong Kong time) on the Completion Date or such other time as the Parties may agree, at which time the Company shall:

- (a) deliver to the Subscriber a copy of the resolution of the Company authorizing the entering and performance of this Agreement and the allotment and issuance of the Subscription Shares to the Subscriber certified as true by a director of the Company; and
- (b) allot and issue to the Subscriber the Subscription Shares and shall promptly thereafter register the Subscriber as the holder of the Subscription Shares and shall cause to be delivered to the Subscriber definitive certificates of title in respect of the Subscription Shares in the name of the Subscriber.

4.2 **Subscriber's Obligations:** At or before 3:00 p.m. (Hong Kong time) on the Completion Date, the Subscriber shall deliver or procure the delivering of the Promissory Note to the Company on the Completion Date for the purpose of setting off the aggregate Subscription Price of the Subscription Shares with the principal sum of the Promissory Note of HK\$40,500,000 under the Promissory Note as provided in Clause 2.2 above.

4.3 **Company's Post Completion Obligation:** The Company shall after the Subscriber

having fully satisfied and settled its obligation under Clause 4.2 above, issue a fresh promissory note to the Subscriber for the remaining balance of the outstanding principal sum of the Promissory Note after the setting off under Clause 4.2 above with the interest rate, maturity date, terms and conditions as the Promissory Note and shall arrange to deliver it to the Subscriber within the time limit as provided by the terms and conditions of the Promissory Note.

5. EXPENSES

- 5.1 Each Party shall pay any transaction levies and Stock Exchange trading fee or any other fee payable by it under the Listing Rules, and each Party shall be solely responsible for its other costs (including legal fees) and expenses in connection with this Agreement.

6. WARRANTIES, REPRESENTATIONS OF THE COMPANY

- 6.1 **Warranties:** In consideration of the Subscriber entering into this Agreement and agreeing to perform his obligations hereunder, the Company hereby warrants and represents to the Subscriber as follows:

- (a) the Company is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted and the information contained in Recital 1 is true and accurate;
- (b) subject to the fulfilment of the condition set out in Clauses 3.1(a) to (c), all necessary consents and authorisations have been obtained to enable the Company to issue and allot the Subscription Shares, the Company has power under its constitutional documents to enter into this Agreement and this Agreement is duly authorised and when duly executed shall constitute valid and legally binding and enforceable obligations of the Company; and
- (c) the Subscription Shares shall, when issued to the Subscriber, be fully paid and free from all options, liens, charges, mortgages, pledges, claims, equities, encumbrances and other third-party rights and shall rank *pari passu* with the Shares then in issue and listed on the Stock Exchange,

each of the above warranties and representations shall be deemed to be repeated on the Completion Date.

- 6.2 **Indemnity:** The Company agrees to indemnify and hold harmless the Subscriber from and against all claims, losses, expenses and other liabilities incurred by the Subscriber in connection with any breach of this Agreement by the Company, including without limitation, any breach of the representations and warranties under Clause 6.1.
- 6.3 **Full Force and Effect:** Clauses 6.1 and 6.2 shall remain in full force and effect notwithstanding Completion.

7. WARRANTIES, REPRESENTATIONS AND UNDERTAKING OF THE SUBSCRIBER

7.1 **Warranties:** In consideration of the Company entering into this Agreement and agreeing to perform its obligations hereunder, the Subscriber hereby warrants and represents to the Company as follows:

- (a) save as disclosed in Recitals 2 and 3, the Subscriber and its associates do not have any other direct or indirect interest in any Shares or other convertible securities in the Company, whether directly or indirectly; and (ii) the execution of this Agreement has not triggered any obligation on the Subscriber and any parties acting in concert (as defined under the Takeovers Codes) with the Subscriber to make a general offer to the Company pursuant to the Takeovers Codes; and
- (b) further to clause 7.1(a) above, save as the transactions under this Agreement and those disclosed in the Company's announcements dated 31 January 2018 and 24 October 2018 and the circular of the Company dated 20 December 2018 relating to the acquisition of the entire issued share capital of Think High Global Limited, there were no other transactions or business relationships between the Subscriber and its associates and the Company (including its subsidiaries) and the Company's connected persons (as defined under the Listing Rules) and the Subscriber and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company (as defined under the Listing Rules),

each of the above warranties and representations shall be deemed to be repeated on the Completion Date.

7.2 **Undertaking by the Subscriber:** The Subscriber undertakes to accept the Subscription Shares subject to the constitutional documents of the Company.

7.3 **Indemnity:** The Subscriber agrees to indemnify and hold harmless the Company from and against all claims, losses, expenses and other liabilities incurred by the Company in connection with any breach of this Agreement by the Subscriber, including without limitation, any breach of the representations and warranties under Clause 7.1.

7.4 **Full Force and Effect:** Clauses 7.1, 7.2 and 7.3 shall remain in full force and effect notwithstanding Completion.

8. ANNOUNCEMENT

The Subscriber hereby authorises the release for publication of any announcement following the signing of this Agreement in compliance with the Listing Rules. Save as otherwise required by the Listing Rules or required under the SFO, neither Party shall make any public announcement or communication other than the Announcement in relation to the Subscription without the prior approval of the other Party.

9. TIME OF THE ESSENCE

Any date or period mentioned in any Clause may be extended by mutual agreement between the Parties, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

10. COUNTERPARTS

This Agreement may be executed by the Parties in counterparts.

11. NOTICES

11.1 **Addresses:** All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company, to:

Address : 11/F, COFCO Tower, 262 Gloucester Road, Causeway Bay, Hong Kong
Facsimile : +852 25599438
Email address : chana@graphexgroup.com
Attention : Board of directors

If to the Subscriber, to:

Address : Flat C, 3/F, Tower 4 Dragon Court, Fanling Town Centre, Fanling, New Territories, Hong Kong
Facsimile :
Email address : 13859902222@163.com
Attention : Wu Wenbei

11.2 **Service:** Any such notice shall be served either by hand or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered, and if sent by facsimile on receipt of confirmation of transmission. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

12. FURTHER ASSURANCE

Each Party undertakes to execute and perform and procure the execution and performance of such further documents and acts as the other Party may reasonably require to give effect to the provisions of this Agreement.

13. NO THIRD PARTY RIGHT

Unless expressly provided to the contrary in this Agreement, a third party who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

Notwithstanding any term of this Agreement, the consent of any third party who is not a Party is not required to rescind or vary this Agreement at any time.

14. GOVERNING LAW

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

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EXECUTION PAGE

AS WITNESS the hands of the duly authorised representatives of the Parties on the day and year first before written.

SIGNED by, Chan Yik Yan Andross,)
executive director, for and on behalf of)
GRAPHEX GROUP LIMITED in the)
presence of:)

For and on behalf of
Graphex Group Limited
烯石電動汽車新材料控股有限公司

.....
Authorized Signature(s)



SIGNED by, Wu Wenbei, sole director,)
for and on behalf of TYCOON)
PARTNER HOLDINGS LIMITED in)
the presence of:)

For and on behalf of
TYCOON PARTNER HOLDINGS LIMITED

.....
Authorized Signature(s)

