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ELATE HOLDINGS LIMITED

誼礫控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 076)

POSITIVE PROFIT ALERT

This announcement is made by Elate Holdings Limited pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group's latest unaudited management accounts for the year ended 31 December 2020, it is expected that the Group to record a profit attributable to Shareholders for the year ended 31 December 2020 of approximately US\$2.97 million (corresponding period in 2019: net loss of US\$9.33 million).

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Elate Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the Group's latest unaudited management accounts for the year ended 31 December 2020 and the information currently available to the Board, it is expected that the Group will record a profit attributable to Shareholders for the year ended 31 December 2020 of approximately US\$2.97 million (corresponding period in 2019: net loss of US\$9.33 million).

During the year ended 31 December 2020, the outbreak of Covid-19 has had a mixed-impact on the Group's operation results. In response to the impact of the Covid-19 pandemic, some of our graphite

product customers have curtailed or modified their business activities, which resulted in weakened customer demand for our graphite products along with lower product prices. The Group's turnover from graphite operations was dropped from approximately US\$28.4 million for the year ended 31 December 2019 to approximately US\$10.9 million for the year ended 31 December 2020. Nevertheless, the electronic manufacturing services business operated by its wholly-owned subsidiary in the United Kingdom, Axiom Manufacturing Services Limited ("Axiom"), has seen overall growth during 2020 by approximately 28.2%, mainly due to its participation in the UK Government's Covid-19 Ventilator Challenge, resulting in a significant increase in demand from an existing customer and hence significant increase in revenue from US\$64.8 million for the year ended 31 December 2019 to approximately US\$83.1 million for the year ended 31 December 2020.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2020. The information contained in this announcement is only based on the preliminary review and analysis of the Group's latest unaudited management accounts and the information currently available to the Board, and have not been audited or reviewed by the Company's auditor. The audited annual results announcement of the Group for the year ended 31 December 2020 is expected to be released on 29 March 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Elate Holdings Limited
Vivian Lam
Company Secretary

Hong Kong, 23 March 2021

As at the date of this announcement, the board of directors comprises of Mr. Feng Zhong Yun and Ms. Zhang Xue, being executive directors; Chai Woon Chew, Mr. Ng Lai Po and Ms. Ye Yi Fan being independent non-executive directors.