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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)**

## **DISCLOSEABLE TRANSACTION**

### **SHARE SWAP AGREEMENT INVOLVING THE ISSUE OF SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 19 September 2022 (after trading hour), the Company entered into the Share Swap Agreement with the Swap Shareholder. Pursuant to which the Company will swap its 250,250,000 Swap Shares (each share at HK\$0.04) for a total of 26,000,000 SEI Shares (each share at US\$0.05) currently owned by the Swap Shareholder. The total consideration for the transaction is HK\$10,010,000. The Swap Shares will be issued and allotted under the General Mandate granted to the Board in the annual general meeting held on 6 June 2022.

Upon Completion, the Company will own 9.87% of SEI's capital shares, and the Swap Shareholder will own 3.45% of the Company's ordinary shares. As such, SEI's financial results will not be consolidated into the consolidated financial statements of the Company.

The relevant applicable percentage ratios (as defined in the Listing Rules) for the entering into the Share Swap Agreement exceeds 5% but is less than 25%, the transaction constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The board of directors (the "Board" or "Directors") is pleased to announce that on 19 September 2022 (after trading hour), Elate Holdings Limited (the "Company") entered into the Share Swap Agreement with a shareholder (the "Swap Shareholder") of 26,000,000 shares of SEI (the "SEI Shares"). Pursuant to which the Company will swap its 250,250,000 shares (the "Swap Shares") (each share at HK\$0.04) for a total of 26,000,000 Scientific Energy, Inc ("SEI") shares (each share at US\$0.05) currently owned by the Swap Shareholder. The total consideration for the transaction is HK\$10,010,000.

## **SHARE SWAP AGREEMENT**

### **Date**

19 September 2022

### **Parties**

1. The Company
2. The Swap Shareholder, who is an individual, holding a total of 26,000,000 SEI Shares

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Swap Shareholder, being the ultimate beneficial owner, is a third party independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange")).

## **ASSETS SUBJECT TO THE SHARE SWAP AGREEMENT**

Pursuant to the Share Swap Agreement made with the Swap Shareholder, the Company agreed to issue and allot a total of 250,250,000 Swap Shares to the Swap Shareholder for a total of 26,000,000 SEI Shares currently owned by the Swap Shareholder.

## **CONSIDERATION**

The consideration for the swapping of 250,250,000 Swap Shares for a total of 26,000,000 SEI Shares was based on the agreed prices of HK\$0.04 per Swap Share and US\$0.05 (exchange rate at US\$1 to HK\$7.7) per SEI Share. The total consideration for the transaction is HK\$10,010,000. The agreed prices were based on the highest closing price quoted on the Stock Exchange within 30 consecutive trading days immediately prior to the date of the Share Swap Agreement, and the average closing price quoted on the OTC Markets in the U.S.A for 30 consecutive trading days immediately prior to the date of the Share Swap Agreement. They were arrived at after arm's length commercial negotiations between the respective parties to the Share Swap Agreement.

## **THE SWAP SHARES**

An aggregate of 250,250,000 Swap Shares will be allotted and issued to the Swap Shareholder pursuant to the general mandate (the "General Mandate") granted to the Directors in the annual general meeting held on 6 June 2022, which represent 3.57% of the issued share capital of the Company as at the date of this announcement and approximately 3.45% of the issued share capital of the Company as enlarged by the issue of the Swap Shares, assuming that there is no change in total issued share capital of the Company.

The issue price of each Swap Share is HK\$0.04, which represents:

- (1) a premium of approximately 17.65% over the closing price of HK\$0.34 per Share as quoted on the Stock Exchange on 19 September 2022, being the date of the Share Swap Agreement;
- (2) a premium of approximately 14.29% over the average closing price of HK\$0.035 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 19 September 2022;
- (3) a premium of approximately 11.11% over the average closing price of HK\$0.036 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 19 September 2022.

The Directors consider the issue price to be fair and reasonable and in the interest of the Company and its shareholders as a whole.

### CONDITION PRECEDENT

The completion of the Share Swap Agreement (the “Completion”) shall be subject to the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Swap Shares. Completion shall take place after the listing approval is granted.

If the condition precedent has not been fulfilled, then the Share Swap Agreement shall terminate and be of no further effect and all rights and obligations of the parties under the Agreement will cease and lapse, in which event the parties under the Share Swap Agreement shall be released from all their obligations thereunder without liability (without prejudice to the rights of any parties in respect of the continuing provisions or any antecedent breach of the Share Swap Agreement).

### CHANGES IN THE SHAREHOLDING OF SEI

Upon Completion, the Company will own 9.87% of SEI’s capital shares, and the Swap Shareholder will own 3.45% of the Company’s ordinary shares. As such, SEI’s financial results will not be consolidated into the consolidated financial statements of the Company.

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 7,006,631,478 shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the allotment and issuance of all the Swap Shares:

	As at the date of this announcement		Immediately after the completion of allotment and issuance of Swap Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Public	7,006,631,478	100	7,006,631,478	96.55
The Swap Shareholder	0	0	250,250,000	3.45
Total	<u>7,006,631,478</u>	<u>100.00</u>	<u>7,256,881,478</u>	<u>100.00</u>

## INFORMATION OF SEI

Scientific Energy, Inc. was incorporated in the U.S.A and its shares are traded on the OTC Markets in the U.S.A.

SEI conducts its businesses primarily through its 98.75% owned subsidiary, Macao E-Media Development Company Limited (“MED”), a Macau Company, which have 5 subsidiaries operated in Macau and Zhuhai, China. SEI also owns Gold Gold Gold Limited, a Hong Kong company, which is engaged in the business of trading of gold.

As Macau’s number one mobile platform of ordering and delivery services for restaurants or other merchants, SEI operates in Macau, and its businesses are built on its Aomi App (the “Platform”). The Platform connects restaurants/merchants (collectively referred to as “Merchants”) with consumers and delivery riders. The Platform is created to serve the needs of these three key constituencies and to become more intelligent and efficient with every customer order. For the year ended 31 December 2021, SEI’s Platform generated over 8,400,000 transactions, totaling \$1,049,142,000 MOP (approximately US\$130,649,653) in Gross Merchandise Volume. As of 31 December 2021, SEI had approximately 620,100 registered Platform customers and served over 4,400 partnered Merchants.

SEI originally serviced only food ordering and delivery, later, built on the its platform’s user base, SEI expands its services to other areas, such as Mobile Supermarket (Aomi Supermarket) Home Delivery Service, and Brand Promotion Service. SEI believes that it will continue to drive customer growth and enhance customer value.

Set out below is the financial information of SEI extracted from its audited financial statements for the year ended 31 December 2021 and the unaudited financial statements for the six months ended 30 June 2022:

	<b>(Unaudited)</b> <b>As at</b> <b>30 June</b> <b>2022</b> <b>(USD)</b>	<b>(Audited)</b> <b>As at</b> <b>31 December</b> <b>2021</b> <b>(USD)</b>
Net Asset Value	<b>68,248,710</b>	70,711,077
	<b>(unaudited)</b> <b>For the</b> <b>six months</b> <b>ended 30 June</b> <b>2022</b> <b>(USD)</b>	<b>(Audited)</b> <b>For the</b> <b>year ended</b> <b>31 December</b> <b>2021</b> <b>(USD)</b>
Revenues	<b>21,821,021</b>	10,049,891
Profit/loss before taxation	<b>(2,562,834)</b>	(988,081)
Profit after taxation	<b>(2,562,834)</b>	(988,081)

## **IMPACT ON THE COMPANY'S GROUP**

SEI and the Company's subsidiary Cityhill Limited is respectively holding 50% of Gold Gold Gold Limited. After the completion of the Share Swap Agreement, the Company will indirectly own more than 50% of Gold Gold Gold Limited. As such, Gold Gold Gold Limited will become a majority owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Company.

## **REASONS FOR ENTERING INTO THE SHARE SWAP AGREEMENT**

The Company has been striving for business diversification. Coronavirus changed people's daily lives and buying habit. Food delivery service boomed all over the world during lockdown period, it is seen that online purchase and delivery service increased even Covid restriction is easing. The Company believes delivery service in Hong Kong will be in high demand and can be optimized in the future. SEI is holding 98.75% of the share capital of MED, with a successful business model in Macau, MED can help to diversify the Company business in the future.

## **GENERAL MANDATE**

On 6 June 2022, shareholders of the Company granted the General Mandate to the directors of the Company to issue and allot for an aggregate number not exceeding 20% of 7,006,631,478 shares, being the then issued shares of the Company. The Swap Shares will be issued under the General Mandate. Up to the date of this announcement, no Share has been allotted or issued pursuant to the General Mandate. Accordingly, the issue of the Swap Shares is not subject to any further approval of the shareholders.

## **APPLICATION FOR LISTING OF THE SWAP SHARES**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Swap Shares. The Swap Shares to be issued and allotted shall rank pari passu among themselves and with all shares in issue upon Completion.

## **LISTING RULES IMPLICATIONS**

As one or more applicable percentage ratios in respect of the entering into the Share Swap Agreement are more than 5% but all applicable percentage ratios are less than 25%, the Share Swap Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## INFORMATION OF THE COMPANY

The Company (together with its subsidiaries) businesses primarily consist of (i) manufacture and sales of graphite products worldwide, (ii) manufacture and sales of electronic products in the United Kingdom, and (iii) development of multi-media production and movie making.

By order of the board of directors  
**Elate Holdings Limited**  
**Vivian Lam**  
*Company Secretary*

Hong Kong, 19 September 2022

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