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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Elate Holdings Limited or both, you should at once hand this circular together with the enclosed form of proxy (for Shareholders only) to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**PROPOSED SHARE CONSOLIDATION  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an Extraordinary General Meeting of Elate Holdings Limited to be held at Unit 6, G/F., The Center, 99 Queen's Road Central, Hong Kong on 14 December 2022 at 11:00 a.m. (the "Meeting") is set out on pages 10 to 11 of this circular. Whether or not you are able to attend the Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting if you so desire.

21 November 2022

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Board”/“Directors”	the board of directors of the Company
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Company”	Elate Holdings Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“Consolidated Shares”	the ordinary shares of the Company immediately after the Share Consolidation becoming effective
“EGM”	an extraordinary general meeting to be held and convened to obtain the Shareholders’ approval of the Share Consolidation on 14 December 2022
“Existing Shares”	the ordinary share(s) of the Company before the Share Consolidation becoming effective
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	14 November 2022
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Consolidation”	every 20 Existing Shares to be consolidated into one Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## EXPECTED TIMETABLE

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The expected timetable of the proposed Share Consolidation is as follows:–

Despatch date of circular and Notice of EGM . . . . .Monday, 21 November 2022

Latest date and time for lodging transfer documents  
in order to qualify for attending and voting  
at the EGM. . . . .4:30 p.m. on Thursday,  
8 December 2022

Closure of register of members for the entitlement  
to attend and vote at the EGM (both days inclusive). . . . .Friday, 9 December 2022 to  
Wednesday, 14 December 2022

Latest date and time for lodging forms of  
proxy for the EGM . . . . .11 a.m. on Monday,  
12 December 2022

EGM . . . . .11 a.m. on Wednesday,  
14 December 2022

Announcement of EGM results . . . . .Wednesday, 14 December 2022

**The following events are conditional upon satisfaction of the conditions for the implementation of the Share Consolidation:**

Effective date of the Share Consolidation . . . . .Friday, 16 December 2022

First day of free exchange of existing share  
certificates for new share certificates for  
the Consolidated Shares. . . . .Friday, 16 December 2022

Dealings in the Consolidated Shares commence . . . . .9 a.m. on Friday,  
16 December 2022

Original counter for trading in Existing Shares  
in board lots of 4,000 Shares closes . . . . .9 a.m. on Friday,  
16 December 2022

Temporary counter for trading in Consolidated  
Shares in board lots of 200 Consolidated Shares  
(in the form of existing share certificates) opens . . . . .9 a.m. on Friday,  
16 December 2022

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## EXPECTED TIMETABLE

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Original counter for trading in Consolidated Shares  
in board lots of 4,000 Consolidated Shares  
(in the form of new share certificates) re-opens . . . . .9 a.m. on Wednesday,  
4 January 2023

Designated broker starts to stand in the  
market to provide matching services for  
odd lots of Consolidated Shares . . . . .9 a.m. on Wednesday,  
4 January 2023

Parallel trading in Consolidated Shares  
(in form of new share certificates and  
existing share certificates) commences . . . . .9 a.m. on Wednesday,  
4 January 2023

Designated broker ceases to stand in the  
market to provide matching services for  
odd lots of Consolidated Shares. . . . .4 p.m. on Friday,  
27 January 2023

Temporary counter for trading in Consolidated  
Shares in board lots of 200 Consolidated Shares  
(in the form of existing share certificates) closes . . . . .4:10 p.m. on Friday,  
27 January 2023

Parallel trading in Consolidated Shares  
(in form of new share certificates and  
existing share certificates) ends . . . . .4:10 p.m. on Friday,  
27 January 2023

Last day for free exchange of Existing Share  
certificates for new share certificates for  
the Consolidated Shares . . . . .Tuesday, 31 January 2023

*All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to amendment. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Feng Zhong Yun (*Managing Director*)

Ms. Zhang Xue

*Independent Non-Executive Directors:*

Mr. Chai Woon Chew

Mr. Ng Lai Po

Ms. Ye Yi Fan

*Registered Office:*

Unit 1002

10/F., Euro Trade Centre

13-14 Connaught Road Central &

21-23 Des Voeux Road Central

21 November 2022

*To the Shareholders*

Dear Sir or Madam,

### **INTRODUCTION**

Reference is made to the announcement dated 10 October 2022.

The purpose of this circular is to provide you with information relating to the Share Consolidation and the notice of the EGM.

### **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every twenty (20) existing issued and unissued Shares in the capital of the Company be consolidated into one (1) Consolidated Share.

#### **Effect of the Share Consolidation**

As at the Latest Practicable Date, there are 7,256,881,478 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no Shares will be issued or repurchased from the Latest Practicable Date and up to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, there will be 362,844,073 Consolidated Shares in issue which are fully paid or credited as fully paid.

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## LETTER FROM THE BOARD

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Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

### **Conditions**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

The Share Consolidation is expected to become effective on 16 December 2022, being the second business day after the EGM, subject to the fulfilment of the above conditions.

### **Listing Application**

Application will be made by the Company to the Listing Division of the Stock Exchange for granting the listing of and permission to deal in the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares are listed or dealt in on any stock exchange other than the Stock Exchange and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought. Other than the Stock Exchange, no equity or debt securities of the Company are listed or dealt in on any other stock exchange on which listing or permission to deal is being or is proposed to be sought.

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## LETTER FROM THE BOARD

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### **Reason for Share Consolidation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the Existing Shares approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the Company to either change the trading method or to proceed with a consolidation or splitting of the Existing Shares.

Over the past 12 months, the Existing Shares has been trading at a closing price below HK\$0.1. The Board considers that the proposed Share Consolidation, resulting in a theoretical value of HK\$0.46 per Consolidated Share (based on the closing price of HK\$0.023 per Existing Share as at the Latest Practicable Date), would enable the Company to avoid the occurrence of non-compliance with the trading requirements under the Listing Rules. Accordingly, the Share Consolidation will bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. As a result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the Listing Rules, but would also attract more investors and hence broaden the Shareholder base.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above considerations, the Board is of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months.

### **Possible Adjustment to the Convertible Debentures**

As at the Latest Practicable Date, the Company has outstanding convertible debentures in the aggregate principal amount of HK\$492,510,000 entitling the holder thereof to subscribe for up to an aggregate of 8,208,500,000 Shares.

The Share Consolidation may cause adjustments to the conversion price and the number of Consolidated Shares to be issued pursuant to the terms and conditions of the convertible debentures. Further details of such adjustment, if required to be made, will be disclosed in further announcement(s).

Save for the convertible debentures, there are no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convertible or exchangeable into the Shares as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### **OTHER ARRANGEMENTS**

#### **Fractional Entitlement to Consolidated Shares**

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

#### **Odd Lot Trading Arrangement**

To facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a designated broker as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Shareholders who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Mr. Li Wing Chung or Ms. Chan Ying Yu of Lego Securities Limited at Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong or by phone at (852) 3188 8055 or (852) 3188 8052 during office hours.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

#### **Exchange of Share Certificate**

Subject to the Share Consolidation becoming effective, which is currently expected to be on 16 December 2022, Shareholders may, on or after 16 December 2022 and until 31 January 2023 (both days inclusive) and during business hours, submit their existing share certificates in red colour for the Existing Shares to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange for new share certificates in yellow colour for the Consolidated Shares at the expenses of the Company.

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## **LETTER FROM THE BOARD**

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Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

After 4:10 p.m. on 27 January 2023, trading will only be in Consolidated Shares which share certificates will be issued in yellow colour and existing share certificates in red colour for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares on the basis of twenty (20) Existing Shares for one (1) Consolidated Share at any time but will cease to be valid for delivery, trading, registration and settlement purposes.

### **NO CHANGE IN BOARD LOT SIZE**

The Existing Shares are currently traded on the Stock Exchange in board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 4,000 Consolidated Shares per board lot.

Based on the closing price of HK\$0.023 per Existing Share (equivalent to the theoretical closing price of HK\$0.46 per Consolidated Share) as at the Latest Practicable Date, (i) the value per board lot of 4,000 Existing Shares is HK\$92; and (ii) the value per board lot of 4,000 Consolidated Shares would be HK\$1,840 on the assumption that the Share Consolidation becomes effective.

### **EGM**

The notice of the EGM is set out on pages 10 to 11 of this circular. There is a form of proxy for use at the EGM accompanying this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

The resolution proposed to be approved at the EGM will be taken by poll and an announcement will be made by the Company on the results of the EGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution proposed to consider and approve the Share Consolidation at the EGM.

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## LETTER FROM THE BOARD

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### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the list of Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from 9 December 2022 to 14 December 2022 (both dates inclusive). No transfer of shares of the Company will be registered during these days. In order to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificate(s), must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on 8 December 2022.

### **Recommendation**

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of EGM.

### **Responsibility Statement**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement contained herein misleading.

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

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## NOTICE OF EGM

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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)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “Meeting”) of Elate Holdings Limited (the “Company”) will be held at 11:00 a.m. on 14 December 2022 at Unit 6, G/F., The Center, 99 Queen’s Road Central, Hong Kong for the purpose of considering and if thought fit, passing, with or without modifications, the following resolution which will be proposed as ordinary resolution:

#### ORDINARY RESOLUTION

**“THAT**

- (a) every twenty (20) existing issued and unissued ordinary shares in the share capital of the Company be consolidated into one ordinary share (“Consolidated Share”) and such consolidation shall take effect on the second business day immediately following the day of passing of this resolution;
- (b) the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the articles of association and bye-laws of the Company;
- (c) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and not be issued to the holders of the existing ordinary shares of the Company but all fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the directors of the Company may think fit; and
- (d) the directors of the Company be and are generally authorised to do all such acts and things and execute all such documents, including under the seal of the Company, where applicable, as they consider necessary or expedient to implement and give effect to the arrangements set out in this resolution.”

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

Hong Kong, 21 November 2022

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## NOTICE OF EGM

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*Notes:*

- (i) A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (ii) Where there are joint holders of any share of the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not less than 48 hours before the time appointed for holding the Meeting.
- (iv) The register of members of the Company will be closed from Friday, 9 December 2022 to Wednesday, 14 December 2022, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 December 2022.

*As at the date of this circular, the board of directors comprised 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.*