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(Incorporated in Hong Kong with limited liability)

(Stock Code: 076)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ISSUE OF HK\$24,339,000 CONVERTIBLE DEBENTURES UNDER GENERAL MANDATE

Reference is made to the announcement dated 17 July 2025 (the "Announcement") in relation to the issue of HK\$24,339,000 convertible debentures under the General Mandate granted by the Shareholders at the annual general meeting held on 6 June 2025. This announcement is made to provide supplemental information in relation to the Debentures. Unless the context otherwise requires, capitalized terms in this announcement shall have the same meaning as defined in the Announcement.

Adjustment to the Conversion Price

The Conversion Price shall from time to time be adjusted in accordance with the relevant provisions under the terms and conditions of the Debentures upon occurrence of the following events:

(i) an alteration of the nominal amount of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

A B

where

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

(ii) an issue of Shares credited as fully paid to Shareholders by way of capitalisation of profits or reserves (including any share premium account and/or capital redemption reserve), other than Shares issued in lieu of a cash dividend, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

where

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

(iii) a capital distribution to Shareholders being made by the Company, or the Shareholders rights to acquire for cash assets of the Group being granted by the Company, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such capital distribution by the following fraction:

where

A is the average of the closing price for one Share for the five consecutive dealing days ending on and inclusive of the dealing day immediately preceding such date (the "Current Market Price") of one Share on the record date of such capital distribution; and

B is the fair market value on the record date of such capital distribution, as determined in good faith by the auditor acting as an expert, of the portion of the capital distribution or of such rights which is attributable to one Share.

(iv) rights issue of Shares to all or substantially all Shareholders, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 90% of the Current Market Price per Share on the record date of such issue or grant to Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

where

A is the number of Shares in issue immediately before such issue or grant;

B is the number of Shares which the aggregate amount (if any) payable for the rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

(v) an issue of Shares being made wholly for cash at a price less than 90% of the Current Market Price on the date of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

where

A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

(vi) save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves, if and whenever the Company or any subsidiary issues any securities (other than the Debentures) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares or securities which by their terms might be re-designated as Shares to be issued by the Company upon conversion, exchange or subscription or redesignation, at a consideration per Share receivable by the Company or the relevant subsidiary which is less than 90% of the Current Market Price per Share on the date of the issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue (or grant) by the following fraction:

where

A is the number of Shares in issue immediately before such issue (or grant);

B is the number of Shares which the aggregate consideration receivable by the Company for or the Shares to be issued upon conversion or subscription for or exchange of or upon exercise of the right of subscription attached to such securities or for the Shares to be issued or arise from any such re-designation would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued upon conversion into or subscription for or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate or the Shares to be issued or to arise from any such re-designation.

(vii) a modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in the events (vi) above so that the effective consideration per Share is less than 90% of the Current Market Price per Share on the date of such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

where

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange, or upon exercise of the rights of subscription attached to the securities so modified, would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate.

(viii) any analogous event and other event arises, the Company shall at its own expense request an independent valuer to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable.

If any adjustment made to the Conversion Price would require the Company to allot and issue Shares in excess of unissued Shares under the General Mandate, specific mandate will be sought in general meeting.

Saved for the adjustment to the Conversion Price, all other terms and conditions of the Debentures remain unchanged.

Effect of Conversion

The shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Debentures are set out as follows:

	As at the date of the Announcement		Assuming the Debenture Holder(s) Elect to Fully Convert the Debentures	
	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding
 Public shareholders^(Note 1) The Debenture Holder(s) 	432,844,073	100	432,844,073 79,800,000	84.43 15.57 ^(Note 2)
	432,844,073	100	512,644,073	100

- Note 1: Public shareholders do not include any substantial shareholder(s) that the Company was aware of on the date of the Announcement.
- Note 2: This illustrates a hypothetical shareholding structure merely for illustration purpose. Pursuant to the Subscription Agreement, the Subscriber or each of the transferees of the Debentures is required to maintain his/her shareholding percentage under 5% at all time. Therefore no substantial shareholder will be introduced to the Company by conversion of the Debentures.

Assuming the Debentures are fully converted into 79,800,000 New Shares, which represents:

- (i) approximately 18.44 % of the total number of Shares in issue as at the date of the Announcement; and
- (ii) approximately 15.57% of the total number of Shares in issue as enlarged by the allotment and issue of the New Shares upon the full conversion of the Debenture at the Conversion Price (assuming there is no other change in the total number of Shares from the date of the Announcement up to the issue of all the New Shares).

Reasons for Issue of Debentures and Use of Proceeds

To further enhance our sales of graphite business segment, the Company will use the proceeds to perform research and development of a graphite product trading platform with the technology of Web 3.0 in the coming twelve months (i.e. 31 July 2026), which includes the digitalization of the graphite product trading platform, the application of Web 3.0 technology into the graphite product trading platform, hiring professionals for consultancy advices etc. The graphite product trading platform with Web 3.0 technology can enhance global graphite product trading experience, in which graphite product suppliers including us can present and sell the products and the customers can settle the payment with tokens or other digital assets.

The Company believes that the future development of the business will be related to Web 3.0 technology. Hence, the Company will further explore the application of Web 3.0 to our business which will be in synergy with the existing business segments.

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

Hong Kong, 25 July 2025

As at the date of this announcement, the board of directors comprised of Mr. Feng Zhong Yun and Ms. Zhang Xue being executive directors, Mr. Ng Lai Po, Ms. Ye Yi Fan and Dr. Yan Shao Shi being independent non-executive directors.