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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)

**SUPPLEMENTAL ANNOUNCEMENT TO THE
ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2024
AND
CHANGE IN USE OF PROCEEDS**

Reference is made to the annual report (the “**Annual Report**”) of Elate Holding Limited (the “**Company**”) for the year ended 31 December 2024 published on 25 April 2025. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company would like to provide further information to the paragraph headed “Liquidity and Financial Resources” in the section headed “Management’s Discussion and Analysis of Financial Condition and Results of Operations”.

2018 CONVERTIBLE DEBENTURES

As per the Annual Report, the Company entered into a subscription agreement with China Minerals International Limited for an aggregate amount of HK\$600,000,000 convertible debentures (the “**2018 Convertible Debentures**”) on 25 April 2018.

As at 31 December 2024, and up to the date of the publication of the Annual Report, the Company had received approximately HK\$102,115,500 (equivalent to US\$13,091,600) from the 2018 Convertible Debentures. Of this amount, approximately HK\$90,134,000 (equivalent to US\$11,555,600) had been utilized. The detailed breakdown of the net proceeds that were used are as below:

	Amount of net proceeds allocated as of 31 December 2023		Amount of net proceeds utilised as of 31 December 2023		Amount of net proceeds utilised during the year ended 31 December 2024		Balance of net proceeds unutilised as of 31 December 2024	
	HK\$	US\$	HK\$	US\$	HK\$	US\$	HK\$	US\$
Plant and Warehouse	21,796,600	2,794,400	21,796,600	2,794,400	-	-	-	-
Production line	39,747,000	5,095,600	32,227,000	4,131,600	-	-	7,520,000	964,000
Pipeline, transport and loading tools	33,484,500	4,293,000	29,023,000	3,721,000	-	-	4,461,500	572,000
Wages	1,560,000	200,000	1,560,000	200,000	-	-	-	-
Other	5,527,400	708,600	5,527,400	708,600	-	-	-	-
Total	102,115,500	13,091,600	90,134,000	11,555,600	-	-	11,981,500	1,536,000

The utilization of proceeds amounted to approximately HK\$90,134,000 (equivalent to US\$11,555,600) was consistent with the purposes outlined in the circular dated 23 October 2018. For the year ended 31 December 2024, no proceeds of the 2018 Convertible Debentures were utilized.

As disclosed in the circular dated 23 October 2018, the subscriber has the right at any time during the conversion period to subscribe and convert, in whole or in part, the convertible debentures, i.e. to subscribe and convert in tranches, at various times and in amounts determined at the subscriber's discretion. Based on the above, and unless the Company publish a new announcement to construct new production lines, the remaining amounts of the 2018 Convertible Debentures are not expected to be subscribed prior to their maturity on 25 April 2028.

CHANGE IN USE OF PROCEEDS

As at 31 December 2024 and up to the date of this announcement, a total of approximately HK\$90,134,000 (equivalent to US\$11,555,600) had been utilized, the unutilized net proceeds from the 2018 Convertible Debentures amounted to approximately HK\$11,981,500 (equivalent to US\$1,536,000) (the “**2018 Unutilized Net Proceeds**”).

On 21 May 2024, the Company disposed of two production lines in Madagascar, with shareholders' approval obtained at the extraordinary general meeting held on 22 July 2024. Since then, the Company has planned to operate its graphite business under a light-asset model. Hence, the Company planned to develop a graphite trading platform, aimed at enhancing global graphite product trading experience and leveraging synergies of the Company existing business segments.

Having considered the above, as at the date of this announcement, the Board is planning to change the use of the 2018 Unutilized Net Proceeds to the working capital for the platform (a trading platform for mineral products (including graphite) with the technology of Web 3.0), including regular system maintenance and updates of the platform, ongoing cybersecurity and fraud prevention, ongoing compliance cost etc. The Company expected to utilize the 2018 Unutilized Net Proceeds before 31 December 2028.

2024 CONVERTIBLE DEBENTURES

On 26 April 2024, the Company entered into a subscription agreement with Mr. Zhang Zheng for an aggregate amount of HK\$21,000,000 convertible debentures (the “**2024 Convertible Debentures**”).

As at 31 December 2024, the Group has received the net proceeds of HK\$1,260,000 (equivalent to US\$161,500). The detailed breakdown of the net proceeds that were used are as below:

	Amount of net proceeds allocated		Amount of net proceeds utilised during the year ended 31 December 2024		Balance of net proceeds unutilised as of 31 December 2024	
	HK\$	US\$	HK\$	US\$	HK\$	US\$
Development of the artificial intelligence business	1,260,000	161,500	–	–	1,260,000	161,500
Total	1,260,000	161,500	–	–	1,260,000	161,500

CHANGE IN USE OF PROCEEDS

As at 31 December 2024 and up to the date of this announcement, the Group has received the net proceeds of HK\$21,000,000 and has not utilised any of the net proceeds from the 2024 Convertible Debentures. The original intended use of the net proceeds from the 2024 Convertible Debentures was to explore the new business direction of combining artificial intelligence with the cultural industry in Web 3.0. by its joint venture, GoMeta Limited, including but not limited to videos and microfilms making, or to cooperate with well-known painters to generate animated videos from their works, etc. However, after entering the subscription agreement of 2024 Convertible Debentures, the Company still could not reach consensus in certain commercial terms with the potential partners for cooperation of videos and microfilms productions. Hence, GoMeta Limited has not commenced any operations in relation to artificial intelligence business since establishment and will not further develop the business in relation to artificial intelligence. In view of that, the Company has planned to shift the development focus of Web 3.0 to the Company's existing graphite business to develop a graphite product trading platform, aimed at enhancing global graphite product trading experience and leveraging synergies of the Company existing business segments.

Having considered the above, the Board is planning to change the use of the unutilized net proceeds from the 2024 Convertible Debentures (the “**2024 Unutilized Net Proceeds**”) as at the date of this announcement. The detailed breakdown for using the 2024 Unutilized Net Proceeds is as follows:

	<i>HK\$</i>
Research and development of graphite and various commodities trading platform	9,000,000
Marketing and brand building by organizing marketing campaigns and advertisements etc	5,500,000
Working capital for the trading platform such as regular system maintenance and updates of the platform, ongoing cybersecurity and fraud prevention and scaling cost, etc.	<u>6,500,000</u>
Total	<u>21,000,000</u>

The Company expected to utilize all 2024 Unutilized Net Proceeds before 31 December 2027.

The Board confirms that there are no material changes in the nature of the business of the Group since the date of the Annual Report. The Board believes the above changes in the use of the net proceeds would allow the Company to deploy its financial resources more efficiently and enhance the business performance of the Group in the long run and is therefore in the interests of the Group and the Shareholders as a whole.

The Board will continuously monitor the use of the unutilised net proceeds and may revise or amend the plan for such use where necessary to cope with market conditions and strive for better business performance of the Group.

The above information is supplemental to the Annual Report and does not affect other information contained therein. Save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

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

Hong Kong, 15 August 2025

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. Ng Lai Po, Ms. Ye Yi Fan and Dr. Yan Shao Shi being independent non-executive directors.