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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
IN RELATION TO
SETTLEMENT OF OUTSTANDING
CONSIDERATION OF THE SOLD GRAPHITE ORES**

Reference is made to the announcements dated 15 October 2025 and 16 October 2025 (the “**Announcements**”) of Elate Holdings Limited (the “**Company**”). Unless otherwise defined, terms used herein shall have the same meanings as those defined in the Announcements.

In addition to the information provided in the Announcements, the board of directors of the Company would like to provide further information on (1) the Company’s negotiations with AGL on accepting the return of unused graphite ore (the “**Arrangement**”), and (2) the collateral (the “**Collateral**”) provided by AGL.

The Arrangement

AGL has suggested to return the 32,531,371 tones unused graphite ore to the Company. However, as disclosed in the Company’s announcement dated 16 October 2025, the Company refused to accept AGL’s suggestion to return the unpaid graphite ore. Instead, the Group has enforced and obtained the Collateral. Under the terms of the sale, the Group is entitled to retain the Collateral and treat it as full discharge of the payment obligation of AGL without any other recourse against AGL.

The Company obtained 100,000,000 MUP through the enforcement of the Collateral. As at the date of this announcement, the consideration received by the Company from AGL amounted approximately to US\$3,000,000, which, given that the Company has chosen to enforce the Collateral, the respective 1,012,035 MUP equivalent to approximately US\$3,000,000 received by the Company has been returned to AGL. As such, the number of MUP held by the Company through the enforcement of the Collateral after the return of 1,012,035 MUP to AGL was 98,987,965 MUP. The said number of MUP obtained by the Company through the enforcement of the Collateral is separate from and in addition to the MUP acquired by the Company as detailed in the Company’s announcement dated 3 March 2026 regarding, among other things, the acquisition and disposal of cryptocurrencies.

As at the date of enforcing the Collateral, the average closing price per MUP quoted on Klickl and Richberg was 3.593 USDT. Accordingly, the value of MUP as at the date of enforcement was 355,663,758.2 USDT (equivalent to US\$355,663,758.2). The unaudited expected actual gain on the fair value of MUP at the date of enforcing the Collateral was approximately US\$62,230,765.1, being the difference between the fair value of MUP as at the date of the enforcement of US\$355,663,758.2 and the balance of accounts receivable as at the date of the enforcement of US\$293,432,993.1.

As at 26 February 2026, the average closing price per MUP quoted on Klickl and Richberg is approximately 3.64 USDT. The fair value of MUP through the enforcement of the Collateral held by the Company as at the date of this announcement is therefore 360,316,192.6 USDT (equivalent to approximately US\$360,316,192.6).

The Collateral

The Collateral is comprised of Multiple Up Point (“MUP”). Based on the information available to the Company, MUP is a globally pioneering cryptocurrency deployed on the Polygon Layer-2 network. It combines the features of a utility token and a stablecoin, leveraging its “Dual Gold Standard” mechanism such that each MUP is pegged to an increasing amount of Bitcoin and gold, which lays the foundation for MUP’s intrinsic value. MUP is designed to serve as a “portable vault” for individual users and a “universal tool” for businesses.

MUP is currently traded on cryptocurrency exchange platforms Klickl under Klickl International Limited and Richberg under Richberg Limited. To the best knowledge of the Company, Klickl is licensed by the Abu Dhabi Global Market Financial Services Regulatory Authority and it has partnered with and authorised Richberg to implement Web3 industry projects. The market value of MUP on Klickl and Richberg uses the real-time market price, which reflects the current supply and demand of MUP as benchmark in Richberg.

The minted supply of MUP is 8,099,934,904.78 MUP as at 31 January 2026. The average daily trading volume of MUP on Klickl and Richberg from 1 January 2026 to 26 February 2026 was 489,819 MUP.

Financial impacts to the Company

Given the Collateral had been enforced, the Collateral which comprises MUP will be recognized as digital assets of the Group under current assets, and there will be a reduction in the accounts receivable by approximately US\$293,433,000 in the Group’s balance sheet.

Digital assets inventories are held mainly for the purposes of operational settlement in the ordinary course of business of the Group. Historically, MUP was classified as an intangible asset, as disclosed in the Company’s annual report for the financial year ended 31 December 2024, due to its intangible nature. However, it was reclassified as inventory, as, upon discussion with two of the Company’s major graphite product suppliers (the “**Major Supplier(s)**”, the details of which are set out in the paragraph headed “Background of the Major Suppliers” in this announcement below) and receiving their written confirmations (the “**Written Confirmations**”) in June 2025 to accept MUP for settlement purposes, the Company resolved to hold MUP for operational settlement in the ordinary course of business of the Group. The Group’s auditors have reviewed and agreed with the classification of MUP as inventory. The MUP was reclassified from intangible asset to inventory as at the date of the reclassification, i.e. 30 June 2025.

The Group currently adopts a MUP settlement mechanism with the Major Suppliers. The Group settles its purchase of graphite products by transferring MUP through its hard wallet to the designated blockchain address as directed by the relevant Major Supplier. Leveraging the efficient settlement capabilities of the ERC-20 blockchain, transaction confirmation via MUP is achieved in seconds, with transaction fees being only a fraction of those of traditional methods. In accordance with the terms of the MUP settlement agreements with each of the said suppliers, the number of MUP to be paid is calculated based on the average closing price of MUP (“**Average Closing Price**”) in the 30 days preceding the settlement. In addition, in accordance with the terms of the MUP settlement agreement with one of the Major Suppliers, namely, AGL (the background of which is further set out below), if the Average Closing Price is less than US\$3 per MUP, the number of MUP to be paid by the Company to AGL shall be calculated based on US\$3 per MUP (the “**Minimum Price Mechanism**”). Pursuant to the Minimum Price Mechanism, the Group is able to hedge against any devaluation of MUP below US\$3 per MUP.

Reference is made to the Company’s announcement dated 16 October 2025 in relation to, among other things, settlement for the sale of graphite ores. In or around October 2025, faced with difficulty to make payment caused by the political stability in Madagascar at the time, AGL failed to pay the entirety of the consideration of US\$296,433,000 (the “**Consideration**”) to the Company pursuant the agreement for the sale and purchase of graphite ore between Company and AGL. In view of the long-standing relationship with AGL, the Company agreed to accept the Collateral comprising 98,987,965 MUP as alternative settlement of the Consideration, in order to avoid protracted disputes with AGL. The price per MUP pursuant to the enforcement of the Collateral was approximately US\$2.99. Upon settlement via the enforcement of the Collateral, any potential disputes between the Company and AGL in relation to the Consideration was fully resolved.

In light of the above, in recognition of and to reciprocate the Company’s good will in accepting the Collateral as settlement of the Consideration during difficult circumstances faced by AGL at the time, AGL agreed to the Minimum Price Mechanism, such that the Company shall be able to realise the MUP at the same price at which the Company acquired the it from AGL in the first place.

In relation to the Written Confirmations, the Company conducted a review to ensure that their execution was properly authorized and the terms are binding upon the Major Suppliers. The Company also assessed the operational feasibility of settlement in MUP, including the Major Suppliers’ wallet arrangements, settlement timelines and reconciliation processes, to confirm that such transactions can be effected in practice. In addition, the Company carried out risk assessment covering volatility risk arising from fluctuations in the value of MUP relative to fiat currency, liquidity risk relating to the ability to convert MUP into fiat currency in sufficient volumes, regulatory risk given the evolving treatment of cryptocurrency transactions in relevant jurisdictions, and counterparty risk concerning the Major Suppliers’ continued willingness and ability to accept MUP as settlement. Based on the work performed, the Company is satisfied that the Written Confirmations provide a basis for settlement in MUP, while recognizing that cryptocurrency transactions carry inherent risks. The Company had numerous communication with the Major Suppliers to ensure that their acceptance of MUP for settlement is consistent with their broader commercial strategies. To safeguard against potential changes, the Company already has provisions in its contracts (i) with AGL such that AGL is contractually bound to accept settlement in MUP with the Minimum Price Mechanism, and (ii) with China Graphite Limited such that China Graphite Limited will have to accept 30% of the purchase price in MUP. Based on the above, the Company is satisfied that the Major Suppliers will remain willing and able to accept MUP as settlement.

To mitigate such risks, the Company has adopted a number of measures, including monitoring market liquidity, maintaining alternative settlement options in fiat currency and implementing a Minimum Price Mechanism with AGL. This arrangement provides assurance to the Company that cryptocurrency settlement maintains commercial equivalence with fiat currency transactions and reduces exposure to short-term volatility in the value of MUP. The Company believes that these measures, together with the Written Confirmations obtained and the risk assessment conducted, provide a reasonable framework to ensure that settlement in MUP is practicable and that the cryptocurrency remains realisable for the Group's operational needs.

Digital assets inventories held in the Group's digital asset wallets primarily comprise the MUP after the enforcement. They also include the Group's proprietary digital assets sourced from different exchanges.

Any initial gain or loss on the fair value of the MUP at the date of enforcing the Collateral will be recognized in the profit and loss account.

Reasons for and benefits of accepting cryptocurrencies as the Collateral

Given the political environment and uncertainty at the time in Madagascar, the Company desired to dispose of all of its graphite inventory. Due to the size of the inventory in question, the Company had difficulty in finding a suitable buyer. One of the Group's longstanding service provider for providing processing services to the Group's graphite products, namely AGL, had indicated an interest to purchase the entire graphite inventory, and the only collateral that it was able to provide was MUP. Under the circumstances, the Company had accepted the MUP as collateral.

In addition, MUP is utilized and accepted by some industry players, such as sellers and suppliers of graphite products, including the Major Suppliers. As such, the Company had accepted the MUP as collateral because it envisaged that it would be able to use MUP for a portion of its purchase of graphite products in its ordinary course of business.

In spite of the aforementioned political environment at the time in Madagascar, the Group is of the view that AGL would be able to fulfil the Group's graphite product orders and provide graphite products to the Company, as based on the public information available to the Company, (i) political instability in Madagascar came to an end in late 2025 following the appointment of an interim leader, and (ii) AGL was able to fulfil all of the Company's graphite product orders from October 2025 to December 2025 in a timely manner.

To mitigate any potential risks arising from political uncertainties in Madagascar, the Company has proactively diversified its supplier base by engaging China Graphite Limited and has commenced purchases therefrom. This strategic sourcing arrangement is intended to enhance supply chain resilience and ensure a stable and continuous supply of graphite products to the Group.

Proposed plan and timeline for the use or realization of the Collateral

The Group intends to utilize the Collateral in the following manner:

1. Approximately 30-40% for purchasing graphite products from suppliers including AGL and China Graphite Limited in the operation of the Group's principal business. Going forward, the Company expects to purchase graphite products amounting to US\$20 million to US\$25 million from AGL per year, and US\$10 million to US\$15 million from China Graphite Limited per year; and

2. Approximately 60-70% for acquisition purposes. The Company intends to deploy part of this for settlement of future acquisitions, which may constitute notifiable transactions under Chapter 14 of the Listing Rules in which case the Company will comply with the Listing Rules based on the corresponding transaction classification. The Group is actively seeking for potential investment opportunities which will enable the Group to expand its business portfolio and diversify its revenue sources to enhance return to the Shareholders.

As at the date of this announcement, the Company has identified a potential acquisition target (the “**Possible Target**”). Based on the information available to the Company, the Possible Target is a lifestyle service platform in Macau, offering a wide range of services including food delivery, group purchasing, supermarkets and convenience stores, e-commerce, hotel bookings, tourism, laundry, and on-demand errand services.

The Company has been exploring the development of Web 3.0 related initiatives, including research and development in artificial intelligence and digital technologies. Although such initiatives are currently at an early stage and have not yet generated material revenue, the Company believes that the proposed acquisition of the Possible Target (the “**Possible Acquisition**”) may provide an opportunity to apply and further develop its technological capabilities in practical commercial scenarios. The Company is of the view that, subject to further assessment, technological integration such as the application of artificial intelligence tools may enhance customer acquisition efficiency, improve demand forecasting, streamline operational processes and support potential geographical expansion of the Possible Target.

The Possible Acquisition is currently in due diligence phase and is subject to further valuation to be conducted. It is expected that over 50% of the consideration for the Possible Acquisition is to be settled in MUP. As at the date of this announcement, no definitive agreement in relation to the Possible Acquisition has been entered into by the Company, and the Possible Acquisition may or may not proceed or materialise. The Possible Acquisition, if materialised, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

At present, the Company has not established a definitive timeline for such utilization. Given the inherent fluctuations in cryptocurrency valuations, the Company believes it is prudent to maintain flexibility in determining the timing and extent of deployment. Accordingly, decisions regarding the application of the Collateral will be made as and when appropriate, taking into account prevailing market conditions and the Company’s operational and strategic requirements.

Having considered that MUP can be utilized for purposes other than trading on cryptocurrency exchanges and in light of the above proposed plan of utilization, the Company is of the view that daily trading volume of MUP on cryptocurrency exchanges will not have a material adverse impact on its utilization and realization of MUP.

The Company is also of the view that the intended utilization set out above represents a proper use of shareholders’ fund, and is in line with shareholders’ investment expectations, as (1) a substantial portion of the Collateral is used for purposes of settlement of its purchase of graphite products in the ordinary course of its usual business, and (2) acquisition allows the Group to expand its business portfolio and diversify its revenue sources to enhance return to the Shareholders.

Background of the Major Suppliers

The Major Suppliers comprise AGL and China Graphite Limited, both incorporated in the Cayman Islands. AGL is principally engaged in the production, processing and sales of graphite products. The total purchase amount by the Group from AGL was approximately US\$25.2 million in 2023 (representing approximately 33% of the total purchases of the Group and approximately 100% of the total purchases of graphite of the Group in the same year) and approximately US\$41.8 million in 2024 (representing approximately 31% of the total purchases and approximately 100% of the total purchases of graphite of the Group in the same year). The historical settlement method was prepayment in cash before delivery. The Group has approximately eight years of business relationship with AGL.

China Graphite Limited is principally engaged in the production of graphite products. China Graphite Limited is principally engaged in the production, processing and sales of graphite products. The total purchase amount by the Group from China Graphite Limited was nil in 2023 and 2024. The unaudited total purchase amount by the Group from China Graphite Limited was approximately US\$1.5 million for the eleven months ended 30 November 2025. The historical settlement method was cash settlement within 60 days upon delivery of graphite products. The Group has approximately one year of business relationship with China Graphite Limited.

Each of AGL and China Graphite Limited and their respective ultimate beneficial owners is an independent third party of the Group.

Internal Control and Risk Management

To strengthen the Company's internal control framework over the storage of cryptocurrency assets, and to ensure ongoing compliance with applicable laws, regulations and the Listing Rules, the Company has implemented the following internal control systems:

The Company has designated three key personnel to assume responsibility for the oversight, management and execution of all digital asset-related activities, with clear segregation of duties and enhanced internal control procedures. The Executive Director and Managing Director, Mr. Feng Zhong Yun ("**Mr. Feng**"), holds overall supervisory authority for the Company's cryptocurrency asset management framework. He is responsible for approving all proposed cryptocurrency transactions, maintaining custody of the Company's cold wallets, ensuring that cold-storage devices are kept in secure and access-controlled environments, and overseeing the implementation of multi-signature arrangements to prevent any single individual from unilaterally executing high-value transfers. Mr. Feng is supported by Mr. Vitor Lo ("**Mr. Lo**"), our finance manager, who safeguards all passwords and authentication credentials (including Google Authenticator) associated with the Company's hardware wallets and cryptocurrency exchange accounts. He performs hardware-wallet transfer operations strictly in accordance with approved instructions, maintains and updates the Company's cryptocurrency asset ledgers, and conducts periodic checks on wallet devices to ensure their security and proper functioning. Transactions settled by MUP are carried out by the Company's Digital Asset Transaction Processing Officer, Mr. Du Yi, who executes transactions and transfers in accordance with approved instructions and within authorised limits. He monitors market conditions, maintains detailed records, and reports any unusual market movements or operational issues encountered. Together, these individuals form a structured and segregated control framework that ensures proper oversight, operational integrity and compliance in all cryptocurrency-related activities of the Company.

The Company has also designated Mr. Chen Yaofei (“**Mr. Chen**”) to join the internal team of the cryptocurrencies transaction function of the Group. Mr. Chen joined the Company as a Chief Technical Officer in October 2023. Mr. Chen has over 15 years of experience in trading-related technology, quantitative research, and large-scale financial architecture across equities, fixed income, foreign exchange, commodities, derivatives, hedge funds, and structured products. Prior to joining the Company, Mr. Chen held management roles in international banks, where he had extensive experience in the development of proprietary systems supporting multi-asset portfolio construction, strategic and tactical allocation, risk budgeting, performance attribution, automated trading systems, multi-asset valuation tools, and risk-analytics platforms supporting derivatives and complex structured instruments. Mr. Chen holds a Ph.D. in Computer Science from the New Jersey Institute of Technology, and is proficient in Python, Java, C++, distributed systems, and quantitative modelling for trading and risk platforms.

In addition, the Company has established a formalized approval and reporting workflow for all digital asset transactions. Before any transaction is executed, the finance department prepares a transaction request based on the decisions approved by the Board. Such request must specify the proposed cryptocurrency, transaction size, subject matter and rationale. The request will then be reviewed and approved by the Managing Director, who will consider market conditions, risk exposures and the Company’s risk tolerance before granting approval. No transaction may be executed without such approval. Following execution, the finance department will record the transaction details, update the cryptocurrency asset ledger and reconcile the balances with the Company’s financial records.

The Company has also strengthened its risk management and monitoring mechanisms. The Company maintains systems for monitoring market, liquidity, operational and legal risks, and employees involved in cryptocurrency activities receive ongoing training on compliance, risk awareness and operational procedures. Access to wallet devices, passwords and authentication tools is strictly controlled, with clear segregation between custody, authentication, transaction and transfer functions.

In addition, the Company has implemented enhanced reporting procedures. The finance department will provide regular reports to the Managing Director on cryptocurrency holdings, transaction activities, risk exposures and any irregularities identified. Any significant or urgent risk events must be escalated immediately to senior management.

Furthermore, the Company would also propose setting up an internal team of staff with five members consisting of Mr. Feng Zhong Yun (Executive Director), Ms. Vivian Lam (Company Secretary), Mr. Vitor Lo (Finance Manager), Mr. Du Yi (Digital Asset Transaction Processing Officer) and Mr. Chen Yaofei (Chief Technical Officer) which will be dedicated to conducting the relevant due diligence on the proposed cryptocurrency transaction and compiling the relevant report and if deemed necessary obtaining external expert report for Board’s approval prior to executing any transactions in cryptocurrency. The inclusion of the Executive Director and the Company Secretary in this internal team would ensure any proposed transaction would be in compliance with the applicable Listing Rules and to the extent necessary they may seek external advisers’ assistance.

The internal team was set up and its functions was resolved and confirmed by the Board on 16 January 2026.

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

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

Hong Kong, 5 March 2026

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.