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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)

ISSUE OF HK$19,553,600 CONVERTIBLE DEBENTURES UNDER GENERAL MANDATE

The Board are pleased to announce that on 26 November 2026 (after trading hours of the Stock Exchange), the Company entered into a Subscription Agreement with the Subscriber for HK$19,553,600 nil interest 6-year Debentures due 2032.

A Subscription Agreement was entered into between the Company and the Subscriber on 26 November 2026, the initial Conversion Price shall be HK$0.22. The maximum number of 88,880,000 New Shares which are issuable pursuant to the Subscription Agreement shall be issued and allotted under the General Mandate given by the Shareholders of the Company at the annual general meeting held on 5 June 2026.

The proceeds from the issue of the Debentures will be used for making of AI-generated film and developing film distribution business.

The Subscription Agreement and the transactions contemplated therein including the issue and allotment of the New Shares under the General Mandate are not subject to Shareholders' approval. No application will be made for the listing of the Debentures on the Stock Exchange or any other stock exchange. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the New Shares.

ISSUE OF HK$19,553,600 CONVERTIBLE DEBENTURES

The Board are pleased to announce that on 26 November 2026 (after trading hours of the Stock Exchange), the Company entered into a Subscription Agreement with the Subscriber for HK$19,553,600 nil interest 6-year Debentures due 2032.

Date of Subscription Agreement

26 November 2026

Parties

– The Company
– The Subscriber

Information of the Subscriber

The Subscriber, Ms. Li Hongyi ("**Ms. Li**") is an individual investor. As at the date of this announcement, the Company confirms that, to the best of the directors' knowledge, information and belief, having made all reasonable enquiry, Ms. Li is a third party independent of the Group and connected persons (as defined under the Listing Rules) of the Group.

Principal amount

HK$19,553,600

Maturity Date

25 November 2032

Interest

Nil

Completion of the Subscription Agreement

Completion of the Subscription Agreement is subject to the Listing Committee of the Stock Exchange granting approval for listing of, and permission to deal in, the New Shares. Pursuant to the Subscription Agreement, no long stop date is set as a condition precedent.

Completion Date

One business day following the date on which the Stock Exchange has granted the listing approval for the New Shares.

Conversion

Debenture Holder shall have the right to convert the principal amount of the Debentures in whole or in part in multiples of HK$10,000 into the New Shares at the prescribed Conversion Price within the Conversion Period. The New Shares will rank pari passu in all respects with the existing Shares in issue.

Conversion Price

The initial conversion price shall be HK$0.22 per Share, subject to adjustment(s) upon occurrence of certain events as summarised in the paragraph headed "Adjustments to the Conversion Price" below, represents:

(i) a premium of approximately 13.40% over the closing price of HK$0.194 per Share as quoted on the Stock Exchange on 26 November 2026, being the date of this announcement;

(ii) a premium of approximately 6.28% over the average closing price of HK$0.207 per Share as quoted on the Stock Exchange over the five consecutive trading days immediately prior to the date of this announcement;

(iii) a premium of approximately 2.33% over the average closing price of HK$0.215 per Share as quoted on the Stock Exchange over the ten consecutive trading days immediately prior to the date of this announcement.

The Conversion Price was determined based on arm's length negotiations between the parties with reference to the prevailing market prices of the Shares as quoted on the Stock Exchange.

Conversion Period

The period commencing from the day immediate after the Completion Date to 4:00 p.m. (Hong Kong time) on the Maturity Date.

Early Redemption

Pursuant to the Subscription Agreement, no early redemption is allowed. The Company will pay back to the Debenture Holder the unconverted principal (if any) within ten business days after the Maturity Date.

Adjustments 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:

$$\frac{A}{B}$$

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:

$$\frac{A}{B}$$

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:

$$\frac{A-B}{A}$$

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:

$$\frac{A+B}{A+C}$$

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:

$$\frac{A+B}{C}$$

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:

$$\frac{A+B}{A+C}$$

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:

$$\frac{A+B}{A+C}$$

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.

GENERAL MANDATE TO ISSUE AND ALLOT THE CONVERSION SHARES

At the annual general meeting of the Company held on 5 June 2026, a resolution of the Shareholders was passed to grant to the Directors the General Mandate to allot, issue and otherwise deal with new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution (the total number of Shares in issue was 444,404,073 Shares). The Company is authorized to allot and issue a maximum of 88,880,814 Shares under the General Mandate.

As at the date of this announcement, the General Mandate has yet been utilized. Under the Subscription Agreement, a maximum of 88,880,000 New Shares can be issued and allotted. Accordingly, the Subscription Agreement and the transactions contemplated therein including the issue and allotment of Conversion Shares under the General Mandate are not subject to Shareholders' approval.

Dilution Effect of Conversion

Assuming the Debentures are fully converted into 88,880,000 New Shares, which represents:

(i) approximately 19.99% of the total number of Shares in issue as at the date of the Announcement; and

(ii) approximately 16.67% 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).

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**
1. Public shareholders*(Note 1)*	444,404,073	100	444,404,073	83.33
2. The Debenture Holder(s)	0	0	88,880,000	16.67*(Note 2)*
	444,404,073	100	533,284,073	100

Note 1: On the date of this announcement, the Company is not aware of any substantial shareholders.

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.

Pursuant to the Subscription Agreement, none of the Debenture Holder shall be allowed to own, directly or indirectly, 5% or more of the Shares in the Company's issued share capital from time to time under any circumstances. If any Debenture Holder's Shares in the Company shall have

exceeded 5% or more of the Company's issued share capital as enlarged by the issue of the New Shares after any conversion of New Shares, they are obliged to sell their Shares to independent third parties or sell the Shares in the open market before they convert any Debentures into additional New Shares, to maintain their shareholding level always being below 5% in the Shares of the Company after conversion. In each conversion, the Debenture Holder is required to provide an undertaking letter to the Company informing the Company of their shareholding immediately before and after such conversion, and undertaking that they will be holding less than 5% of the Company's Shares after such conversion. Therefore no substantial shareholder, as defined under the Listing Rules, will be introduced to the Company as a result of the conversion of the New Shares.

As at the date of this announcement, the Company has no substantial shareholder.

An application for the listing of and permission to deal in the New Shares will be made to the Stock Exchange.

Voting Rights of Debenture Holder

Debenture Holder does not have any voting rights in Shareholders' meetings of the Company.

Transfer of Debentures

The Debentures will not be listed on the Stock Exchange or any other stock exchanges outside Hong Kong. It may only be assigned or transferred to associates of the Subscriber or such other transferees approved in advance by the Company. The Company will disclose to the Stock Exchange should any Debentures be transferred to any connected persons (as defined under the Listing Rules) of the Group immediately upon the Company becoming aware of such transfer.

Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that the Company will disclose to the Stock Exchange any dealings in the Debentures made by any connected persons of the Group (as defined under the Listing Rules) immediately upon the Company becoming aware of such dealing.

Reasons for Issue of Debentures and Use of Proceeds

As disclosed in the announcements published on 18 September 2026 and 6 October 2026 (collectively, the "**Announcements**"), Comp Media & Advertising Limited, a wholly owned subsidiary of the Company, and Guangdong Hai Shang Yun Tian Media Group Limited ("**Hai Shang Yun Tian**") (collectively, the "**Contracting Parties**") entered into a memorandum of understanding (the "**MOU**") on 18 September 2026. Pursuant to the MOU, the Contracting Parties are planning to make AI-generated film and develop film distribution business.

As disclosed in the Announcements, the Group will participate in organising an AI film festival and film distribution, which serve as complementary measures to enhance the Group's profile whilst developing the new business. As for the AI-generated films, the Group will adopt a prudent and flexible "light-asset" strategy in terms of technology and talent deployment. On one hand, it can establish strategic partnerships directly with established AI platforms and rendering technology providers in the market, utilising cutting-edge generative tools that have already been validated by the market; on the other hand, it may also consider introducing successful digital content production studios from the market through project-based collaborations and other arrangements, thereby ensuring that the new business possesses sufficient operational capacity. For film distribution, the Group positions itself as a rights agent, responsible for referring completed films to major online platforms for screening, whilst earning regular distribution service fees or platform revenue shares by representing the works of other industry peers. This approach help the Group maintain its own sales channels, thereby gradually enhancing the overall financial stability of the new business and shareholders' returns.

In recent years, the Board has been actively looking for new directions for the Company's development and sources of profit growth. The Company's current principal businesses comprise the trading of graphite products and the design and manufacture of electronic products by its UK subsidiary. In today's volatile and uncertain global environment, business may at any time be affected by a downturn in the industry cycle, market saturation or sudden tighter regulatory policies. The Board believes that developing new business lines can diversify operational risks associated with reliance on a single industry and enhance the Company's resilience. Nevertheless, this is a preliminary concept that requires further discussions between the Contracting Parties.

The proceeds (after deducting the basic administrative cost) from the issue of the Debentures will be used for the making of AI-generated film and developing film distribution business. Since the coloration between the Contracting Parties is still under discussion, the proceed allocation will be disclosed in the Company's annual reports. The Directors (including the independent non-executive directors of the Company) consider the issue of HK$19,553,600 6-year nil interest Debentures appropriate, fair, reasonable and in the best interest of the Company. The Directors consider that the Subscription Agreement is fair and reasonable as far as the Company and its Shareholders are concerned, and the Subscription Agreement is in the best interest of the Company and its Shareholders as a whole.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

In the past twelve months immediately preceding the date of the Subscription Agreement, the Company did not have any equity fund-raising activities.

Information of the Company

The principal activities of the Company are investment holding, and through its subsidiaries, the Group's businesses segments are (i) manufacture and sales of electronic products, (ii) design and manufacturing in the United Kingdom, (iii) sales of graphite products worldwide, and (iv) develop business in relation to Web 3.0 and (v) develop cultural and multimedia businesses.

DEFINITIONS

"Board"	the board of directors of the Company
"Company"	Elate Holdings Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
"Completion Date"	one business day following the date on which the Stock Exchange has granted the listing approval for the New Shares
"Conversion Period"	the period commencing from the day immediate after the Completion Date to 4:00 p.m. (Hong Kong time) on the Maturity Date
"Conversion Price"	HK$0.22 per Share
"Debentures"	an aggregate of HK$19,553,600 nil interest convertible debentures due 2032
"Debenture Holder"	the Subscriber or any debenture transferees who hold the Debentures issued pursuant to the Subscription Agreement dated 26 November 2026
"General Mandate"	the general mandate granted by the Shareholders on the annual general meeting held on 5 June 2026, which allowed the Board to issue and allot a maximum of 88,880,814 Shares
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"New Shares"	a maximum of 88,880,000 New Shares issuable upon the exercise of the conversion rights attached to the Debentures
"Share(s)"	the ordinary shares of the Company
"Shareholder(s)"	holder(s) of the existing shares of the Company
"Stock Exchange"	the Stock Exchange of Hong Kong Limited

"Subscriber"	Ms. Li Hongyi, an individual investor who subscribed an aggregate of HK$19,553,600 nil interest Debentures pursuant to the Subscription Agreement
"Subscription Agreement"	the agreement dated 26 November 2026 entered into between the Company and the Subscriber for an aggregate of HK$19,553,600 nil interest Debentures due 2032

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

Hong Kong, 26 November 2026

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.