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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)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board of Directors (the “Board”) of Elate Holdings Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2025 together with the comparative figures in 2024 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

|  | Notes | 2025<br>US\$'000 | 2024<br>US\$'000 |
|--|-------|------------------|------------------|
| Revenue  | 2     | 132,500          | 431,082          |
| Cost of sales  |       | (111,807)        | (415,506)        |
| Gross profit   |       | 20,693           | 15,576           |
| Other income   |       | 306              | 3,961            |
| General and administrative expenses                                    |       | (13,527)         | (14,559)         |
| Reversal of impairment loss/(impairment loss) on financial assets, net |       | 303              | (2,277)          |
| Fair value gains/(losses) on   |       |                  |                  |
| – commodity  |       | 1,057            | 342              |
| – financial assets at fair value through profit or loss                |       | (42,606)         | 39,240           |
| – cryptocurrencies   |       | 21,996           | –                |
| <b>(LOSS)/PROFIT FROM OPERATING ACTIVITIES</b>                         | 3     | <b>(11,778)</b>  | 42,283           |
| Finance cost   |       | (12)             | (19)             |

|   | <i>Notes</i> | <b>2025</b><br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>(LOSS)/PROFIT BEFORE INCOME TAX</b>  |              | <b>(11,790)</b>                | 42,264                  |
| Income tax expenses   | 4            | <u><b>(2,832)</b></u>          | <u>(1,962)</u>          |
| <b>(LOSS)/PROFIT FOR THE YEAR<br/>ATTRIBUTABLE TO OWNERS OF<br/>THE COMPANY</b> |              | <u><b>(14,622)</b></u>         | <u>40,302</u>           |
| <b>(Loss)/earnings per share</b>  |              | <b>US cents</b>                | US cents                |
| Basic   | 5            | <u><b>(3.54)</b></u>           | <u>11.10</u>            |
| Diluted   |              | <u><b>(3.54)</b></u>           | <u>11.10</u>            |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

|  | 2025<br><i>US\$' 000</i>     | 2024<br><i>US\$' 000</i> |
|--|------------------------------|--------------------------|
| <b>(Loss)/profit for the year</b>  | <u><b>(14,622)</b></u>       | <u>40,302</u>            |
| <b>Other comprehensive income, net of tax</b>  |                              |                          |
| <b>Item that may be reclassified subsequently to profit or loss:</b>                           |                              |                          |
| Exchange differences on translation of foreign operations                                      | <b>3,631</b>                 | 198                      |
| <b>Items that will not be reclassified to profit or loss:</b>                                  |                              |                          |
| Gain on revaluation of land and buildings  | –                            | 91                       |
| Revaluation gain arising from the transfer of intangible assets to inventories                 | <u><b>3,059</b></u>          | <u>–</u>                 |
| Other comprehensive income for the year  | <u><b>6,690</b></u>          | <u>289</u>               |
| <b>Total comprehensive (expense)/income for the year attributable to owners of the Company</b> | <u><u><b>(7,932)</b></u></u> | <u><u>40,591</u></u>     |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

|   | <i>Notes</i> | <b>2025</b><br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>Non-current assets</b>                             |              |                                |                         |
| Property, plant and equipment                         |              | <b>13,548</b>                  | 12,952                  |
| Investment properties                                 |              | <b>1,655</b>                   | 1,693                   |
| Right-of-use assets                                   |              | <b>74</b>                      | 441                     |
| Intangible assets                                     |              | <b>–</b>                       | 7,313                   |
| Interests in joint ventures                           |              | <b>3</b>                       | 1                       |
| Financial assets at fair value through profit or loss | <i>11</i>    | <b>700</b>                     | 43,431                  |
| <b>Total non-current assets</b>                       |              | <b>15,980</b>                  | 65,831                  |
| <b>Current assets</b>                                 |              |                                |                         |
| Inventories   |              | <b>376,392</b>                 | 22,279                  |
| Trade receivables                                     | <i>7</i>     | <b>47,570</b>                  | 347,348                 |
| Other receivables, deposits and prepayments           | <i>8</i>     | <b>10,128</b>                  | 2,163                   |
| Commodity   |              | <b>2,684</b>                   | 1,626                   |
| Financial assets at fair value through profit or loss | <i>11</i>    | <b>369</b>                     | 244                     |
| Cash and bank balances                                |              | <b>12,999</b>                  | 12,637                  |
| <b>Total current assets</b>                           |              | <b>450,142</b>                 | 386,297                 |
| <b>Current liabilities</b>                            |              |                                |                         |
| Trade payables  | <i>9</i>     | <b>10,582</b>                  | 11,410                  |
| Other payables and accruals                           | <i>10</i>    | <b>26,068</b>                  | 6,624                   |
| Contract liabilities                                  |              | <b>35</b>                      | 129                     |
| Lease liabilities                                     |              | <b>77</b>                      | 234                     |
| Income tax payable                                    |              | <b>3,406</b>                   | 2,745                   |
| <b>Total current liabilities</b>                      |              | <b>40,168</b>                  | 21,142                  |

|   | <i>Note</i> | <b>2025</b><br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|---|-------------|--------------------------------|-------------------------|
| <b>Net current assets</b>   |             | <u>409,974</u>                 | <u>365,155</u>          |
| <b>Total assets less current liabilities</b>                      |             | <u>425,954</u>                 | <u>430,986</u>          |
| <b>Non-current liabilities</b>                                    |             |                                |                         |
| Lease liabilities   |             | –                              | 77                      |
| Deferred tax liabilities  |             | <u>493</u>                     | <u>499</u>              |
| <b>Total non-current liabilities</b>                              |             | <u>493</u>                     | <u>576</u>              |
| <b>NET ASSETS</b>   |             | <u><b>425,461</b></u>          | <u><b>430,410</b></u>   |
| <b>Capital and reserves attributable to owners of the Company</b> |             |                                |                         |
| Share capital   | <i>12</i>   | <b>611,488</b>                 | 608,505                 |
| Reserves  |             | <u>(186,027)</u>               | <u>(178,095)</u>        |
| <b>TOTAL EQUITY</b>   |             | <u><b>425,461</b></u>          | <u><b>430,410</b></u>   |



## 2. Revenue and segment information

Revenue mainly represents revenue from manufacture and sales of graphite products, manufacture and sales of electronic products, and design and manufacturing.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before income tax expenses. The adjusted profit/(loss) before income tax expenses is measured consistently with the Group's profit/(loss) before income tax expenses except that fair value gains/losses on financial assets at fair value through profit or loss and cryptocurrencies, as well as head office and central administrative expenses are excluded from this measurement.

Segment assets exclude unallocated head office and corporate assets (including cryptocurrencies recognised as inventories) as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year ended 31 December 2025, management decided to rename the operating segment of "manufacture and sales of graphite products" to "sales of graphite products", as the Group's entire production lines in Madagascar were disposed of in December 2024.

An analysis of the Group's revenue and results for the year by operating segments is as follows:

### For the year ended 31 December 2025

|   | Sales<br>of graphite<br>products<br><i>US\$'000</i> | Manufacture<br>and sales<br>of electronic<br>products<br><i>US\$'000</i> | Design and<br>manufacturing<br><i>US\$'000</i> | Total<br><i>US\$'000</i> |
|---|---|--|--|--------------------------|
| Revenue from external customers   | 30,240  | 102,260  | –  | 132,500                  |
| Segment results   | (1,419)   | 13,324   | –  | 11,905                   |
| Unallocated income:   |   |  |  |                          |
| Fair value gain on cryptocurrencies   |   |  |  | 21,996                   |
| Unallocated expenses:   |   |  |  |                          |
| Fair value loss on financial assets<br>at fair value through profit or loss |   |  |  | (42,606)                 |
| Unallocated depreciation expenses   |   |  |  | (293)                    |
| Unallocated staff costs   |   |  |  | (941)                    |
| Central administrative expenses   |   |  |  | (1,839)                  |
| Loss from operating activities  |   |  |  | (11,778)                 |
| Finance cost  |   |  |  | (12)                     |
| Income tax expenses   |   |  |  | (2,832)                  |
| Loss for the year   |   |  |  | <u>(14,622)</u>          |
| Segment assets  | 33,493  | 69,083   | 44   | 102,620                  |
| Reconciliation of segment assets:   |   |  |  |                          |
| Unallocated corporate assets  |   |  |  | 363,502                  |
| Total assets  |   |  |  | <u>466,122</u>           |
| Segment liabilities   | (1,736)   | (37,519)   | (30)   | (39,285)                 |
| Reconciliation of segment liabilities:                                      |   |  |  |                          |
| Unallocated corporate liabilities   |   |  |  | (1,376)                  |
| Total liabilities   |   |  |  | <u>(40,661)</u>          |

**For the year ended 31 December 2024**

|   | Manufacture<br>and sales<br>of graphite<br>products<br><i>US\$'000</i> | Manufacture<br>and sales<br>of electronic<br>products<br><i>US\$'000</i> | Design and<br>manufacturing<br><i>US\$'000</i> | Total<br><i>US\$'000</i> |
|---|--|--|--|--------------------------|
| Revenue from external customers   | 344,800  | 86,205   | 77   | 431,082                  |
| Segment results   | <u>1,702</u>   | <u>6,712</u>   | <u>(462)</u>                                   | 7,952                    |
| Unallocated income:   |  |  |  |                          |
| Fair value gain on financial assets at<br>fair value through profit or loss |  |  |  | 39,240                   |
| Unallocated expenses:   |  |  |  |                          |
| Unallocated depreciation expenses   |  |  |  | (436)                    |
| Unallocated staff costs   |  |  |  | (927)                    |
| Central administrative expenses   |  |  |  | <u>(3,546)</u>           |
| Profit from operating activities  |  |  |  | 42,283                   |
| Finance cost  |  |  |  | (19)                     |
| Income tax expenses   |  |  |  | <u>(1,962)</u>           |
| Profit for the year   |  |  |  | <u><u>40,302</u></u>     |
| Segment assets  | 338,549  | 40,605   | 41   | 379,195                  |
| Reconciliation of segment assets:   |  |  |  |                          |
| Unallocated corporate assets  |  |  |  | <u>72,933</u>            |
| Total assets  |  |  |  | <u><u>452,128</u></u>    |
| Segment liabilities   | (1,993)  | (14,032)   | (28)   | (16,053)                 |
| Reconciliation of segment liabilities:                                      |  |  |  |                          |
| Unallocated corporate liabilities   |  |  |  | <u>(5,665)</u>           |
| Total liabilities   |  |  |  | <u><u>(21,718)</u></u>   |

## Geographical information

|                          | Revenue          |                  | Non-current assets |                  |
|--------------------------|------------------|------------------|--------------------|------------------|
|                          | 2025<br>US\$'000 | 2024<br>US\$'000 | 2025<br>US\$'000   | 2024<br>US\$'000 |
| Madagascar               | –                | 296,433          | –                  | –                |
| United Kingdom           | 102,260          | 86,282           | 15,251             | 14,776           |
| Hong Kong                | 12,246           | 27,751           | 2                  | 7,317            |
| United States of America | 9,772            | 12,681           | –                  | –                |
| Germany                  | 3,433            | 5,027            | –                  | –                |
| Spain                    | –                | 579              | –                  | –                |
| Chinese Mainland         | –                | 375              | –                  | –                |
| Singapore                | 1,996            | 360              | –                  | –                |
| Others                   | 2,793            | 1,594            | 24                 | 307              |
|                          | <b>132,500</b>   | <b>431,082</b>   | <b>15,277</b>      | <b>22,400</b>    |

The revenue information above is based on the locations of the customers.

The non-current assets information above is based on locations of the assets and excludes interests in joint ventures and financial assets at fair value through profit or loss.

## Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

|                               | 2025<br>US\$'000 | 2024<br>US\$'000 |
|-------------------------------|------------------|------------------|
| Customer A (Note (ii))        | –                | 296,433          |
| Customer B (Notes (i), (iii)) | 27,199           | N/A              |
| Customer C (Notes (i), (iii)) | 20,151           | N/A              |
| Customer D (Note (i), (iii))  | 17,893           | N/A              |

### Notes:

- (i) The customer contributed less than 10% of the Group's revenue for the year ended 31 December 2024.
- (ii) The revenue is derived from manufacture and sales of graphite products.
- (iii) The revenue is derived from manufacture and sales of electronic products.

## Disaggregation of revenue from contracts with customers

|  | 2025<br>US\$'000 | 2024<br>US\$'000 |
|--|------------------|------------------|
| <b>Revenue from contracts with customers</b> |                  |                  |
| Manufacture and sales of graphite products   | 30,240           | 344,800          |
| Manufacture and sales of electronic products | 102,260          | 86,205           |
| Design of electronic products                | –                | 77               |
|  | <u>132,500</u>   | <u>431,082</u>   |
| <b>Timing of revenue recognition</b>         |                  |                  |
| At a point in time                           | <u>132,500</u>   | <u>431,082</u>   |

### 3. (Loss)/profit from operating activities

The Group's (loss)/profit from operating activities is arrived at after charging/(crediting):

|   | 2025<br>US\$'000 | 2024<br>US\$'000 |
|---|------------------|------------------|
| Depreciation ( <i>Note (i)</i> ):                                       |                  |                  |
| – property, plant and equipment and investment properties               | 1,362            | 3,682            |
| – right-of-use assets included within:                                  |                  |                  |
| – properties  | 231              | 233              |
| – plant and machinery   | 141              | 147              |
| Cost of inventories sold ( <i>Note (ii)</i> )                           | 111,807          | 415,506          |
| Staff costs (including directors' emoluments) ( <i>Note (iii)</i> )     | 19,005           | 16,030           |
| Auditor's remuneration  |                  |                  |
| – audit fee   | 269              | 402              |
| – other services  | 23               | 168              |
| (Reversal of impairment loss)/impairment loss on financial assets, net: |                  |                  |
| – trade receivables   | (303)            | 2,277            |
| Foreign exchange gains, net   | <u>(65)</u>      | <u>(463)</u>     |

#### Notes:

- (i) Included in depreciation of property, plant and equipment, right-of-use assets and investment properties are US\$939,000 (2024: US\$1,064,000) and US\$795,000 (2024: US\$2,998,000) being classified under cost of inventories sold and general and administrative expenses respectively in the consolidated statement of profit or loss.
- (ii) Included in cost of inventories sold is US\$13,340,000 (2024: US\$11,375,000) and US\$939,000 (2024: US\$1,064,000) relating to staff costs and depreciation of property, plant and equipment respectively. The amounts are also included in the respective total amounts as separately disclosed above.
- (iii) Included in staff cost there are US\$13,340,000 (2024: US\$11,375,000) and US\$5,665,000 (2024: US\$4,655,000) being classified under cost of inventories sold and general and administrative expenses respectively in the consolidated statement of profit or loss.

#### 4. Income tax expenses

Income tax expenses in the consolidated statement of profit or loss represent:

|                                   | 2025<br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|-----------------------------------|-------------------------|-------------------------|
| Current – Hong Kong               |                         |                         |
| – Charge for the year             | 7                       | 709                     |
| – Under-provision for prior years | –                       | 331                     |
| Current – Britain                 |                         |                         |
| – Charge for the year             | 3,121                   | 1,487                   |
| – Over-provision for prior years  | (255)                   | (350)                   |
|                                   | <u>2,873</u>            | <u>2,177</u>            |
| Deferred tax                      | <u>(41)</u>             | <u>(215)</u>            |
| Tax charge for the year           | <u><u>2,832</u></u>     | <u><u>1,962</u></u>     |

#### 5. (Loss)/earnings per share

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

|  | 2025<br><i>US\$'000</i>   | 2024<br><i>US\$'000</i>   |
|--|---------------------------|---------------------------|
| <b>(Loss)/earnings</b>   |                           |                           |
| (Loss)/profit for the year for the purposes of basic and diluted (loss)/earnings per share                                 | <u>(14,622)</u>           | <u>40,302</u>             |
| <b>Number of shares</b>  |                           |                           |
| Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share ( <i>Note</i> ) | <u><u>412,984,320</u></u> | <u><u>363,165,384</u></u> |

*Note:* The denominators used are the same as those detailed above for both basic and diluted (loss)/earnings per share. Diluted (loss)/earnings per share is of the same amount as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the year ended 31 December 2024 and 2025.

## 6. Dividend

The directors of the Company have decided not to declare any dividend for the year ended 31 December 2025 (2024: Nil).

## 7. Trade receivables

Included in trade receivables are trade debtors (net of loss allowance) with the following ageing analysis, based on invoice dates, as at the end of reporting period.

|              | <b>2025</b><br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|--------------|--------------------------------|-------------------------|
| 0 – 30 days  | <b>12,313</b>                  | 315,720                 |
| 31 – 60 days | <b>15,272</b>                  | 12,142                  |
| 61 – 90 days | <b>6,696</b>                   | 2,446                   |
| Over 90 days | <b>13,289</b>                  | 17,040                  |
|              | <b>47,570</b>                  | 347,348                 |

## 8. Other receivables, deposits and prepayments

The analysis of the other receivables, deposits and prepayments is as follows:

|                                | <b>2025</b><br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|--------------------------------|--------------------------------|-------------------------|
| Other deposits and prepayments | <b>9,981</b>                   | 679                     |
| Other receivables              | <b>147</b>                     | 1,484                   |
|                                | <b>10,128</b>                  | 2,163                   |

*Note:* Included in the other receivables, deposits and prepayments of US\$9,825,000 (2024: US\$1,982,000) are trade in nature.

## 9. Trade payables

The ageing analysis of the trade payables is as follows:

|              | 2025<br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|--------------|-------------------------|-------------------------|
| 0 – 30 days  | 7,133                   | 5,568                   |
| 31 – 60 days | 2,392                   | 3,511                   |
| 61 – 90 days | 904                     | 1,893                   |
| Over 90 days | 153                     | 438                     |
|              | <u>10,582</u>           | <u>11,410</u>           |

## 10. Other payables and accruals

The analysis of the other payables and accruals is as follows:

|                                | 2025<br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|--------------------------------|-------------------------|-------------------------|
| Other payables ( <i>Note</i> ) | 22,240                  | 3,809                   |
| Accruals                       | 1,870                   | 1,099                   |
| Other tax payable              | 1,958                   | 1,716                   |
|                                | <u>26,068</u>           | <u>6,624</u>            |

*Note:* Included in the other payables of US\$22,210,000 (2024: US\$3,779,000) are trade in nature.

## 11. Financial assets at fair value through profit or loss

|   | 2025<br><i>US\$'000</i> | 2024<br><i>US\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Non-current assets</b>                                 |                         |                         |
| Shares traded on the OTC Pink Market in the United States | <u>700</u>              | <u>43,431</u>           |
| <b>Current assets</b>                                     |                         |                         |
| Hong Kong listed equity securities                        | <u>369</u>              | <u>244</u>              |
|   | <u>1,069</u>            | <u>43,675</u>           |

## 12. Share capital

|  | 2025                            |                           | 2024                            |                           |
|--|---------------------------------|---------------------------|---------------------------------|---------------------------|
|  | Number<br>of ordinary<br>shares | Amount<br><i>US\$'000</i> | Number<br>of ordinary<br>shares | Amount<br><i>US\$'000</i> |
| <b>Issued and fully paid:</b>  |                                 |                           |                                 |                           |
| At 1 January   | 367,044,073                     | 608,505                   | 362,844,073                     | 608,344                   |
| Issue of shares upon conversion of convertible<br>debentures ( <i>Note</i> ) | <u>77,360,000</u>               | <u>2,983</u>              | <u>4,200,000</u>                | <u>161</u>                |
| At 31 December   | <u><b>444,404,073</b></u>       | <u><b>611,488</b></u>     | <u>367,044,073</u>              | <u>608,505</u>            |

*Note:* During the year ended 31 December 2025, 77,360,000 ordinary shares of the Company were issued by exercising the convertible debentures for an aggregate principal amount, net of expenses, of approximately HK\$23,266,000 (equivalent to US\$2,983,000).

During the year ended 31 December 2024, 4,200,000 ordinary shares of the Company were issued by exercising the convertible debentures for an aggregate principal amount, net of expenses, of approximately HK\$1,260,000 (equivalent to US\$161,000).

## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*(In this announcement, all the “\$” refers to the legal currency of the United States of America, unless otherwise specified)*

For the year ended 31 December 2025, the Group’s turnover was approximately \$132.5 million, representing a decrease of approximately \$298.6 million, or 69.3%, compared with approximately \$431.1 million for the previous year. Net loss attributable to owners of the Company was approximately \$14.6 million, or approximately \$3.54 cents per share, compared with net profit of approximately \$40.3 million, or approximately \$11.10 cents per share, for the year ended 31 December 2024.

As at 31 December 2025, the Group’s total assets were approximately \$466.1 million, compared with approximately \$452.1 million as at 31 December 2024, while the Group’s net assets were approximately \$425.5 million, compared with approximately \$430.4 million as at 31 December 2024.

### **BUSINESS REVIEW**

The Group’s business segments comprise: (i) sales of graphite products worldwide; (ii) manufacture and sale of electronic products; (iii) design and manufacturing operations in the United Kingdom; and (iv) exploration and development of businesses relating to Web3.0.

### **SALES OF GRAPHITE PRODUCTS WORLDWIDE**

The Company has been engaged in the manufacture and sale of graphite products for over 15 years. Its customers include steel mills, lithium battery companies, refractory material companies and users of graphite products in China and worldwide. Graphite is widely used in the aerospace, steel, automobile, electric vehicle, battery and lubricant industries.

On 21 May 2024, Elate Graphite Limited (“EGL”), an indirectly wholly-owned subsidiary of the Company, entered into an agreement (the “Agreement”) with Aspect Group Limited (“AGL”). Pursuant to the Agreement, EGL conditionally agreed to dispose of, and AGL agreed to acquire, two production lines in Madagascar and 390,000 tons of graphite ore (the “Assets”) at a consideration of US\$21,045,651, to be settled by graphite products (the “Graphite Products”). Under the Agreement, EGL agreed to exchange the Assets for 30,109 tons of Graphite Products with carbon content of over 93% produced by AGL (the “Transaction”).

As agreed by the parties, the price per ton of Graphite Products was fixed at US\$699. The aggregate price for 30,109 tons of Graphite Products was US\$21,046,191, which AGL agreed to adjust to US\$21,045,651 to match the agreed value of the Assets. Based on the financial information as at 31 December 2024, the Group recorded a gain before taxation and transaction costs of approximately US\$537,000, being the difference between the fair value of the Graphite Products of approximately US\$19,178,000, based on a valuation conducted by an independent valuer, and the carrying value of the Assets of approximately US\$18,641,000, comprising the production lines of US\$15,096,000 and the 390,000 tons of graphite ore of US\$3,545,000. The Transaction was completed on 18 December 2024.

To ensure a stable supply of graphite products, AGL, the long-term supplier of graphite products, negotiated with the Company to purchase sufficient graphite ore as raw materials for timely production and supply. Following negotiations, the Company sold its remaining graphite ore inventory in Madagascar to AGL in December 2024, with reference to the market price of graphite ore in Madagascar over the past three years. AGL agreed to pay the consideration of US\$296,433,000 (the “Consideration”) by instalments on or before 30 September 2025 and to provide MUP (Multiple Up Point, a cryptocurrency deployed on the Polygon Layer-2 Network) as collateral (the “Collateral”) to the Company.

In or around October 2025, due to payment difficulties arising from political instability in Madagascar, AGL failed to settle the Consideration. The Company then enforced the Collateral and obtained 100,000,000 MUP. As AGL had already paid approximately US\$3,000,000 (equivalent to approximately 1,012,035 MUP) towards the outstanding amount, the Company returned 1,012,035 MUP to AGL. Accordingly, after such return, the Company held 98,987,965 MUP through enforcement of the Collateral.

The Company accepted MUP as Collateral because, in light of the political environment and uncertainty in Madagascar in 2025, it intended to dispose of all of its graphite inventory there. Due to the size of the inventory, the Company encountered difficulty in identifying a suitable buyer. AGL, one of the Group’s long-standing service providers for graphite products, expressed interest in purchasing the entire inventory, and the only collateral it was able to provide was MUP. As some industry participants had accepted MUP for settlement purposes, the Company accepted MUP as Collateral.

In the Company’s 2024 annual report, MUP was classified as an intangible asset due to its intangible nature. Following discussions with the Company’s two major graphite product suppliers, AGL and China Graphite Limited, in June 2025, both suppliers provided written confirmation that they would accept MUP for settlement purposes. The Company therefore resolved to hold MUP for operational settlement in the ordinary course of the Group’s business. The Group’s auditors reviewed and agreed with the classification of MUP as inventory. Accordingly, MUP was reclassified from intangible assets to inventory as at 30 June 2025.

Under the MUP settlement agreements with each of the above suppliers, the amount of MUP payable is determined based on the average closing price of MUP during the 30 days preceding settlement. In addition, AGL confirmed that if the average closing price is below US\$3 per MUP, the amount of MUP payable by the Company to AGL shall be calculated on the basis of 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.

The Group currently intends to utilise the Collateral as follows:

1. approximately 30% to 40% for the purchase of graphite products from suppliers, including AGL and China Graphite Limited. The Company expects annual purchases of approximately US\$20 million to US\$25 million from AGL and US\$10 million to US\$15 million from China Graphite Limited; and
2. approximately 60% to 70% for acquisitions. The Company intends to use part of the Collateral as settlement consideration for future acquisitions.

The Company considers the above intended use to be a proper use of shareholders' funds and consistent with shareholders' investment expectations. For further details, please refer to the announcement of the Company dated 5 March 2026.

## **MANUFACTURE AND SALE OF ELECTRONIC PRODUCTS**

The Group's electronic manufacturing services are operated by its wholly-owned subsidiary, Axiom Manufacturing Services Limited in the UK ("Axiom"). Axiom provides comprehensive contract manufacturing services ranging from electronic product design to manufacturing for the medical, defence, transportation, aerospace, security, maritime and natural gas industries, as well as other sectors. Products manufactured and designed under these arrangements are usually sold under customers' brand names. Axiom's customers are mainly located in the UK.

## **EXPLORATION AND DEVELOPMENT OF BUSINESSES RELATING TO WEB3.0**

The Group has been exploring opportunities in artificial intelligence and Web3.0-related businesses. In May 2023, the Company acquired 100% of the issued share capital of GoMeta Limited ("GoMeta"), which had been newly incorporated in March 2023, with the intention of developing businesses including, but not limited to, non-fungible tokens, cryptocurrencies and other projects that may generate new income streams for the Group.

On 3 July 2024, GoMeta issued and allotted 10,000 ordinary shares to Beijing Qi Le Wu Qiong Culture and Technology Limited ("Beijing Qi Le") for a consideration of HK\$100,000. Following the allotment, GoMeta became a joint venture company of the Group. Beijing Qi Le is responsible for the development and production of AI products, while GoMeta is responsible for promoting and selling such AI products overseas. The Company will assist GoMeta in promoting and selling AI products through Macau Lotus Satellite TV, AOMI APP (澳覓網購平台) and other business platforms, and will provide timely market feedback and information to Beijing Qi Le so that it can improve its products and services.

On 6 February 2026, the Company entered into a three-year cooperation and management agreement with Macao eMedia Development Company Limited ("AOMI Company", the owner of AOMI APP). The agreement is a framework cooperation arrangement under which the Company will provide strategic, advisory and support services to AOMI Company based on the Company's existing resources and expertise. The parties agreed that the Company will: (i) assist in developing AOMI Company's business in Asia, including market research in Taiwan, Singapore, South Korea and Japan, among other regions; (ii) participate, through its subsidiary, in the management and business development of AOMI Company; and (iii) introduce artificial intelligence into AOMI Company's business. The agreement does not set out detailed service scope, fee arrangements, fee amounts or payment terms. The parties will review the cooperation arrangement after three months, without prejudice to entering into supplemental agreement(s), including fee arrangements, or exploring further cooperation models, including possible investment by the Company in AOMI Company through shareholding.

During the period from 26 September 2024 to 24 June 2025, the Company entered into acquisitions (the "Acquisitions") and disposals (the "Disposals") of cryptocurrencies, namely USD Tether ("USDT"), Bitcoin ("BTC") and Multiple Up Point ("MUP") (collectively, the "Cryptocurrencies").

The Acquisitions of the Cryptocurrencies are summarised as follows:

| <b>Period</b>                     | <b>Type of Cryptocurrency</b> | <b>Number of Cryptocurrency acquired</b> | <b>Total consideration used</b>                                 |
|-----------------------------------|-------------------------------|--|---|
| 28 September 2024 to 23 June 2025 | USDT                          | 15,332,992.64 USDT                       | US\$15,346,912  |
| 26 September 2024 to 13 June 2025 | BTC                           | 14.0015 BTC                              | US\$1,152,359 and 97,707 USDT (equivalent to US\$1,250,066)     |
| 5 October 2024 to 24 June 2025    | MUP                           | 5,105,262 MUP                            | 15,231,665 USDT and 198,950 USDC (equivalent to US\$15,440,034) |

The Acquisitions constituted the following types of transactions under the Listing Rules:

**Cryptocurrency      Listing Rules implication**

|      |  |
|------|--|
| USDT | The acquisition of USDT on 23 October 2024 would have constituted a discloseable transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of USDT acquired and disposed: 1,411,738.12 USDT; aggregated consideration: US\$1,410,852). |
| BTC  | The acquisition of BTC on 4 March 2025 would have constituted a discloseable transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of BTC acquired: 11.00149 BTC; aggregated consideration: US\$981,611).                          |
| MUP  | The acquisition of MUP on 15 October 2024 would have constituted a discloseable transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of MUP acquired: 790,000 MUP; aggregated consideration: US\$1,788,000).                      |
| MUP  | The acquisition of MUP on 27 November 2024 would have constituted a major transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of MUP acquired: 1,970,100 MUP; aggregated consideration: US\$4,852,300).                          |
| MUP  | The acquisition of MUP on 2 May 2025 would have constituted a very substantial acquisition of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of MUP acquired: 4,527,820 MUP; aggregated consideration: US\$13,416,301).                    |

The Disposals of the Cryptocurrencies are summarised as follows:

| Period                              | Cryptocurrency disposed | Type and number of cryptocurrencies/fiat currency acquired | Total consideration | US\$ equivalent |
|-------------------------------------|-------------------------|--|---------------------|-----------------|
| 5 October 2024 to<br>24 June 2025   | USDT                    | 5,018,762 MUP, 996<br>USD and 1.0015 BTC                   | 15,330,367 USDT     | US\$15,339,787  |
| 19 November 2024 to<br>5 March 2025 | BTC                     | US\$659,990  | 7 BTC               | US\$659,990     |

The Disposals constituted the following types of transactions under the Listing Rules:

### **Cryptocurrency Listing Rules implication**

|      |  |
|------|--|
| USDT | The disposal of USDT on 15 October 2024 would have constituted a discloseable transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of USDT disposed: 1,788,000 USDT; aggregated consideration: US\$1,788,000).  |
| USDT | The disposal of USDT on 27 November 2024 would have constituted a major transaction of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of USDT disposed: 4,653,350 USDT; aggregated consideration: US\$4,653,350).        |
| USDT | The disposal of USDT on 28 March 2025 would have constituted a very substantial disposal of the Company when aggregated with transactions conducted within the past 12 months (aggregated number of USDT disposed: 11,331,596 USDT; aggregated consideration: US\$11,336,170). |
| BTC  | The BTC disposals, when aggregated, did not constitute notifiable transactions of the Company.   |

### **Information on USDT**

Tether is a blockchain-enabled platform that facilitates the digital use of traditional currencies. USDT is a Tether token commonly referred to as a stablecoin because: (i) it is designed to maintain price stability by being pegged 1:1 to a corresponding fiat currency; and (ii) it is stated to be backed 100% by Tether's reserves.

### **Information on MUP**

According to information published by its issuer, MUP is a utility token designed for use on the Polygon Layer-2 blockchain network. The issuer states that MUP is intended to be backed by BTC and physical gold and may be accepted by certain industry participants for settlement or value transfer purposes. The Company understands that MUP may, in certain circumstances, be used by some market participants for the procurement of goods, including graphite products.

MUP is currently traded on the cryptocurrency exchange platforms Klickl, operated by Klickl International Limited, and Richberg, operated by Richberg Limited. Klickl is licensed by the Abu Dhabi Global Market Financial Services Regulatory Authority and has partnered with, and authorised, Richberg to implement Web3.0 industry projects.

The Company initially acquired USDT, a US dollar-pegged stablecoin, to facilitate acquisitions and disposals of cryptocurrencies, including MUP, and to convert proceeds back into US dollars. Prior to the relevant Acquisitions, the Company conducted due diligence on MUP, including reviewing its trading price on relevant platforms and obtaining independent third-party opinions on its financial prospects and underlying technology.

The Company acquired MUP because it considered that: (i) MUP could be used and accepted by certain industry participants, including sellers and suppliers of graphite products; (ii) MUP had potential for appreciation based on its historical trading performance; and (iii) its technical characteristics, including the security features of the ERC-20 blockchain standard and compatibility with major wallets, may facilitate its broader use across cryptocurrency platforms. The Company therefore envisaged that MUP could be used in the ordinary course of business for purchasing graphite products.

The Company also received written confirmations from two graphite product suppliers i.e. AGL and China Graphite Limited, that MUP could be accepted for settlement. The Company intends to explore further settlement use cases for MUP where financially beneficial and in compliance with the Listing Rules. The Board is also of the view that MUP has growth potential, which could enhance its liquidity, particularly if it gains wider industry acceptance. This may provide a hedge against fiat currency volatility, diversify the Group's settlement methods and strengthen the Group's strategic position in digital assets.

The Board conducted each Acquisition and Disposal on the understanding that the Cryptocurrencies constituted a form of currency for use in the ordinary course of business, as they could be used to settle purchases of goods from suppliers. Based on that understanding, the Company did not realise that certain Acquisitions and Disposals, when aggregated, would have constituted discloseable transactions, major transactions, very substantial acquisitions or very substantial disposals under the Listing Rules, and that the relevant disclosure and compliance requirements had not been fully complied with at the time.

As the relevant Acquisitions and Disposals have already been completed, the Company will not convene a general meeting to seek ex post facto approval from Shareholders and no circular will be despatched in relation to those transactions. To prevent recurrence, the Group will implement remedial measures to ensure strict compliance with the Listing Rules in the future. For details of the Acquisitions and the Disposals, please refer to the announcement of the Company published on 3 March 2026.

In the announcement dated 10 October 2025 it was disclosed that EGL, a wholly-owned subsidiary of the Company, and Goldpay Limited (“Goldpay”) entered into a cooperation agreement on 10 October 2025. Pursuant to the cooperation agreement, a cooperation plan will be carried out that Goldpay will issue a utility blockchain vouchers for EGL as a main user, to promote the sales products of the Company. However, Goldpay made a request to EGL for terminating the blockchain voucher project. They requested to terminate the blockchain voucher project and all the related cooperation with EGL based on Goldpay’s adjustment of its strategy for selecting partner companies’ place of registration. On 3 November 2025, EGL and Goldpay entered into a termination agreement and agreed to terminate their cooperation in blockchain vouchers and all the related project, including two respective business partnership agreements dated 20 May 2025 and 12 June 2025, AOMI Whitepaper dated 18 June 2025; two respective cooperation agreements dated 29 July 2025 and 10 October 2025 (for details please refer to the Company’s announcements published on the contract dates). As informed by Goldpay, the blockchain voucher project developed by Goldpay is not yet completed; no individual or company has paid any money for buying, selling, holding, or conducting any transaction related to the blockchain vouchers and all the related project. Both parties agree to waive the rights to make a claim against the other party, including but not limited to expenses incurred etc.

On 23 December 2025, EGL entered into a cooperation and management agreement with Qingdao Tiantai Culture and Travel Group Limited (“Qingdao Company”). Pursuant to the agreement, both parties will cooperate to expand Qingdao Company’s businesses, including golf courses and natural hot spring hotels. EGL will also introduce artificial intelligence technology to, and integrate the “better health” concept into, Qingdao Company’s operations. EGL will receive an annual management fee of RMB1 million. If Qingdao Company’s profit reaches RMB50 million in 2026, EGL will be entitled to an additional amount equal to 10% of Qingdao Company’s profit.

## **IMPACT OF THE RUSSIAN-UKRAINIAN WAR AND CLIMATE CHANGE ON OUR BUSINESS OPERATIONS**

The Group’s operations have been affected by the conflict in Ukraine, particularly through inflationary pressure arising from higher energy and gas prices. This has directly increased the energy costs of the Group’s graphite production and Axiom’s electronic manufacturing business, and has also indirectly increased material and labour costs through higher supplier pricing and wage expectations.

The Group has taken steps to mitigate these impacts, including installing solar panels at Axiom’s facility and renegotiating pricing with customers where possible while remaining competitive.

Climate change remains a major global challenge. In response, the Group has implemented measures to conserve energy and reduce greenhouse gas emissions. The Group is also aware that the increasing frequency of extreme weather may affect business operations. To manage such risks, the Group has adopted precautionary measures, including work arrangements for adverse weather conditions such as Black Rainstorm Warning and Typhoon Signal No. 8.

For the year ended 31 December 2025, the Group was not materially affected by climate-related issues.

## RESULTS OF OPERATIONS

For the year ended 31 December 2025, the Group's turnover was approximately \$132.5 million, representing a decrease of approximately \$298.6 million, or 69.3%, compared with approximately \$431.1 million for the previous year.

In 2025, the Group's graphite operations recorded revenue of approximately US\$30,240,000, representing a decrease of approximately 91.2% from US\$344,800,000 in the previous year. The decrease was primarily attributable to the disposal of residual graphite ore inventory in 2024, which generated extraordinary revenue of US\$296,433,000. In 2025, the United States' global tariff measures and "de-Chinisation" policies, particularly in the graphite sector, triggered supply chain restructuring and adversely affected the Company's sales. However, by adopting an asset-light strategy, broadening supplier channels and optimising the cost structure of graphite products, the Company was able to offer a wider range of graphite specifications across more markets, thereby mitigating the impact on its graphite business.

The UK business, which comprises contract electronic manufacturing as well as design and manufacturing services, recorded turnover of approximately £77.5 million, representing an increase of 15% from the previous year and another record year. This performance was in line with expectations and continued the strong growth trend of the previous three years. The underlying UK businesses remained strong and ahead of budget during 2025 despite economic conditions affected by the conflict in Ukraine and semiconductor supply chain issues. The business environment continued to recover from the effects of the COVID-19 pandemic, which was reflected in the strength of turnover in 2025. Turnover remained relatively stable across all four quarters. Material purchase price variances were positive and benefited from the strength of Sterling against the US dollar.

The strong performance further strengthened the balance sheet. However, working capital requirements increased during the year due to higher inventory levels, resulting from extended lead times quoted by key suppliers, who in turn source components from original manufacturers. The businesses also continued to invest in capital equipment and advanced technology to enhance manufacturing capacity, capability and service offerings.

In September 2022, the Company entered into a share swap agreement, by which the Company swapped its 250,250,000 newly issued shares for 26 million of the common stock of Scientific Energy, Inc. ("SEI"), a company incorporated in the United States. The total consideration for the shares of SEI was HK\$10,010,000. By this acquisition, the Company owns 9.87% of SEI's capital shares. The fair value of SEI shares as at 31 December 2025 was approximately \$0.7 million as compared to approximately \$43.4 million as at 31 December 2024, a significant decrease of 98% mainly due to the decrease in price in SEI common stock.

## **OUTLOOK**

As the Russia-Ukraine conflict moves towards resolution and tariff disputes ease, the global economy was expected to maintain a moderate recovery characterised by low growth and easing inflation through 2026. However, the outbreak and rapid escalation of the Middle East conflict in March 2026 has introduced new uncertainties to this outlook.

At the beginning of the year, the International Monetary Fund projected global real GDP growth of approximately 3.3%, mainly driven by investment in artificial intelligence and easing tariff tensions. However, it cautioned that this outlook could change if geopolitical conflicts push up energy prices. Global inflationary pressure may re-emerge.

Among major economies, Europe and certain energy-importing countries in Asia may face imported inflation and pressure on real incomes, which may require tighter monetary policy. Some energy-exporting countries may benefit in the short term from higher oil prices, but may also face increased geopolitical and capital flow risks. Over the medium to long term, the crisis may accelerate global energy diversification, adoption of renewable energy and supply chain restructuring. It may also drive further investment in AI and green energy as new growth engines, while reinforcing the importance of geopolitics and economic security throughout 2026.

The Company considers persistent geopolitical tensions and strategic trade actions to be the principal risks facing the graphite sector. Nevertheless, rapid growth in electric vehicles, robotics and AI industries has created new opportunities for graphite. In 2025, the Company fundamentally transformed its graphite operations, explored platform-based trading models and actively pursued further industry opportunities. While the graphite sector in 2026 presents both risks and opportunities, the Company remains cautiously optimistic about the market as a whole.

The Company also remains positive about the outlook for its UK businesses. The opening order book for 2026 is at an encouraging level, and turnover is expected to remain at current high levels, with another £77 million budgeted. In addition, customers have already placed orders for delivery in 2027 and 2028. The UK business maintains a strong cash position with no significant debt, and its expected performance in 2026 is expected to strengthen this further. The Group will continue to broaden its customer base across different sectors to reduce concentration risk, while also continuing to invest in advanced capital equipment and research and development to enhance manufacturing capacity and service capability. The Company will continue to monitor inflationary trends in the UK, including those arising from global energy costs and labour market conditions.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2025, the Group's cash and cash equivalents were approximately \$13.0 million, compared with approximately \$12.6 million as at 31 December 2024. As at 31 December 2025, the Group recorded net current assets of approximately \$410.0 million (2024: approximately \$365.2 million). The Group had no bank borrowings as at 31 December 2025. As at 31 December 2025, the Group's gearing ratio, calculated as lease liabilities divided by total equity, was approximately 0.02% (2024: approximately 0.07%).

## (I) 2018 CONVERTIBLE DEBENTURES

On 25 April 2018, the Company entered into a subscription agreement with China Minerals International Limited for 0% interest convertible debentures due on 25 April 2028 in an aggregate principal amount of HK\$600 million (net proceeds of HK\$569 million after expenses), for the purpose of building graphite production lines in Madagascar (the “2018 Convertible Debentures”).

Reference is made to the announcement of the Company dated 15 August 2025 (the “Announcement”), on 21 May 2024, the Company disposed of two production lines in Madagascar, and shareholders’ approval for the disposal was 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. Accordingly, the Company plans to develop a graphite trading platform to enhance the global graphite product trading experience and to create synergies with the Group’s existing business segments.

Having considered the above, the Board intended to change the use of the 2018 Unutilised Net Proceeds to working capital for the platform, being a Web3.0-enabled trading platform for mineral products (including graphite), including regular system maintenance and upgrades, ongoing cybersecurity and fraud prevention, and ongoing compliance costs.

As at 31 December 2025, 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 utilised. Details of the revised allocation and the use of unutilised net proceeds from 2018 Convertible Debentures are set out below:

|  | Amount of net proceeds allocated as of 31 December 2024 |                   | Balance of net proceeds unutilised as of 31 December 2024 |                  | Revised allocation of unutilised amount of net proceeds |                  | Amount of net proceeds utilised during the year ended 31 December 2025 |          | Balance of net proceeds unutilised as of 31 December 2025 |                  |
|--|---|-------------------|---|------------------|---|------------------|--|----------|---|------------------|
|  | HK\$  | US\$              | HK\$  | US\$             | HK\$  | US\$             | HK\$   | US\$     | HK\$  | US\$             |
|  |   |                   |   |                  |   |                  |  |          |   |                  |
| Plant and Warehouse  | 21,796,600  | 2,794,400         | -   | -                | -   | -                | -  | -        | -   | -                |
| Production line  | 39,747,000  | 5,095,600         | 7,520,000   | 964,000          | -   | -                | -  | -        | -   | -                |
| Pipeline, transport tools  | 33,484,500  | 4,293,000         | 4,461,500   | 572,000          | -   | -                | -  | -        | -   | -                |
| Wages  | 1,560,000   | 200,000           | -   | -                | -   | -                | -  | -        | -   | -                |
| Other  | 5,527,400   | 708,600           | -   | -                | -   | -                | -  | -        | -   | -                |
| Working capital for the platform, being a Web3.0-enabled trading platform for mineral products | -   | -                 | -   | -                | 11,981,500  | 1,536,000        | -  | -        | 11,981,500  | 1,536,000        |
| <b>Total</b>   | <b>102,115,500</b>                                      | <b>13,091,600</b> | <b>11,981,500</b>   | <b>1,536,000</b> | <b>11,981,500</b>                                       | <b>1,536,000</b> | <b>-</b>   | <b>-</b> | <b>11,981,500</b>   | <b>1,536,000</b> |

The Company expects to utilise all unutilised net proceeds from 2018 Convertible Debentures on or before 31 December 2028.

As disclosed in the circular dated 23 October 2018, the subscriber has the right, at any time during the conversion period, to subscribe for and convert the convertible debentures, in whole or in part, in tranches, at times and in amounts determined at its discretion. Accordingly, unless the Company publishes a new announcement in relation to the construction of new production lines, the remaining amount under the 2018 Convertible Debentures is not expected to be subscribed before maturity on 25 April 2028.

## **(II) 2024 CONVERTIBLE DEBENTURES**

On 26 April 2024, the Company entered into a subscription agreement with Mr. Zhang Zheng, an individual investor, for nil-interest convertible debentures due on 26 April 2030 in an aggregate principal amount of HK\$21 million (the “2024 Convertible Debentures”). The 2024 Convertible Debentures were issued under the general mandate granted by shareholders at the annual general meeting held on 6 June 2024.

As disclosed in the Announcement, the original intended use of the proceeds was to explore a new business direction that combined artificial intelligence with cultural industry applications in Web3.0 through its joint venture, GoMeta Limited, including, among other things, video and microfilm production or cooperation with well-known painters to generate animated videos from their works.

However, after entering into the subscription agreement for the 2024 Convertible Debentures, the Company was unable to reach agreement with potential partners on certain commercial terms relating to cooperation in video and microfilm production. As a result, GoMeta Limited has not commenced operations relating to the artificial intelligence business since its establishment and will not continue development of that business.

In light of this, the Company intended to shift the Web3.0 development focus to its existing graphite business by developing a graphite product trading platform to enhance the global graphite product trading experience and to leverage synergies across the Group’s businesses.

As at 31 December 2025, the Group had received net proceeds of HK\$21,000,000 (equivalent to US\$2,692,269). Details of the revised allocation and the use of unutilised net proceeds from 2024 Convertible Debentures are set out below:

|   | Balance of net proceeds unutilised as of 31 December 2024 |                | Amount of net proceeds received during the year ended 31 December 2025 |                  | Revised allocation of unutilised amount of net proceeds |                  | Amount of net proceeds utilised during the year ended 31 December 2025 |          | Balance of net proceeds unutilised as of 31 December 2025 |                  |
|---|---|----------------|--|------------------|---|------------------|--|----------|---|------------------|
|   | HK\$  | US\$           | HK\$   | US\$             | HK\$  | US\$             | HK\$   | US\$     | HK\$  | US\$             |
|   |   |                |  |                  |   |                  |  |          |   |                  |
| Development of the artificial intelligence business   | 1,260,000   | 161,500        | 19,740,000   | 2,530,769        | -   | -                | -  | -        | -   | -                |
| Research and development of graphite and various commodities trading platform   | -   | -              | -  | -                | 9,000,000   | 1,153,846        | -  | -        | 9,000,000   | 1,153,846        |
| Marketing and brand building by organizing marketing campaigns and advertisements etc   | -   | -              | -  | -                | 5,500,000   | 705,435          | -  | -        | 5,500,000   | 705,435          |
| 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 | -   | -              | -  | -                | 6,500,000   | 832,988          | -  | -        | 6,500,000   | 832,988          |
| <b>Total</b>  | <b>1,260,000</b>  | <b>161,500</b> | <b>19,740,000</b>  | <b>2,530,769</b> | <b>21,000,000</b>                                       | <b>2,692,269</b> | <b>-</b>   | <b>-</b> | <b>21,000,000</b>   | <b>2,692,269</b> |

The Company expects to utilise all unutilised net proceeds from 2024 Convertible Debentures on or before 31 December 2027.

### (III) 2025 CONVERTIBLE DEBENTURES

On 17 July 2025, the Company entered into a subscription agreement with Mr. Zhang Yi, an individual investor, for nil-interest six-year debentures due in 2031 in an aggregate amount of HK\$24,339,000 (the “2025 Convertible Debentures”). The 2025 Convertible Debentures were issued under the general mandate granted to the Directors at the annual general meeting held on 6 June 2025. Under the subscription agreement, a maximum of 79,800,000 new shares may be issued and allotted upon conversion.

As at 31 December 2025, the Company had received net proceeds of HK\$3,525,800 (equivalent to US\$452,025) and intended to use the net proceeds for the development of its Web3.0 business. Details of the allocation and the use of net proceeds from 2025 Convertible Debentures are set out below:

|                                | Amount of net proceeds allocated |                | Amount of net proceeds utilised during the year ended 31 December 2025 |          | Balance of net proceeds unutilised as of 31 December 2025 |                |
|--------------------------------|----------------------------------|----------------|--|----------|---|----------------|
|                                | HK\$                             | US\$           | HK\$   | US\$     | HK\$  | US\$           |
| Development of Web3.0 business | 3,525,800                        | 452,025        | –  | –        | 3,525,800   | 452,025        |
| Total                          | <u>3,525,800</u>                 | <u>452,025</u> | <u>–</u>   | <u>–</u> | <u>3,525,800</u>  | <u>452,025</u> |

The Company expects to utilise all unutilised net proceeds from 2025 Convertible Debentures on or before 31 December 2030.

## INDEBTEDNESS

As at 31 December 2025:

- the Company had no bank borrowings or committed bank facilities;
- the Company had no borrowings from related parties; and
- the Company had no bank overdrafts.

As at 31 December 2025 and up to the date of this announcement, there had been no material adverse change in the Group's indebtedness.

## CAPITAL COMMITMENTS

As at 31 December 2025, the Group had no capital commitments in respect of the purchase of fixed assets (2024: Nil).

## SIGNIFICANT INVESTMENTS HELD

As at 31 December 2025, the Group did not hold any significant investments.

## MATERIAL ACQUISITIONS AND DISPOSALS

There were no material acquisitions or disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

## CAPITAL STRUCTURE

During the year ended 31 December 2025, there was no change in the capital structure of the Company. The capital of the Company comprises ordinary shares and reserves.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 340 employees (2024: 328) in Hong Kong, the UK and Macau. The Group believes that its relationship with employees is satisfactory.

The remuneration policy for the Group's employees is determined by the Remuneration Committee with reference to employees' merit, qualifications and competence. The emoluments of the Directors are decided by the Remuneration Committee. No share option scheme is currently in operation.

## **FOREIGN EXCHANGE EXPOSURE**

The Group's principal operating subsidiaries earn revenue and incur costs in Hong Kong dollars, US dollars, Renminbi and Sterling. Accordingly, the Group is exposed to foreign exchange fluctuations. The Group does not currently have a foreign currency hedging policy. It manages currency risk by closely monitoring foreign exchange exposure and maintaining net exposure at an acceptable level, and may consider hedging significant foreign currency exposure where appropriate.

## **DIVIDEND**

The Directors do not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

## **MATERIAL UNCERTAINTIES**

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

## **LEGAL PROCEEDINGS**

The Group is not aware of any pending or threatened legal proceedings which, if determined adversely, would have a material adverse effect on the business or operations of the Group.

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The Group has no significant events after the reporting period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with all code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules for the year ended 31 December 2025, except for the deviation set out below.

### **Code Provision C.2.1: Separation of the roles of chairman and chief executive**

Code Provision C.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Company does not maintain a separate chairman and chief executive, and Mr. Feng Zhong Yun currently performs both roles.

The Board believes that vesting both roles in Mr. Feng provides the Group with strong and consistent leadership, allows more effective planning and execution of long-term business strategies, and improves decision-making efficiency. As major decisions are made in consultation with members of the Board and relevant Board committees, and as the Board includes independent non-executive Directors who provide independent views, the Board considers that adequate safeguards are in place to ensure a proper balance of power and authority. The Board will continue to review and monitor the Company's corporate governance practices and will consider separating the roles of chairman and chief executive when appropriate.

### **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by Directors. Having made specific enquiries of all Directors, the Company confirms that all Directors complied with the required standards set out in the Model Code during the year ended 31 December 2025.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### **REVIEW OF RESULTS BY AUDIT COMMITTEE**

The Company established an audit committee in compliance with Rule 3.21 of the Listing Rules to review and supervise the Group's financial reporting process, risk management and internal control systems.

The Audit Committee comprises the following three independent non-executive Directors:

- Mr. Ng Lai Po (*Chairman*)
- Ms. Ye Yi Fan
- Dr. Yan Shao Shi

The Audit Committee has reviewed the accounting principles and practices adopted by the Group, and has discussed auditing, internal controls and financial reporting matters, including the annual results of the Group for the year ended 31 December 2025.

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements as issued by the HKICPA and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on this preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

The annual report of the Company will be despatched in due course to shareholders who have elected to receive printed copies of the Company's corporate communications, and will also be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

On behalf of the Board of  
**Elate Holdings Limited**  
**Feng Zhong Yun**  
*Managing Director*

Hong Kong, 30 March 2026