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大象控股
ELEPHANT

# Elephant Holdings Group Limited
# 大象控股集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8635)**

## SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the "**Announcement**") of Elephant Holdings Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") dated 31 July 2026 in relation to the placing of new shares under the general mandate (the "**Placing**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company wishes to provide its shareholders and potential investors with additional information regarding (i) the business plan of the AI-driven solutions business; (ii) the business plan of the AI hardware system integration business; and (iii) the expected timeline of full utilisation of the net proceeds from the Placing (the "**Net Proceeds**").

**THE AI-DRIVEN SOLUTIONS BUSINESS**

The Group intends to allocate approximately HK$2.4 million, representing approximately 20% of the Net Proceeds (assuming that all the Placing Shares are fully placed), to further develop its AI-driven solutions business. As disclosed in the annual report for the year ended 31 March 2026 (the "**2026 Annual Report**"), this business has become the Group's principal revenue contributor and a core strategic focus.

The Net Proceeds will be applied towards enhancing the Group's existing AI-driven solutions, by introducing more advanced model architectures and richer industry-specific datasets, together with high-performance inference engines, to upgrade AI agent models, enhance their reasoning capabilities and achieve faster response times, and to expand the Group's capacity to deliver AI deployment services to enterprise customers in areas such as financial trading, resource allocation and scheduling. The Net Proceeds will also support improvements to the Group's internal development infrastructure, including data processing workflows, model training pipelines and testing environments, as well as the expansion of customer delivery and post-deployment support capacity.

The proposed use of proceeds is consistent with the Group's existing business model and long-term development plan as disclosed in the 2026 Annual Report (the "**Long-term AI Development Strategy**"), which focuses on expanding and commercialising the Group's AI-driven solutions, including AI agent-based applications for enterprise automation and operational efficiency, and strengthening the Group's competitive position in the enterprise AI market.

The Group's AI-driven solutions business principally involves the provision of customised AI solutions, such as AI workflow, AI model and software products, to enterprise customers and information technology service providers based on their operational requirements and business objectives. Depending on the project structure and internal resource availability, the Group may provide services directly to enterprise customers or engage subcontractors for portions of a project where specialized or additional capacity is required.

The Group currently provides AI-driven solutions across eight principal application areas, namely (i) 3D digital human production, (ii) AI workflow automation, (iii) AI advertising and traffic optimisation tools, (iv) AI recruitment and talent screening systems, (v) AI video generation tools, (vi) AI quantitative financial analysis tools, (vii) AI legal advisory tools and (viii) AI short-drama production tools. Such solutions are generally customised according to customers' requirements and are integrated into their products, services or operational processes.

The AI-driven solutions business represents a natural extension of the Group's existing technology businesses, built upon a shared foundation of core technical capabilities. Specifically, both the existing businesses and the AI-driven solutions rely on common underlying competencies in (i) large-scale data processing and management; (ii) complex system integration and software architecture design; and (iii) development of optimisation algorithms and rule-based engines. In particular, the Group's AI quantitative financial analysis solutions leverage the experience and technical know-how accumulated through its financial trading solutions business, while its AI workflow automation solutions build upon the technologies and methodologies developed through its resource allocation, planning, scheduling and management software business.

The Group's AI-driven solutions utilise a range of underlying AI technologies, including model-based inference engines, rule-based optimisation algorithms, workflow orchestration modules and data-driven analytical models. These technologies are derived from the Group's existing IT capabilities in high-concurrency system architecture, distributed data processing, enterprise-grade software design and optimisation logic developed through its financial trading solutions and resource allocation systems. The Group applies such technical know-how to customise AI models, integrate them into customer workflows and deploy them within enterprise environments.

The Group generally undertakes projects on a contract basis. Following discussions with customers regarding their requirements, the Group prepares a customised solution proposal and quotation. Revenue is primarily generated from the development, implementation and deployment of customised AI solutions and, where applicable, subsequent annual technical support and optimisation services. Revenue is recognised over time based on the progress towards satisfaction of the relevant performance obligations under customer contracts.

The AI-driven solutions business is overseen by the Board and senior management of the Group. Mr. Sen Zen (錢前) ("**Mr. Sen**"), the Chief Executive Officer and an executive Director, is responsible for the overall strategic planning, business development and execution of the Group's AI-related businesses. Mr. Wu Haiying (吳海鷹) ("**Mr. Wu**"), the Group's Chief Information Officer, and Mr. Yang Yingdeng (楊穎燈) ("**Mr. Yang**"), the Group's Chief Technology Officer, are responsible for overseeing technology development, system architecture, AI deployment and related research and development activities. Both Mr. Wu and Mr. Yang possess experience in information technology, software development, enterprise digital transformation and system architecture, which supports the continued development of the Group's AI-driven solutions business. In particular, Mr. Wu's expertise in handling high-concurrency network environments and automated management of complex database clusters provides a solid technical foundation and security framework for the AI ecosystem. Mr. Yang's experience in embedding AI into core business management scenarios, enterprise-level IT architecture and data integration supports the development and deployment of AI solutions across the Group's application areas. Details of the biographies and experience of Mr. Wu and Mr. Yang have been disclosed in the 2026 Annual Report and the announcement of the Company dated 15 April 2026.

The Board is responsible for formulating the overall strategic direction of the Group's AI businesses, including resource allocation, business positioning and development priorities. Senior management, led by Mr. Sen, implements such strategies through project planning, technical development, customer engagement and operational execution. The Board and senior management jointly oversee the progress of AI-related initiatives and ensure alignment with the Group's long-term business objectives.

The Group will utilise its existing AI R&D team, software development infrastructure, model deployment experience and customer relationships in executing the above business plan. The Group will determine the appropriate balance between internal staff and subcontracted resources based on project requirements, cost efficiency and service quality.

## THE AI HARDWARE SYSTEM INTEGRATION BUSINESS

The Group intends to allocate approximately HK$8.2 million, representing approximately 70% of the Net Proceeds (assuming that all the Placing Shares are fully placed), to develop its AI hardware system integration business. As disclosed in the Announcement, this business represents a natural extension of the Group's existing AI-driven solutions operations and will enable the Group to provide integrated AI infrastructure and application solutions to enterprise customers.

The Net Proceeds will be applied towards the procurement of core hardware components (including but not limited to graphics processing units (GPU) or application-specific integrated circuits (ASICs) chips, central processing unit (CPU) modules, high-speed memory, network switches and/or server chassis), the assembly and optimisation of AI servers and multi-node AI clusters, the deployment and tuning of AI agent models on hardware devices, and the development of usage-based AI service delivery models. The Net Proceeds will also support related R&D activities required for system integration, model adaptation and cluster management, such as cloud and power costs for load testing, commercial licenses fees, and costs associated with the development of quantisation and pruning tools.

The AI hardware system integration business is intended to complement the Group's existing AI-driven solutions business by providing integrated hardware and software solutions to enterprise customers. The business is not limited to hardware trading. In addition to hardware procurement and resale, the Group intends to provide value-added services including hardware assembly, AI model deployment, system optimisation, cluster integration and technical support according to customers' requirements. The Group also intends to interconnect multiple AI computing servers into computing clusters or computing centers through system-level integration.

Accordingly, the proposed business differs from a pure hardware procurement and distribution model, as the Group will provide system-level integration, software adaptation, AI model deployment, optimisation and ongoing technical support, rather than solely engaging in hardware resale.

The Group currently plans to provide three levels of deliverables, namely (i) AI computing servers, (ii) AI computing clusters comprising multiple interconnected servers, and (iii) AI services deployed on such computing infrastructure and made available to customers through application interfaces or usage-based arrangements. This business model allows the Group to participate in both hardware-based and service-based revenue streams within the AI value chain.

The Group expects to generate revenue from (i) sales of AI servers and related equipment, (ii) system integration and deployment service fees, (iii) maintenance and technical support services, and (iv) usage-based AI services, comprising leasing of physical computing equipment, charged based on the quantity of equipment and the duration of usage; and token-based computing services, charged based on the actual volume of computing tokens processed by the AI models.

The Group's existing AI-driven solutions business focuses on model development, optimisation and deployment. The AI hardware system integration business will extend the Group's position along the AI value chain by integrating infrastructure, model deployment and application services into a unified offering, thereby creating synergies with the Group's existing software capabilities and supporting the implementation of the Long-term AI Development Strategy. In particular, the computing infrastructure procured through the hardware business will reinforce the Group's existing AI-driven solutions business by providing dedicated, high-performance computing resources for model training, iteration and testing. At the same time, learnings and performance insights derived from existing AI-driven solutions business will feed back into hardware configuration and optimisation, creating a continuous feedback loop that enhances both software and hardware offerings.

The AI hardware system integration business will also be overseen by senior management members, Mr. Wu and Mr. Yang. Their experience in telecommunications-grade infrastructure, AI system integration and enterprise-level IT architecture supports the development of this business.

The Group has established preliminary contacts with potential hardware suppliers and distributors, and will adopt a project-based procurement approach to manage inventory levels and mitigate technological obsolescence risks.

The Group will leverage its existing technical expertise, AI deployment experience and customer relationships in supporting the development and commercialisation of the AI hardware system integration business.

Based on the Group's current business plan, the estimated funding requirement for the initial development phase of the AI hardware system integration business over the next six months is approximately HK$10.0 million. Approximately HK$8.2 million is expected to be funded by the Net Proceeds allocated to this business, with the balance expected to be funded by the Group's internal resources. Any additional funding requirement beyond the initial development phase is expected to be funded by the Group's internal resources, operating cashflow and/or other financing arrangements as the Board may consider appropriate. As the AI hardware system integration business is currently at an early stage of development, the actual scale, pace of expansion and future funding requirements may vary depending on customer demand, market conditions and the Group's business development.

During the initial development phase, the Group expects to focus on establishing its core AI hardware system integration capabilities, including the assembly and deployment of a small number of AI servers and the development of cluster-level integration capability for pilot enterprise projects. The Group expects to achieve operational readiness to deliver server-level and cluster-level AI workloads and to support usage-based AI service delivery for initial customers. The actual business scale and deployment volume may vary depending on customer demand and market conditions.

The Board considers that the AI-driven solutions business and the AI hardware system integration business complement the Group's existing businesses and form part of the Group's overall business development strategy. The Group currently intends to continue carrying on its existing businesses, including the financial trading solutions business and the resource allocation, planning, scheduling and management software business.

## THE EXPECTED TIMELINE OF UTILISATION OF THE NET PROCEEDS

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and Net Proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK$12.0 million and approximately HK$11.8 million, respectively. The expected timeline of utilisation of the Net Proceeds is set out as follows:

| **Intended use of proceeds** | **Amount of proceeds allocated for intended use** *(HK$' million)* | **Expected timeline for full utilisation** |
|---|---|---|
| AI-driven solutions business | | |
| – AI-agent models upgrading | 1.4 | First quarter of 2027 |
| – Infrastructure Development | 1.0 | First quarter of 2027 |
| Subtotal | 2.4 | |
| AI hardware system integration business | | |
| – Procurement of hardware | 6.6 | Fourth quarter of 2026 |
| – R&D and other relevant costs | 1.6 | First quarter of 2027 |
| Subtotal | 8.2 | |
| General working capital | | |
| – Office rent | 0.4 | First quarter of 2027 |
| – Salary | 0.6 | First quarter of 2027 |
| – Other day-to-day operational expenses | 0.2 | Fourth quarter of 2026 |
| Subtotal | 1.2 | |
| Total | 11.8 | |

By order of the Board
**Elephant Holdings Group Limited**
**Di Xiaoguang**
*Chairlady and executive Director*

Hong Kong, 19 August 2026

*As at the date of this announcement, the Board comprises Ms. Di Xiaoguang as the chairlady of the Board and an executive Director; Mr. Sen Zen as an executive Director and the chief executive officer of the Company; Ms. Qin Yue and Mr. Wong Wing Hoi as the executive Directors; and Mr. Cai Yue and Ms. Jiang Yurong as the non-executive Directors, and Ms. Li Xinjuan, Ms. Lau Wai Hing and Ms. Ho Sze Man Kristie as the independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and will also be published on the Company's website at www.elephant8635.com.*