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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 2 July 2025 in relation to 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 model and business plan of the e-commerce business (the “**E-commerce Business**”); and (ii) the expected timeline of the full utilisation of the net proceeds from the Placing (the “**Net Proceeds**”).

THE E-COMMERCE BUSINESS

The Group is principally engaged in (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; (iii) provision of bullion trading services; and (iv) cryptocurrency trading.

In light of the prevailing business challenges of the Group and the growth potential of the E-commerce Business as discussed in the Announcement, the Group plans to diversify its existing businesses and intends to use approximately HK\$14.5 million, which amounts to approximately 43% of the Net Proceeds (assuming that all the Placing Shares are fully placed), to develop the E-commerce Business in the PRC. The business model and business plan of the E-commerce Business are set out as follows:

The Group plans to develop a cloud-based business-to-client (“**B2C**”) e-commerce platform that aligns suppliers, logistics, and payment systems to offer consumers a comprehensive shopping experience. There is a total of four anticipated revenue streams under the E-commerce Business, including (i) merchant entry fees for merchants to participate in the e-commerce platform; (ii) sales commissions for products sold on the platform; (iii) advertisement and promotion fees; and (iv) logistics fees for the logistics value-added services to be provided by the Group including warehousing, order fulfillment and delivery solutions. Once the platform is launched and achieves a certain level of average monthly visits, the Group may explore further business development opportunities, including directly buying and selling products on the platform. This, if materialised, could generate revenue from the price difference between wholesale inventory purchases and retail consumer sales.

The Group is now applying for the necessary licenses for the operating of an e-commerce platform in the PRC and plans to (i) build a cloud-based e-commerce platform, targeting completion of the front-end user interface (including web browser application, mobile application and/or mini-program) by the third quarter of 2025; (ii) establish back-end online order management, payment settlement, and customer relationship management system by the fourth quarter of 2025; (iii) develop an application programming interface to connect the e-commerce platform directly with the logistics providers, facilitating a seamless logistics process for goods delivery; and (iv) rent a warehouse in Guangdong, the PRC with potential expansion to other regions if necessary.

The executive Director, Mr. Wong Wing Hoi (“**Mr. Wong**”) and the former executive Director and the sole director of an indirect wholly-owned subsidiary of the Company, Real Logic Technology Company Limited (“**RLT**”), Mr. Chung Chau Kan (“**Mr. Chung**”), will lead the existing and new IT staff in developing the e-commerce platform. The biographical details of Mr. Wong and Mr. Chung are set out as follows:

Mr. Wong has over 23 years of experience in software engineering, system development, and information technology (“**IT**”) support. Prior to joining our Group, Mr. Wong worked at Netcast Information Limited from August 2001 to February 2005 as a programmer, focusing on developing and testing software applications. He then served as an analyst programmer at Global eSolution Limited from February 2005 to July 2006, where he was mainly responsible for developing online trading system, database designing and tuning and providing IT support. Mr. Wong joined our Group in August 2006 as senior analyst programmer at Global eSolutions (HK) Limited (“**GES**”) and was promoted to project manager and assistant director of GES in January 2011 and December 2015, respectively. During his tenure as an assistant director of GES, he oversees the software development operations and the development team, as well as recruitment of software developers and engineers.

Mr. Chung has over 24 years of experience in software engineering, system development, and IT consulting. Before joining the Group, Mr. Chung worked at Entone Technologies Limited as engineer from June 2000 to January 2001, focusing on software design, development, testing and maintenance. He also served as a consultant at Reuters Hong Kong Limited from January 2001 to January 2002, where he developed stock exchanges connectivity for online trading system and supported real-time market data delivery. Mr. Chung was a software engineer of A.K. Technology Company, RLT and Global eSolution Limited. He was mainly responsible for designing and developing timetabling engine, online trading platforms and wealth management platforms. Mr. Chung joined our Group in August 2006 as development manager at GES and was promoted to general manager in July 2010. Since September 2011, Mr. Chung has been a director of GES, overseeing the operations and software development.

The Group has recently recruited a chief executive officer for the E-commerce Business with extensive experience in e-commerce, specializing in inventory management, supplier sourcing and logistics. This individual excels in incubating physical chain brands, designing business models, conducting roadshows, building live broadcast matrices, and implementing marketing strategies within supply chain management. Additionally, the Group has employed a sales and marketing manager and a business development manager, both with over 10 years of experience in their respective fields.

The Company possesses management team with extensive IT expertise and commercial experience in the PRC, positioning the Group well to transition from serving corporate and wholesale customers to targeting individual consumers through a B2C e-commerce platform. The management of the Company has conducted thorough research into the e-commerce and logistics sectors in the PRC, identifying substantial growth potential, with plans to hire between 26 and 31 staff at the outset. As disclosed in the Announcement, the market in the PRC has demonstrated remarkable expansion, experiencing a compound annual growth rate of approximately 24.8% from 2015 to 2020, and an estimated 13.2% from 2020 to 2025. By the end of 2025, the PRC e-commerce market is expected to reach around US\$1.38 trillion in revenue, accompanied by a user penetration rate of approximately 82.2%. Given this significant growth potential, the Group is strategically developing its E-commerce Business within the PRC. This insight reinforces the Group's intention to leverage its existing software and human resources to facilitate a one-stop shopping service for consumers, thus establishing a robust e-commerce platform tailored to meet the needs of individual customers.

The Directors consider that the Group is well-equipped with the necessary human resources, expertise and experience to successfully develop and launch an e-commerce platform that caters to the rapidly growing individual consumer market in the PRC.

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\$34.5 million and approximately HK\$33.6 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
Business development and marketing activities		
– Existing Business	6.3	January 2027
– E-commerce Business	6.8	January 2027
Subtotal	13.1	
Development, maintenance, and regular upgrades of the e-commerce application	4.8	July 2026
Goods logistics arrangements	2.9	July 2026
General working capital		
– Office rent	1.8	October 2026
– Salary	5.6	October 2026
– Other day-to-day operational expenses	5.4	October 2026
Subtotal	12.8	
Total	33.6	

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

Hong Kong, 17 July 2025

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 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.