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ELL Environmental Holdings Limited

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE TRANSACTION ACQUISITION OF EQUIPMENT

Reference is made to the announcement (the “**Announcement**”) of ELL Environmental Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 July 2026 in relation to the Acquisition. Unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement. The Company would like to provide the following further information on the Acquisition.

BASIS OF CONSIDERATION

The consideration of US\$3,512,000, representing a unit purchase price of US\$2,195 for each unit of the Equipment, was determined after arm’s length negotiations between the Buyer and the Seller, having regard to, among other things, (i) the technical specifications and processing capacity of the Equipment; (ii) the prevailing market prices of comparable Script-based ASIC equipment; (iii) the quantity of Equipment being acquired; and (iv) the payment terms offered by the Seller.

In assessing whether the consideration is fair and reasonable, the Company conducted market research and made enquiries with suppliers of comparable Script-based ASIC equipment. The Company considered products manufactured by other ASIC manufacturers, such as Bitmain, and Elphapex, focusing primarily on equipment with processing capacity and technical specifications comparable to the Equipment. In conducting the comparison, the Company considered, among other things, the quoted or prevailing unit prices, rated hashrate, power consumption and energy efficiency of such equipment. The Company notes that the market price of ASIC equipment has historically been cyclical and has been influenced by factors including cryptocurrency prices, mining profitability, technological advancements and supply-demand dynamics. Having regard to these factors, the Company noted that the unit purchase price of the Equipment is within a reasonable price range of similar specifications and capacity.

Having regard to the above factors, including the technical specifications and processing capacity of the Equipment, the prevailing market prices of similar Script-based ASIC products, the total quantity being acquired and the agreed payment terms, the Board considers that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole.

SPECIFICATIONS AND FUNCTIONS OF THE EQUIPMENT

The Equipment comprises 1,600 units of VolcMiner D1 ASIC machines manufactured by VolcMiner. According to the manufacturer's specifications, each unit is designed to perform high-speed computational processing based on the Script algorithm and has a rated hashrate of 16 GH/s, resulting in an aggregate rated hashrate of approximately 25,600 GH/s for all units. Each unit has a rated power consumption of approximately 3,725 watts ($\pm 5\%$) and an energy efficiency rating of approximately 229 J/G. The Equipment is primarily intended for Script-based cryptocurrency mining applications. However, the Group will not use the Equipment for proprietary cryptocurrency mining, instead, it will deploy the Equipment as part of its existing information technology services by providing equipment hosting, managed data processing and related technical support services to its customers.

The Equipment will be installed at the Group's data center in Jambi, Indonesia and integrated into the Group's data center infrastructure to support high-density computational processing workloads requiring substantial computing resources. It is designed to perform Script-based cryptographic computations, including those used in certain cryptocurrency related workloads. The Group will own and operate the physical, technical and logistical infrastructure required for the operation of the Equipment within the Group's data center, including power supply, electrical distribution, network connectivity, cooling and ventilation systems, physical security, equipment monitoring, technical support, maintenance and on-site operational personnel. Such functions are consistent with the Group's existing provision of information technology services, which principally comprise data center operation, computer system analysis and technical support services.

Within such data center operations, the Equipment will serve as the principal computational processing hardware. When in operation, the Equipment will generate measurable processing capacity and enable the Group to provide continuous high-performance computational processing services to customers, expressed in terms of hashrate and active operating hours. Building on the Group's existing data center services, the Group intends to deploy this processing capacity to support customers that require high-density computing resources by making such capacity available as part of the Group's managed data processing and related technology service offerings.

Accordingly, the Acquisition upgrades the Group's data processing capacity by introducing dedicated higher-performance computational hardware and integrating such hardware with the Group's existing data center infrastructure and service capabilities, and therefore forms part of, and is complementary to, the Group's overall information technology services business and enables utilisation of its idle power capacity.

INTENDED USE OF THE EQUIPMENT

The Equipment will be allocated to the Group's information technology services segment. The Group intends to integrate the Equipment with its existing biomass power generation and supporting infrastructure, which currently supports its data center operation, computer system analysis and technical support services, so as to provide managed data processing and related technology services. In particular, the Equipment will be used as dedicated computational hardware to generate processing capacity (measured in hashrate and active operating time) for utilisation in such services.

The Group will own and operate the Equipment and be responsible for the supporting data center infrastructure, including power supply, electrical systems, cooling, network connectivity, security, monitoring, maintenance and technical support, consistent with the Group's existing data center operating model.

The processing capacity generated by the Equipment will be used to provide hosting and managed data processing services to customers. The Group's role is to own and operate the underlying computing infrastructure and deliver such processing capacity, together with related operational and technical support services, as part of its information technology services offerings.

The Acquisition will therefore support and upgrade the Group's existing information technology services business, in particular its data center operation and managed data processing services, while leveraging its existing energy and physical infrastructure.

BOARD'S STRATEGIC RATIONALE FOR THE ACQUISITION

The Board considers that the Acquisition forms part of the Group's strategy to enhance the commercial value of its energy assets by utilising its existing power generation capacity to support energy-intensive computational processing operations.

In forming this view, the Board has taken into account that the Group has existing biomass power generation facilities already supply electricity to its data center operations and have available idle capacity that can be further utilised for such purposes. The Board considers that such computational processing activities are inherently power-intensive and require stable and scalable electricity supply, which aligns with the Group's existing capabilities in power generation.

By integrating the Equipment with its power generation and supporting infrastructure, the Group can improve the utilisation of its existing energy assets and convert available power capacity into computational processing capacity. The Board considers that this enables the Group to expand into high-performance computing and digital infrastructure services, and to upgrade and enhance its existing data center capabilities and related hosting and managed data processing services.

The Board also notes that the power generation facilities and data center operations will operate as an integrated business under the same project company. The electricity generated, together with the Equipment and supporting infrastructure such as electrical systems, cooling, network connectivity, security, monitoring and technical support, will enable the provision of higher-performance computational processing services to its customers.

The Acquisition therefore allows the Group to further monetise its available power capacity and existing infrastructure by generating an additional revenue stream from managed data processing, equipment hosting and related technology services, while leveraging its existing operation base.

Based on the above, the Board believes that this integrated model will enhance the commercial value of the Group's assets by:

- (i) improving the utilisation of existing power generation capacity and infrastructure;
- (ii) combining the Group's energy capabilities with data center and computational processing infrastructure to create an integrated business model; and
- (iii) supporting the Group's expansion and enhancement of its information technology services, including higher performance computing, digital infrastructure and managed data processing services.

Accordingly, the Board considers that the Acquisition represents a strategic extension of the Group's existing energy and information technology businesses by integrating its power generation capabilities with computational processing and data center infrastructure.

For and on behalf of
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

Hong Kong, 22 July 2026

As at the date of this announcement, the Board comprises Mr. Chau On Ta Yuen (Chairman), Mr. Chan Kwan (Chief Executive Officer), Mr. Chan Pak Lam Brian and Mr. Chau Chi Yan Benny as executive Directors, Mr. Radius Suhendra as a non-executive Director, and Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy as independent non-executive Directors.

* For identification purpose only