



apollo

APOLLO FUTURE MOBILITY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 0860)

2022

INTERIM REPORT



The board (the "Board") of directors (the "Directors") of Apollo Future Mobility Group Limited ("AFMG" or the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 March 2022 (the "Period") together with the comparative figures for the corresponding period in 2021. The unaudited interim condensed consolidated financial information for the six months ended 31 March 2022 has been reviewed by the audit committee (the "Audit Committee") of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Notes	For the six months ended 31 March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
REVENUE	5	463,361	241,080
Cost of sales		(329,673)	(179,913)
Gross profit		133,688	61,167
Other income	6	15,805	3,568
Other gains, net	7	46,979	17,467
Selling and distribution expenses		(14,639)	(29,561)
General and administrative expenses		(146,300)	(207,255)
Research and development costs		(24,079)	(30,818)
Finance costs	8	(6,953)	(3,670)
Share of profits and losses of a joint venture and associates		(2,694)	(22,876)
PROFIT/(LOSS) BEFORE TAX	9	1,807	(211,978)
Income tax credit	10	7,556	4,631
PROFIT/(LOSS) FOR THE PERIOD		9,363	(207,347)
Attributable to:			
Owners of the Company		5,763	(201,818)
Non-controlling interests		3,600	(5,529)
		9,363	(207,347)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
Basic		HK0.07 cents	HK(2.69) cents
Diluted		HK0.01 cents	HK(3.38) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	9,363	(207,347)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(101,960)	(28,217)
Share of other comprehensive income of a joint venture and an associate	402	2,080
OTHER COMPREHENSIVE LOSS FOR THE PERIOD	(101,558)	(26,137)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(92,195)	(233,484)
Attributable to:		
Owners of the Company	(94,956)	(230,360)
Non-controlling interests	2,761	(3,124)
	(92,195)	(233,484)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		97,157	103,323
Investment properties		13,590	12,825
Right-of-use assets		95,916	100,696
Goodwill		2,045,992	2,146,526
Other intangible assets		284,094	296,559
Interest in a joint venture		26,987	379
Interest in an associate		–	–
Financial assets at fair value through profit or loss	13	1,041,846	1,010,742
Loans receivable	14	25,462	52,442
Deferred tax assets		26,488	18,619
Deposits		7,727	7,675
Total non-current assets		3,665,259	3,749,786
CURRENT ASSETS			
Inventories		176,461	173,352
Accounts receivable	15	106,234	54,183
Contract assets		19,776	2,684
Loans receivable	14	562,170	652,062
Prepayments, deposits and other receivables		324,889	294,392
Financial assets at fair value through profit or loss	13	988	1,011
Tax recoverable		3,237	4,140
Cash and cash equivalents		251,702	150,053
Total current assets		1,445,457	1,331,877

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 MARCH 2022

	Notes	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
CURRENT LIABILITIES			
Accounts payable	16	154,820	82,735
Other payables and accruals		294,879	312,651
Interest-bearing bank borrowings		81,797	105,371
Lease liabilities		11,636	11,312
Contingent consideration payable	13	612,436	742,882
Convertible bonds	17	195,305	–
Tax payable		27,339	22,644
Total current liabilities		1,378,212	1,277,595
NET CURRENT ASSETS		67,245	54,282
TOTAL ASSETS LESS CURRENT LIABILITIES		3,732,504	3,804,068
NON-CURRENT LIABILITIES			
Other payables		–	10,808
Interest-bearing bank borrowings		15,523	17,343
Lease liabilities		30,942	36,458
Contingent consideration payable	13	56,899	53,460
Deferred tax liabilities		40,320	46,417
Total non-current liabilities		143,684	164,486
Net assets		3,588,820	3,639,582

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 MARCH 2022

	Notes	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
EQUITY			
Equity attributable to owners of the Company			
Issued capital	18	798,279	798,279
Reserves		2,805,389	2,860,418
		3,603,668	3,658,697
Non-controlling interests		(14,848)	(19,115)
Total equity		3,588,820	3,639,582

Ho King Fung, Eric
Director

Joseph Lee
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	Attributable to owners of the Company										
	Issued capital HK\$'000	Share premium account HK\$'000	Treasury shares HK\$'000	Exchange fluctuation reserve HK\$'000	Reserve funds HK\$'000	Share option reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 October 2020	717,019	5,912,183	-	64,388	953	83,937	11	(3,171,296)	3,607,195	126,197	3,733,392
Loss for the period	-	-	-	-	-	-	-	(201,818)	(201,818)	(5,529)	(207,347)
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	-	-	-	(30,622)	-	-	-	-	(30,622)	2,405	(28,217)
Share of other comprehensive income of an associate	-	-	-	2,080	-	-	-	-	2,080	-	2,080
Total comprehensive loss for the period	-	-	-	(28,542)	-	-	-	(201,818)	(230,360)	(3,124)	(233,484)
Issue of shares	81,260	292,534	-	-	-	-	-	-	373,794	-	373,794
Share issue expenses	-	(16,022)	-	-	-	-	-	-	(16,022)	-	(16,022)
Equity-settled share option arrangements	-	-	-	-	-	106,774	-	-	106,774	-	106,774
At 31 March 2021 (unaudited)	798,279	6,188,695	-	35,846	953	190,711	11	(3,373,114)	3,841,381	123,073	3,964,454
At 1 October 2021	798,279	6,188,695	-	841	392	181,533	11	(3,511,054)	3,658,697	(19,115)	3,639,582
Profit for the period	-	-	-	-	-	-	-	5,763	5,763	3,600	9,363
Other comprehensive income/(loss) for the period:											
Exchange differences on translation of foreign operations	-	-	-	(101,121)	-	-	-	-	(101,121)	(839)	(101,960)
Share of other comprehensive income of a joint venture	-	-	-	402	-	-	-	-	402	-	402
Total comprehensive loss for the period	-	-	-	(100,719)	-	-	-	5,763	(94,956)	2,761	(92,195)
Deregistration of a subsidiary	-	-	-	-	-	-	-	(1,506)	(1,506)	1,506	-
Shares repurchased (note 18)	-	-	(245)	-	-	-	-	-	(245)	-	(245)
Equity-settled share option arrangements	-	-	-	-	-	41,678	-	-	41,678	-	41,678
Transfer of share option reserve upon the forfeiture of share options	-	-	-	-	-	(22,358)	-	22,358	-	-	-
At 31 March 2022 (unaudited)	798,279	6,188,695*	(245)*	(99,878)*	392*	200,853*	11*	(3,484,439)*	3,603,668	(14,848)	3,588,820

* These reserve accounts comprise the consolidated reserves of HK\$2,805,389,000 (30 September 2021: HK\$2,860,418,000) in the condensed consolidated statement of financial position as at 31 March 2022.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2022

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	89,793	(98,719)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	80	521
Purchases of items of property, plant and equipment	(5,119)	(4,641)
Proceeds from disposal of items of property, plant and equipment	552	-
Settlement from expropriation of investment properties	-	304,154
Additions to other intangible assets	(9,074)	(1,063)
Deposit paid for acquisition of a subsidiary	(130,000)	-
Acquisition of subsidiaries	-	(135,617)
Settlement of consideration receivable for disposal of subsidiaries	80,000	-
Investment in a joint venture	(33,464)	-
Proceed from disposal of a financial asset at fair value through profit or loss	-	8,214
Net cash flows from/(used in) investing activities	(97,025)	171,568
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	373,794
Share issue expenses	-	(16,022)
Shares repurchased	(245)	-
Proceeds from issue of convertible bonds	148,200	-
New bank borrowings	30,659	35,546
Repayment of bank and other borrowings	(55,755)	(136,366)
Principal portion of lease payments	(6,102)	(3,301)
Interest paid	(6,953)	(3,670)
Net cash flows from financing activities	109,804	249,981
NET INCREASE IN CASH AND CASH EQUIVALENTS	102,572	322,830
Cash and cash equivalents at beginning of period	150,053	184,541
Effect of foreign exchange rate changes, net	(923)	2,377
CASH AND CASH EQUIVALENTS AT END OF PERIOD	251,702	509,748
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	251,702	316,822
Cash and bank balances attributable to a disposal group classified as held for sale	-	192,926
	251,702	509,748

NOTES

FOR THE SIX MONTHS ENDED 31 MARCH 2022

1. CORPORATE INFORMATION

Apollo Future Mobility Group Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is located at Units 2001–2002, 20/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Sheung Wan, Hong Kong.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 31 March 2022 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 30 September 2021. The unaudited interim condensed consolidated financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 30 September 2021, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s unaudited interim condensed consolidated financial information.

Amendments to HKFRS 9,
HKAS 39, HKFRS 7,
HKFRS 4 and HKFRS 16

Interest Rate Benchmark Reform — Phase 2

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and the impact of the revised HKFRSs are described below:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments did not have any impact on the financial position and performance of the Group.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- (a) Mobility technology solutions segment — design, development, manufacturing and sales of high performance hypercars, and provision of mobility technology solutions;
- (b) Jewellery products, watches and other commodities segment — retailing and wholesale of jewellery products, watches and other commodities; and
- (c) Money lending segment — provision of loan finance.

4. OPERATING SEGMENT INFORMATION *(continued)*

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income, fair value gains/losses on listed equity investments, net, fair value losses on convertible bonds, non-lease-related finance costs as well as head office and corporate income and expenses are excluded from such measurement.

For the six months ended 31 March 2022 (unaudited)

	Mobility technology solutions HK\$'000	Jewellery products, watches and other commodities HK\$'000	Money lending HK\$'000	Total HK\$'000
Segment revenue:				
Revenue from external customers	171,843	272,390	19,128	463,361
Segment results	165,411	(3,231)	(57,527)	104,653
Reconciliation				
Bank interest income				80
Fair value gains on listed equity investments, net				25,421
Fair value losses on convertible bonds				(31,505)
Corporate and other unallocated income and expenses, net				(90,575)
Finance costs (other than interest on lease liabilities)				(6,267)
Profit before tax				1,807

4. OPERATING SEGMENT INFORMATION *(continued)* For the six months ended 31 March 2021 (unaudited)

	Mobility technology solutions HK\$'000	Jewellery products, watches and other commodities HK\$'000	Money lending HK\$'000	Total HK\$'000
Segment revenue:				
Revenue from external customers	44,228	177,653	19,199	241,080
Segment results				
	39,193	(11,628)	(14,511)	13,054
Reconciliation				
Bank interest income				521
Fair value losses on listed equity investments, net				(45,995)
Corporate and other unallocated income and expenses, net				(176,408)
Finance costs (other than interest on lease liabilities)				(3,150)
Loss before tax				(211,978)

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue from contracts with customers		
Sales and distribution of vehicles and related components, provision of engineering services, provision of design, development and prototyping of vehicle components and licencing income	171,843	44,228
Sales of jewellery products, watches and other commodities	272,390	177,653
	444,233	221,881
Revenue from other sources		
Interest income from loan financing	19,128	19,199
	463,361	241,080

5. REVENUE *(continued)*
Revenue from contracts with customers
Disaggregated revenue information
For the six months ended 31 March 2022 (unaudited)

Segments	Mobility technology solutions HK\$'000	Jewellery products, watches and other commodities HK\$'000	Total HK\$'000
Types of goods or services			
Sales and distribution of vehicles and related components, provision of engineering services, provision of design, development and prototyping of vehicle components and licencing income	171,843	–	171,843
Sales of jewellery products, watches and other commodities	–	272,390	272,390
Total revenue from contracts with customers	171,843	272,390	444,233
Geographical markets			
Mainland China	15,908	243,928	259,836
Hong Kong	82,823	20,016	102,839
Germany	54,605	–	54,605
Taiwan	–	8,446	8,446
Japan	23	–	23
Other countries/regions	18,484	–	18,484
Total revenue from contracts with customers	171,843	272,390	444,233
Timing of revenue recognition			
At a point in time	100,829	272,390	373,219
Over time	71,014	–	71,014
Total revenue from contracts with customers	171,843	272,390	444,233

5. REVENUE *(continued)*

Revenue from contracts with customers *(continued)*

Disaggregated revenue information *(continued)*

For the six months ended 31 March 2021 *(unaudited)*

Segments	Mobility technology solutions HK\$'000	Jewellery products, watches and other commodities HK\$'000	Total HK\$'000
Types of goods or services			
Sales and distribution of vehicles and related components and provision of engineering services	44,228	–	44,228
Sales of jewellery products and watches	–	177,653	177,653
Total revenue from contracts with customers	44,228	177,653	221,881
Geographical markets			
Mainland China	2,550	132,615	135,165
Hong Kong	18,733	41,417	60,150
Germany	2,230	–	2,230
Taiwan	–	3,621	3,621
Japan	764	–	764
Other countries/regions	19,951	–	19,951
Total revenue from contracts with customers	44,228	177,653	221,881
Timing of revenue recognition			
At a point in time	41,678	177,653	219,331
Over time	2,550	–	2,550
Total revenue from contracts with customers	44,228	177,653	221,881

6. OTHER INCOME

An analysis of other income is as follows:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Bank interest income	80	521
Marketing subsidies	–	1,176
Consultancy income	6,877	–
Government subsidies (note)	–	416
Covid-19-related rent concessions from a lessor	–	341
Others	8,848	1,114
	15,805	3,568

Note:

Government subsidies mainly represent subsidies received in connection with the support from the Anti-epidemic Fund of the Government of Hong Kong Special Administrative Region. There are no unfulfilled conditions or contingencies relating to these subsidies.

7. OTHER GAINS, NET

An analysis of other gains, net is as follows:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Fair value gains/(losses) on investment properties	452	(118)
Fair value gains on financial assets at fair value through profit or loss, net	26,517	61,300
Fair value gains/(losses) on contingent consideration payables, net	127,007	(18,175)
Fair value losses on convertible bonds	(31,505)	–
Impairment of accounts receivable, net	(3,585)	(5,542)
Impairment of loans receivable, net	(60,814)	(18,256)
Foreign exchange losses, net	(9,822)	(1,243)
Loss on disposal of items of property, plant and equipment	(1,204)	–
Write-off of items of property, plant and equipment	–	(548)
Others	(67)	49
	46,979	17,467

8. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest on interest-bearing bank and other borrowings	2,417	3,150
Interest on lease liabilities	686	520
Interest on convertible bonds	3,850	–
	6,953	3,670

9. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Cost of inventories sold	283,683	179,713
Depreciation of property, plant and equipment	5,680	4,618
Depreciation of right-of-use assets	7,045	3,867
Reversal of write-down of inventories to net realisable value	(721)	(2,339)

10. INCOME TAX

The Group calculates the income tax expense for each interim period based on the best estimate of the applicable weighted average annual income rate expected for the full financial year. The major components of income tax credit in the condensed consolidated statement of profit or loss are:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Current:		
Hong Kong		
Charge for the period	12,428	–
Elsewhere		
Charge for the period	444	74
Overprovision in prior periods	(7,063)	–
Deferred	(13,365)	(4,705)
Total tax credit for the period	(7,556)	(4,631)

11. DIVIDEND

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 31 March 2022 (six months ended 31 March 2021: Nil).

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 7,982,768,716 (six months ended 31 March 2021: 7,510,482,805) in issue during the period, as adjusted to exclude the shares repurchased during the period.

The calculation of the diluted earnings per share amount for the six months ended 31 March 2022 is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of results of an associate. The weighted average number of ordinary shares used in the calculation of the diluted earnings per share amount for the six months ended 31 March 2022 is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive share options into ordinary shares. No adjustment has been made to the basic earnings per share amount presented for the six months ended 31 March 2022 in respect of a dilution arising from convertible bonds as the impact of the convertible bonds outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*

The calculation of the diluted loss per share amount for the six months ended 31 March 2021 is based on the loss for the period attributable to ordinary equity holders of the Company, adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of results of an associate. The weighted average number of ordinary shares used in the calculation of the diluted loss per share amount for the six months ended 31 March 2021 is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation, as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

Earnings/(loss)

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the basic earnings/(loss) per share calculation	5,763	(201,818)
Effect of dilutive potential ordinary shares arising from adjustment to the share of results of an associate	(5,042)	(52,375)
Profit/(loss) attributable to ordinary equity holders of the Company, used in the diluted earnings/(loss) per share calculation	721	(254,193)

12. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY *(continued)*
Shares

	Number of shares for the six months ended 31 March	
	2022 (Unaudited)	2021 (Unaudited)
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	7,982,768,716	7,510,482,805
Effect of dilution — weighted average number of ordinary shares:		
Share options	316,403	—
Weighted average number of ordinary share in issue during the period used in the diluted earnings/(loss) per share calculation	7,983,085,119	7,510,482,805

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Assets	
	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Non-current assets		
Unlisted investments	1,004,940	1,003,844
Share of loss of an associate	(15,286)	(19,850)
	989,654	983,994
Listed equity investment	52,192	26,748
	1,041,846	1,010,742
Current assets		
Listed equity investments	988	1,011

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

The above unlisted investments mainly comprised of:

- (i) Investment in Divergent Technologies Inc. (“Divergent”) in an aggregate amount of HK\$533,523,000 (30 September 2021: HK\$521,502,000), including preferred shares of Divergent and a convertible note issued by Divergent of US\$12.5 million with a coupon rate of 5% per annum, which was converted into preferred shares of Divergent during the period; and
- (ii) Investment in EV Power Holding Limited (“EV Power”) in an aggregate amount of HK\$471,417,000 (30 September 2021: HK\$482,342,000), including preferred shares of EV Power and a call option to acquire additional ordinary shares of EV Power at nil consideration, which was granted by a shareholder of EV Power and is exercisable after the issuance of the audited financial statements of EV Power for the year ended 31 December 2020, in the event that the annual earnings before interest, tax, depreciation and amortisation of EV Power for the year ended 31 December 2020 is less than RMB450 million).

The above unlisted investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The above listed equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

The fair value of the non-current listed equity investment, which represented equity investment in TOM Group Limited, at the date of approval of this unaudited interim condensed consolidated financial information was approximately HK\$40,449,000.

	Liabilities	
	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Non-current liability		
Contingent consideration payable	56,899	53,460
Current liability		
Contingent consideration payable	612,436	742,882

13. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Contingent consideration payables represented the fair values of contingent cash consideration which may be paid and contingent consideration shares which may be allotted and issued by the Company for the acquisitions of certain subsidiaries.

14. LOANS RECEIVABLE

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Loans receivable	709,996	765,686
Impairment	(122,364)	(61,182)
	587,632	704,504
Less: Portion classified as non-current assets	(25,462)	(52,442)
Portion classified as current assets	562,170	652,062

Included in the Group's loans receivable as at 30 September 2021 were loans advanced to an associate with a total carrying amount of HK\$6,545,000 which bore interest at 10% per annum and were repayable within one year.

The Group seeks to maintain strict control over its outstanding loans receivable so as to minimise credit risk. The granting of loans is subject to approval by management, whilst overdue balances are reviewed regularly for recoverability.

Loans receivable of the Group bear interest at rates ranging from 4.75% to 12% (30 September 2021: 4.75% to 12%) per annum. At 31 March 2022, certain loans receivable with aggregate carrying amounts of HK\$80,719,000 (30 September 2021: HK\$78,158,000) and HK\$384,495,000 (30 September 2021: HK\$484,272,000) were secured by the pledge of certain equity interest and property, and personal guarantees provided by certain independent third parties, respectively.

15. ACCOUNTS RECEIVABLE

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Accounts receivable	111,893	56,257
Impairment	(5,659)	(2,074)
	106,234	54,183

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance may be required. The credit period is generally one month, extending up to three months or more for certain customers. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An ageing analysis of the accounts receivable as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Within 30 days	33,122	42,209
31 to 60 days	952	1,324
61 to 90 days	47,685	6,876
Over 90 days	24,475	3,774
	106,234	54,183

16. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of the reporting period, based on the invoice date, is as follows:

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Within 30 days	79,718	12,439
31 to 60 days	16,397	1,071
61 to 90 days	49,767	22
Over 90 days	8,938	69,203
	154,820	82,735

17. CONVERTIBLE BONDS

On 5 October 2021, Able Catch Limited, Vivaldi International Limited and 45 Yi Capital Holdings Co., Ltd subscribed for the convertible bonds of the Company in the principal amount of HK\$85,800,000 (the "13 September Convertible Bonds"). The 13 September Convertible Bonds carry interest at a rate of 9% per annum, which is payable half-yearly in arrears, have a maturity date on 5 October 2024 and are convertible at the option of the bondholders, in whole or in part, into ordinary shares of the Company at the initial conversion price of HK\$0.55 per share (subject to adjustments) at any time on or after 7 days from the issue date until 7 days prior to the maturity date.

On 18 October 2021, Walong Holdings Limited subscribed for the convertible bonds of the Company in the principal amount of HK\$78,000,000 (the "Walong Convertible Bonds"). The Walong Convertible Bonds carry interest at a rate of 9% per annum, which is payable half-yearly in arrears, have a maturity date on 18 October 2024 and are convertible at the option of the bondholders, in whole or in part, into ordinary shares of the Company at the initial conversion price of HK\$0.55 per share (subject to adjustments) at any time on or after 7 days from the issue date until 7 days prior to the maturity date.

Any convertible bonds not converted will be redeemed at maturity at 100% of the outstanding principal amount.

18. ISSUED CAPITAL

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Authorised:		
20,000,000,000 (30 September 2021: 10,000,000,000) ordinary shares of HK\$0.1 each	2,000,000	1,000,000
Issued and fully paid:		
7,982,794,562 ordinary shares of HK\$0.1 each	798,279	798,279

On 10 March 2022, an ordinary resolution was passed at the annual general meeting of the Company to approve the increase of the authorised share capital of the Company from HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.1 each to HK\$2,000,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.1 each by the creation of an additional 10,000,000,000 ordinary shares.

During the six months ended 31 March 2022, the Company purchased a total of 672,000 ordinary shares on The Stock Exchange of Hong Kong Limited at a total consideration of approximately HK\$245,000.

19. CONTINGENT LIABILITIES

In September 2021, a borrower who entered into a loan agreement with the Group for a loan principal of HK\$28,300,000 in prior years (the "Borrower") initiated a litigation claim against a subsidiary of the Group (the "Subsidiary") disputing on the validity and enforceability of the loan agreement. In December 2021, the Subsidiary filed a defence and counterclaim against the Borrower for the loan principal, interests and other costs. Based on the advice obtained from a legal counsel of the Group, the claim is at early stage and the Subsidiary is considered to have a good defence against the Borrower and a good cause of action against the Borrower in the counterclaim. Accordingly, the directors consider that it is appropriate to disclose such claim as contingent liabilities as at 31 March 2022 and no provision has been made in the unaudited interim condensed consolidated financial information.

20. COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
Contracted, but not provided for:		
Capital contributions to a joint venture	–	33,493

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 31 March 2022 and 30 September 2021, the carrying amounts of the Group's financial assets and financial liabilities reasonably approximated to their fair values.

Management has assessed that the fair values of cash and cash equivalents, accounts receivable, the current portion of loans receivable, the current portion of financial assets included in prepayments, deposits and other receivables, accounts payable, the current portion of financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank borrowings reasonably approximate to their carrying amounts largely due to the short term maturities of these instruments or the effect of discounting being not material.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values of listed equity investments are based on quoted market prices. The following methods and assumptions were used to estimate the fair values of the other financial instruments of the Group.

The fair values of the non-current portions of loans receivable, financial assets included in deposits and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at the end of the reporting period were assessed to be insignificant. In the opinion of the directors, the fair values of these financial instruments reasonably approximate to their carrying amounts.

The fair values of the contingent consideration payables have been determined using a scenario analysis, taking into account the probabilities in which each target of the earnings before interests and taxes and net profit after tax would be achieved.

The fair values of the preferred shares included in unlisted investments have been determined by equity value allocation model with option pricing model or scenario analysis. The underlying equity values have been determined based on market-based approach, such as certain earnings multiples, or income approach, such as discounted cash flows.

The fair value of the convertible note included in unlisted investments has been determined based on the probability-weighted expected return with option pricing method, which takes into account the probability-weighted value across multiple future outcomes, while using the option pricing method to estimate the allocation of value within one or more of those scenarios.

The fair values of the options included in unlisted investments have been determined using a scenario analysis or a binomial option pricing model. The valuations take into account of the expected future values and probabilities under different scenarios discounted at the rate reflecting the risk of the payoff.

The fair values of the convertible bonds have been determined using the Hull's binomial tree model, which incorporates the interest rate curves and the price evolution of the Company's shares over the validity period of the convertible bonds.

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

	Valuation technique	Significant unobservable input	Percentage or ratio	Sensitivity of fair value to the input
Unlisted investments — Preferred shares	Equity value allocation method	Risk-free rate	2.60% to 2.91% (30 September 2021: 0.34% to 0.46%)	1 percentage point increase in risk-free rate would result in increase in fair value by HK\$1,421,000 (30 September 2021: decrease in fair value by HK\$2,875,000)
		Volatility	51.79% to 69.57% (30 September 2021: 65.25% to 75.46%)	10% increase in volatility would result in decrease in fair value by HK\$4,451,000 (30 September 2021: HK\$12,225,000)
		Earnings multiples	N/A (30 September 2021: 6.21)	N/A (30 September 2021: 10% decrease in earnings multiples would result in decrease in fair value by HK\$28,259,000)
Unlisted investments — Convertible note	Expected return with option pricing method	Risk-free rate	N/A (30 September 2021: 0.33% to 0.51%)	N/A (30 September 2021: 1 percentage point increase in risk-free rate would result in decrease in fair value by HK\$320,000)
		Volatility	N/A (30 September 2021: 55.10% to 73.85%)	N/A (30 September 2021: 10% increase in volatility would result in decrease in fair value by HK\$2,193,000)
		Earnings multiples	N/A (30 September 2021: 6.21)	N/A (30 September 2021: 10% decrease in earnings multiples would result in decrease in fair value by HK\$2,223,000)
Unlisted investments — Options	Scenario analysis	Discount rate	N/A (30 September 2021: 35%)	N/A (30 September 2021: 10% increase in discount rate would not result in significant decrease in fair value)
		Earnings multiples	N/A (30 September 2021: 18.8)	N/A (30 September 2021: 10% decrease in earnings multiples would result in decrease in fair value by HK\$778,000)
Convertible bonds	Hull's binomial tree model	Risk-free rate	1.73% (30 September 2021: N/A)	1 percentage point increase in risk-free rate would result in decrease in fair value by HK\$3,034,000 (30 September 2021: N/A)
		Bond yield	9.62% (30 September 2021: N/A)	1 percentage point increase in bond yield would result in decrease in fair value by HK\$3,261,000 (30 September 2021: N/A)
		Volatility	66% (30 September 2021: N/A)	10% increase in volatility would result in increase in fair value by HK\$6,179,000 (30 September 2021: N/A)

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 March 2022

	Fair value measurement using			Total HK\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) HK\$'000 (Unaudited)	Significant observable inputs (Level 2) HK\$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK\$'000 (Unaudited)	
Financial assets at fair value through profit or loss (before share of loss of an associate)	53,180	-	1,004,940	1,058,120

As at 30 September 2021

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Financial assets at fair value through profit or loss (before share of loss of an associate)	27,759	-	1,003,844	1,031,603

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy *(continued)*

Liabilities measured at fair value:

As at 31 March 2022

	Fair value measurement using			Total HK\$'000 (Unaudited)
	Quoted prices in active markets (Level 1) HK\$'000 (Unaudited)	Significant observable inputs (Level 2) HK\$'000 (Unaudited)	Significant unobservable inputs (Level 3) HK\$'000 (Unaudited)	
Contingent consideration payables	–	–	669,335	669,335
Convertible bonds	–	–	195,305	195,305
	–	–	864,640	864,640

As at 30 September 2021

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Contingent considerable payables	–	–	796,342	796,342

During the six months ended 31 March 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (year ended 30 September 2021: Nil).

21. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

The movements in fair value measurements within Level 3 during the period/year are as follows:

	Assets		Liabilities	
	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)	31 March 2022 HK\$'000 (Unaudited)	30 September 2021 HK\$'000 (Audited)
At beginning of period/year	1,003,844	954,621	(796,342)	(619,069)
Net gain/(loss) recognised in profit or loss	1,096	49,223	95,502	(56,008)
Issue of convertible bonds	-	-	(163,800)	-
Acquisition of subsidiaries	-	-	-	(121,265)
At end of period/year	1,004,940	1,003,844	(864,640)	(796,342)

22. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

The directors of the Company comprise the key management personnel of the Group. Details of the compensation of the directors are as follows:

	For the six months ended 31 March	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Fees	625	448
Other emoluments:		
Salaries, allowances and other benefits	10,666	19,386
Equity-settled share option expense	25,965	22,156
Pension scheme contributions	20	27
	36,651	41,569
	37,276	42,017

23. EVENT AFTER THE REPORTING PERIOD

On 24 May 2022, Ming Fung Investment Holdings Limited (the “Seller”), an indirect wholly-owned subsidiary of the Company, and State Energy Group International Assets Holdings Limited (the “Buyer”) entered into an agreement, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to acquire the entire issued share capital of Sinoforce Group Limited (“Sinoforce”), an indirect wholly-owned subsidiary of the Company, for a cash consideration of HK\$50,000,000 (the “Disposal”). Sinoforce and its subsidiaries are principally engaged in wholesale of watches in Hong Kong, the PRC and Taiwan. Further details of the Disposal are set out in the announcement of the Company dated 24 May 2022.

As at the date of approval of this unaudited interim condensed consolidated financial information, the Disposal was not yet completed.

24. APPROVAL OF THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited interim condensed consolidated financial information was approved and authorised for issue by the board of directors of the Company on 30 May 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

Automobile market

New Energy Vehicles

The figures from an industry database EV-Volumes.com suggested that passenger electric vehicles (“EV(s)”) sales for the first two months of 2022 grew as much as 94% year-on-year in the 15 key global markets, contrasting the flat growth rate for the overall automobile market. The growth was led by the People’s Republic of China (“PRC” or “China”), followed by Europe and the United States (the “US”). According to the International Energy Agency (“IEA”), sales of EVs reached 6.6 million in 2021, accounting for almost 9% of global car sales. The growth in new energy vehicles (“NEV(s)”) sales contrasted shrinking traditional internal combustion engine (“ICE”) car sales, as supported by favorable government policies, more ambitious targets set by the automobile industry and more new EV models being launched to entice customers.

Meanwhile, the China Passenger Car Association (the “CPCA”) released figures revealing that 3.31 million new energy passenger vehicles were sold in the PRC in 2021, accounting for a 53% share of the global market. The CPCA declared that the PRC regained its position as a global leader in NEV sales, after a brief correction in 2020. IEA indicated that despite the PRC government subsidies for NEV purchases had scaled back, the market continued to see growth supported by the extended range of small car offerings which served as an affordable entry point for new customers.

Hypercar

The global hypercar market is expected to grow at a compound annual growth rate (“CAGR”) of 9.5% during 2022–2027 to reach a value of nearly US\$1,114 million by 2026, according to Expert Market Research. The research agency attributed the rapid projected growth to new product impulses, increased penetration and rising popularity of hypercar among automotive consumers in the key markets. Italy, Germany and the United Kingdom, where some of the world’s leading hypercar models are produced, are increasingly supporting growth of the market within Europe, while the US is expected to be a major market for hypercar products.

High-end vehicles and luxury vehicles

According to Mordor Intelligence, the global luxury car market, including various vehicle types such as hatchbacks, sedans, and SUVs; and drive types including ICE and EVs, was valued at approximately USD440 billion in 2021 and is forecasted to grow at a 5% CAGR between 2022 and 2027, reaching US\$600 billion in 2027. The research agency attributed the growth in demand to increasing disposable incomes and living standard of consumers as well as more variety of luxury offerings in vehicles, with China being the market with the highest growth potential among the developing countries. The increasing adoption of electric luxury vehicles around the world has further aided the growth, as major luxury car original equipment manufacturers (“OEM(s)”) release EV versions of their popular models to address growing customers’ concerns on environment and fuel price inflation. Additionally, the advance in smart mobility technologies is expected to drive the sales of luxury EVs.

Engineering Service Outsourcing

As far as the automotive engineering services outsourcing (“ESO”) segment is concerned, the Canada-based institution Precedence Research reported gaining momentum within the automotive industry as the practice of de-segregating services and operations from traditional vertically integrated automotive OEM is in a trend that is generally referred to as de-verticalization. This trend sees the emergence of independent ESO providers taking on product manufacturing and design mandates from traditional automotive OEMs. These ESO providers are constituting a global supply base of engineering and manufacturing design knowhow, fueling the establishment of new and more cost-efficient, market-responsive assembly plants that spurred growth of the ESO segment on a regional basis. Benefiting from this momentum, the global automotive ESO market size was valued at US\$170.25 billion in 2021 and is expected to hit US\$360.22 billion by 2030, poised to grow at a CAGR of 8.7% during 2022 to 2030.

BUSINESS REVIEW

During the Period, the Group continued to transform into and reinforce its position as a leading mobility services provider by unveiling to the market its next generation concepts and achievements in technology R&D.

AFMG has also been excited to see the strategic benefits from WM Motor Holdings Limited (“WM Motor”), one of the leaders in China’s mainstream smart EV market, being the single largest shareholder of the Company during the Period. Through WM Motor, a number of senior executives who are experienced in the automotive industry have been introduced to both the board level and the senior management level. Their deep industry expertise and wide market insights are crucial and beneficial to the shaping and execution of AFMG’s strategic plan. With WM Motor as a key strategic manufacturing partner for AFMG, combined with the Group’s accumulated experience in the sales and distribution of the Apollo brand in the high-end automobile market over the years and in-house proprietary technology, AFMG hopes to see its development accelerating with a more comprehensive product range highlighted by a line of luxury smart EV models to be launched both in China and globally using a targeted global marketing and distribution network that is innovative and customer-oriented.

Automotive Manufacturing

During the Period, the Group unveiled its brand new hypercar and luxury smart EV concepts, showcasing its iconic design and craftsmanship for the next generation of mobility technology innovation.

More Apollo IEs delivered

During the Period, a total of two Apollo Intensa Emozione (“Apollo IE”) vehicles were delivered. The Group’s flagship ICE hypercar model, the Apollo IE was born out of the relentless pursuit of perfection, featuring modular chassis design, increased safety, increased torsional rigidity, symmetrical design and weight reduction. The unveiling generated enormous excitement from fans to own a piece of this cutting-edge masterpiece that all ten units were sold out prior to commencement of production.

Launch of new models

Apollo Project EVO, a new project setting the benchmark for next-generation collectible ICE hypercar development, was unveiled in China International Import Expo (“CIIE 2021”) in November 2021. The Apollo Project EVO features dominant, star-shaped daytime running lights that introduce a new fascia signature detail for the Apollo brand. The rear design celebrates 6 points of light illumination to communicate power and speed. A full suite of active aerodynamics includes a large deployable and adjustable rear spoiler, aero fins and triangular air-intakes that dominate the profile view of the vehicle. The Apollo Project EVO is a dramatically sculpted piece of design that continues to offer an intense and emotional visual experience.

The Group also announced its foray into the promising high-performance sports EV and luxury smart EV segments with the unveiling of its concept car Apollo EVision S in CIIE 2021. The four-seater setup of Apollo EVision S gives high usability for families and a striking appearance on the street. It demonstrates Apollo’s trajectory towards new zero-emission powertrains. The Apollo EVision S is part of the Apollo EV series, essentially reflecting AFMG’s solution to satisfy demand for performance in a luxury smart electric mobility package. The Apollo EV series will be a precursor to a broader and more extensive product development pipeline that the Group is developing, which will be accelerated with the manufacturing resources of WM Motor in the PRC in combination with Apollo’s valuable experience and marketing resources accumulated over the years in the high-end automotive market.

Successful unveiling in CIIE 2021 and AFMG Technology Showcases

The Group maintained and reinforced its leading position in mobility market as it concluded its participation in the CIIE 2021 in November with a strong statement. Visitors and industry peers were presented pinnacles of AFMG’s engineering and design excellences, embodied in the Apollo Project EVO, the Apollo EVision S, the Crate Powertrain, Apollo all-carbon monocoque chassis and the UME utility vehicle series. The positive sentiment was carried forward to Macau in the APOLLO FIRE AND ICE showcase and to Hong Kong in THE ULTIMATE SUSTAINABLE FUTURE OF MOBILITY showcase in November and December 2021 respectively. These two landmark showcases were successfully concluded and were attended by the investment community, media, key social elites and aficionados of extreme speed motorsport gearheads.

Own branded vehicles supported by the development of in-house proprietary technologies

The Group’s R&D team continued to achieve breakthroughs in developing proprietary technologies and updating its existing technologies to support the R&D and technology advances of the Group’s own branded vehicles. The Group has been designing and development vehicular platform offerings to be used in various types of vehicles worldwide. A platform includes a complete rolling chassis including crash structures, full powertrain, electronics and suspension. This constitutes the core of the Group’s one-stop vehicular platform development business.

Licensing income from in-house proprietary technology

The Group reached its first vehicular platform licensing agreement with an Italian brand De Tomaso in May 2020 and received licensing income from them during the Period. This establishes a solid foundation for the Group to expand vehicular licensing arrangements with other OEMs which aspire to offer to their customers a piece of Apollo's cutting-edge future mobility technology offerings.

The Crate Powertrain

During the Period the Group continued its efforts in developing its proprietary technology, including the new generation SiC 800V inverter system which is in a development and testing stage. Considering the potential power efficiency this new inverter system can bring to the NEV ecosystem, the Group is exploring options for commercialization of these innovation through partnerships.

Engineering Service Outsourcing*Growing the ESO team*

During the Period, AFMG has reinforced its positioning as a leading ESO provider covering the full range of automotive product innovation activities, from ideation, design, modeling, engineering, simulation, validation & testing, and prototype production to the delivery of pre-production prototypes. The Group further consolidated its engineering units in Ingolstadt, Germany with the new campus in Wolfsburg, UK team and our subsidiary GLM in Japan. The Group had been able to attract many industry experts seeking to provide their knowledge and experience to establish new horizons in the new energy vehicle segment following celebrated careers in major automotive OEMs. With this expansion, AFMG has been able to expand its services to new clients from both the renowned traditional automotive OEMs and emerging EV brands, helping them in the development of their own branded vehicles with the Group's engineering talent and proprietary technologies.

Other Corporate Developments*WM Motor became the largest shareholder of AFMG*

During the Period, WM Motor, one of the leaders in China's mainstream smart EV market, became the largest shareholder of the Company with 28.5% equity interest in AFMG via a number of share exchange arrangements. WM Motor's established smart EV manufacturing facilities, in combination with the Group's accumulated experience in the sales and distribution of the Apollo brand in the high-end automobile market over the years and in-house proprietary technology, will facilitate AFMG's luxury smart EV businesses development.

Veteran Top Executives joining AFMG

AFMG welcomes joining of veteran top automotive executives to steer the Group's way to attain its corporate goals better.

In January 2022, Mr. Freeman Hui Shen, the founder and chief executive officer of WM Motor, was appointed by the Board as a non-executive Director and the Co-Chairman of the Board; and Mr. Joseph Lee, a seasoned investment banking professional with extensive experience in private equity and capital markets, was appointed by the Board as an executive Director and the Vice Chairman of the Board.

In February 2022, Mr. Qi Zhenggang, Marcus ("Mr. Qi"), the former project management office director of WM Motor and VP, R&D of GAC-NIO, was appointed as the General Manager of the Group; and Ms. Zheng Kaiyan, Enya, who has substantial accounting and finance experience in the automotive industry, was appointed as Senior Vice President, Finance of the Group. With effect from 1 April 2022, Mr. Qi was further appointed by the Board as an executive Director, and Ms. Hau Yan Hannah Lee, who has substantial experience in auditing, accounting, mergers and acquisition and initial public offerings, was appointed as an independent non-executive Director.

Mr. Wilfried Porth, who had been a member of the Board of Management of Daimler AG from 2009 to 2021, joined AFMG as a non-executive director with effect from 1 May 2022. Having served in various positions and different markets in the automotive industry for over 36 years, Mr. Porth will bring to the Group invaluable experience and industry insights.

These executives are senior professionals in the automotive or finance industry with rich experience in global traditional automotive OEMs and the emerging NEV players in China. Their participation in AFMG highlights the Group's determination in developing its mobility business in a highly strategic manner by appointing executives with specialty expertise in key functions.

Further details of the above-mentioned directorship appointments are set out in the announcements of the Company dated 13 January 2022, 31 March 2022 and 26 April 2022.

Other legacy businesses

The Group continues to explore options to scale down its legacy businesses further so as to focus its resources and management attention on the mobility business development, which will be more value-accretive and promising.

As disclosed in the section headed "Event After the Reporting Period" below, after the Period, the Group entered into an agreement to dispose of part of its watches wholesale business for a total cash consideration of HK\$50 million. The Group intends to apply the proceeds from the disposal to further develop the design, development, manufacturing and sales of high performance hypercars and luxury smart EVs and growth of the mobility services businesses, and for general working capital purposes.

PROSPECTS AND OUTLOOK

The global automotive industry continues to rebound from the Pandemic with ongoing changes in business models brought about by increasing adoption of NEVs and advances in connectivity technologies. These changes have manifested challenges for traditional automotive OEMs, therefore opening the door for significant new opportunities for existing automotive OEMs, and new brands and participants.

EVs have proven to be by far the best performing drivetrain type in terms of relative growth in automotive industry. The sector will continue to see strong growth, with launches of Chinese brands in global markets adding vibrancy to the whole industry landscape. As pointed out by Brand Finance, major Chinese EV brands all launched their models in Europe in 2021. Traditional automotive OEMs are catching up with most of them having in place multi-billion-dollar investment plans in the pipeline to launch EV versions of their existing vehicle models.

Looking ahead, with the resumption of normal businesses in the post-Pandemic era, the Group plans to deliver more Apollo IEs in the second half of the financial year 2021/2022, allowing recognition of more presale revenue.

Having proven success in Apollo branding, automotive development, and technology R&D, the Group will continue to operate as a unique entity to further excel in these areas with the launch of new Apollo hypercar models targeting global markets, while leveraging WM Motor's manufacturing capacities to help realize production of luxury smart EV models in China, and rolling out products in global markets by capitalizing on the Group's accumulated experience in the sales and distribution of the Apollo brand in the high-end automobile market over the years and in-house proprietary technology.

Leveraging its expertise in automobile design and technological innovations supported by its teams in Germany, Japan and the United Kingdom, the Group will continue to execute its product development roadmap strategically. This will afford the Group an ambitious new model launch pipeline ranging from ICE hypercars to electric sports cars and luxury smart EV models in coming years.

Given the added manufacturing resources from WM Motor and the continuing organic growth of AFMG team, the Group is well positioned to capitalize on the swift post-Pandemic recovery of the mobility market to maximize value for shareholders.

FINANCIAL REVIEW

For the six months ended 31 March 2022, the revenue of the Group increased by approximately 92.2% to approximately HK\$463.4 million as compared to approximately HK\$241.1 million in the corresponding period of last year. The revenue comprised revenue from mobility services segment of approximately HK\$171.8 million (six months ended 31 March 2021: HK\$44.2 million), sales of jewellery products, watches and other commodities of approximately HK\$272.4 million (six months ended 31 March 2021: HK\$177.7 million), and interest income from loan financing of approximately HK\$19.1 million (six months ended 31 March 2021: HK\$19.2 million). During the Period, revenue from mobility services segment increased due to (i) the licensing income from the license of vehicular platform; and (ii) the revenue contributed by Ideenion Automobil AG ("Ideenion") and its subsidiaries following the completion of the acquisition of Ideenion in February 2021. Sales of jewellery products, watches and other commodities increased due to improved sentiment in the retail market. Income from loan financing remained stable.

The Group's gross profit amounted to approximately HK\$133.7 million for the Period as compared to approximately HK\$61.2 million for the corresponding period of last year. The gross profit margin increased to approximately 28.9% for the Period (six months ended 31 March 2021: 25.4%) mainly due to increase in licensing income.

General and administrative expenses decreased by 29.4% to approximately HK\$146.3 million (six months ended 31 March 2021: HK\$207.3 million) mainly due to the decrease in equity-settled share option expense of approximately HK\$41.7 million (six months ended 31 March 2021: HK\$106.8 million) recorded during the Period as less share options were granted during the Period as compared to the corresponding period of last year.

Other gains, net mainly comprised: (i) the fair value gains of approximately HK\$26.5 million (six months ended 31 March 2021: HK\$61.3 million) on financial assets at fair value through profit or loss; (ii) impairment of loans receivable, net of approximately HK\$60.8 million (six months ended 31 March 2021: HK\$18.3 million) due to the challenging market conditions; (iii) fair value gains on contingent consideration payables of approximately HK\$127.0 million (six months ended 31 March 2021: losses of approximately HK\$18.2 million) arising from the Group's acquisitions due to the decrease in share price of the Company; and (iv) fair value losses on convertible bonds of approximately HK\$31.5 million (six months ended 31 March 2021: Nil).

Overall, the profit attributable to owners of the Company for the Period turned around to approximately HK\$5.8 million from the loss of approximately HK\$201.8 million for the corresponding period of last year due to the reasons as explained above.

Significant Investments Held

Details of significant investments held by the Group were set out as follows:

Nature of investments	As at 31 March 2022		Percentage to the Group's total assets	For the six months ended 31 March 2022	Share of results of associate		Fair value		Investment cost	
	Number of preferred shares held	Percentage of preferred shares held in such investee			Fair value	As at 31 March 2022	As at 1 October 2021	As at 31 March 2022		As at 1 October 2021
Financial assets at fair value through profit or loss with a value of 5% or more of total assets:										
(i) EV Power										
— Preferred shares	142,820	33.23	8.76	(1,799)	(15,286)	(19,850)	462,735	464,534	407,679*	
— Call option	N/A	N/A	0.17	(9,126)	—	—	8,682	17,808		
				(10,925)	(15,286)	(19,850)	471,417	482,342	407,679	
(ii) Divergent										
— Preferred shares	4,932	20.69	10.44	102,825	—	—	533,523	430,698	469,378	
— 2019 Divergent Convertible Note	N/A	N/A	N/A	(90,804)	—	—	—	90,804	97,500	
				12,021	—	—	533,523	521,502	566,878	

* Represented the aggregate consideration

(i) Investment in EV Power

EV Power and its subsidiaries are principally engaged in the provision of convenient, safe and cost-effective EV charging solutions in Hong Kong and the PRC. EV Power is China's largest charging point operator in terms of number of charging sites in operation in residential areas. It operates over 7,400 charging sites and over 33,000 charging piles (or 61,000 charging bays), covering over 50 cities in the country. The Group's investment in EV Power represents an opportunity for the Group to create strong synergies with EV Power thereby completing the full value chain of mobility.

(ii) Investment in Divergent

Divergent Technologies, Inc. (“Divergent”) is a company based in the United States of America which uses three-dimensional (“3D”) metal printing technology through its patented hardware and software platform to conduct research, design, development and production of 3D printed vehicle structures. Not only does the patented digital manufacturing system radically reduce capital needs and design risks, it also reduces product cycle time and increases market response. The Group believes that the investment in Divergent will create synergies with the Group’s mobility businesses by vastly improving existing factory economics of automobile OEMs.

The Group is optimistic about the future growth and prospect of the mobility market. We are determined to build a world-leading one-stop service platform for “future mobility” through the integration of global advanced mobility technologies. Our investment strategy mainly focuses on value creation through long-term cooperation and synergies with the mobility technology companies. We leverage our capital strength to invest in mobility technology companies with returns generated from capital appreciation, which are expected to be in line with the overall growth of the mobility industry.

Liquidity, Financial Resources and Gearing

As at 31 March 2022, the cash and cash equivalents of the Group amounted to approximately HK\$251.7 million (30 September 2021: HK\$150.1 million), which were mainly denominated in HK\$, Renminbi (“RMB”), Euro and Japanese Yen.

The total current assets and total current liabilities of the Group as at 31 March 2022 were approximately HK\$1,445.5 million and HK\$1,378.2 million, respectively (30 September 2021: total current assets of HK\$1,331.9 million and total current liabilities of HK\$1,277.6 million). The Group’s net current assets as at 31 March 2022 comprised of inventories of approximately HK\$176.5 million (30 September 2021: HK\$173.4 million), accounts receivable, prepayments, deposits and other receivables of approximately HK\$431.1 million (30 September 2021: HK\$348.6 million), loans receivable of approximately HK\$562.2 million (30 September 2021: HK\$652.1 million), contract assets of approximately HK\$19.8 million (30 September 2021: HK\$2.7 million); and financial assets at fair value through profit or loss of approximately HK\$1.0 million (30 September 2021: HK\$1.0 million).

The Group’s inventory turnover, accounts receivable turnover and accounts payable turnover periods were 97 days, 32 days and 66 days, respectively. The turnover ratios were consistent and complied with the respective policies of the Group on credit terms granted to customers and credit terms obtained from suppliers.

During the Period, the Group financed its operations and investment activities mainly through a combination of (i) equity financing; (ii) operating cash inflows; and (iii) interest-bearing bank borrowings. As at 31 March 2022, equity attributable to owners of the Company amounted to approximately HK\$3,603.7 million (30 September 2021: HK\$3,658.7 million).

The Group's total interest-bearing bank borrowings and convertible bonds as at 31 March 2022 amounted to approximately HK\$97.3 million (30 September 2021: HK\$122.7 million) and approximately HK\$195.3 million (30 September 2021: Nil), respectively, which were mainly denominated in HK\$, RMB and Japanese Yen. The interest-bearing bank borrowings were mainly used for working capital purpose and all of which are at commercial lending variable interest rates.

The Group monitors capital on the basis of the gearing ratio. As at 31 March 2022, the gearing ratio was approximately 2.7% (30 September 2021: 3.4%). This ratio is calculated as total interest-bearing bank borrowings divided by total equity.

Contingent Liabilities

Details of contingent liabilities of the Group are set out in note 19 to the unaudited interim condensed consolidated financial information in this report.

Pledge of Assets

As at 31 March 2022, the Group's freehold land and buildings and right-of-use assets with an aggregate carrying amount of approximately HK\$105.6 million were pledged to secure certain bank loans to the Group of principal amount of approximately HK\$53.6 million.

Capital Management

The Group's objectives when managing capital are to ensure that members of the Group will be able to continue as a going concern while maximizing the return to shareholders of the Company through the optimization of its debt and equity ratio. The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Company will balance its overall capital structure through the payment of dividends and new share issues as it sees fit and appropriate.

During the six months ended 31 March 2022, the Group had not entered into any contract to hedge its financial interests.

Foreign Exchange Exposure

The Group's sales and purchases during the six months ended 31 March 2022 were mostly denominated in HK\$, EUR, Japanese Yen, RMB and United States dollars. The Group was exposed to certain foreign currency exchange risks, but it does not anticipate future currency exchange rate fluctuations to cause material operational difficulties or liquidity problems. Nevertheless, the Group continuously monitors its foreign exchange position and, when necessary, will hedge foreign exchange exposure arising from contractual commitments in sourcing products from overseas suppliers.

Event After the Reporting Period

On 24 May 2022, Ming Fung Investment Holdings Limited (the “Seller”), an indirect wholly-owned subsidiary of the Company, and State Energy Group International Assets Holdings Limited (the “Buyer”) entered into an agreement, pursuant to which the Seller has conditionally agreed to sell and the Buyer has conditionally agreed to acquire the entire issued share capital of Sinoforce Group Limited (“Sinoforce” and together with its subsidiaries, “Sinoforce Group”), for a total cash consideration of HK\$50,000,000 (the “Disposal”). As at the date of this report, Sinoforce is an indirect wholly-owned subsidiary of the Company. Upon completion of the Disposal, the Company will cease to hold any interest in Sinoforce Group and Sinoforce Group will cease to be subsidiaries of the Company. Sinoforce Group is principally engaged in wholesale of watches in Hong Kong, the PRC and Taiwan. Further details of the Disposal are set out in the announcement of the Company dated 24 May 2022.

Save as disclosed above, no significant events affecting the Group have occurred subsequent to 31 March 2022.

Material Acquisitions or Disposals

Save as disclosed in this report, there was no other material acquisition or disposal of subsidiaries, associates or joint ventures by the Group for the six months ended 31 March 2022.

Subscription of Convertible Bonds on 8 September 2021

On 8 September 2021, the Company and Walong Holdings Limited (“Walong”) entered into a subscription agreement (the “Walong Agreement”), pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and Walong has agreed to subscribe for the convertible bonds (the “Walong Convertible Bonds”) in the principal amount of HK\$78,000,000. The Walong Convertible Bonds are convertible into ordinary shares of the Company (the “Share(s)”) and the initial conversion price of the Walong Convertible Bonds is HK\$0.55 per Share. Assuming that the conversion rights attaching to the Walong Convertible Bonds have been exercised in full and there is no adjustment to the conversion price, 141,818,181 new Shares with aggregate nominal value of HK\$14,181,818.10 will be allotted and issued.

The closing price per Share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 8 September 2021, being the date of the Walong Agreement, was HK\$0.55.

The gross proceeds and the net proceeds (after deduction of relevant expenses) from the issue of the Walong Convertible Bonds were HK\$78,000,000 and approximately HK\$77,000,000, respectively. The net issue price if the conversion Shares were issued at the initial conversion price was approximately HK\$0.54. The Company intends to apply the net proceeds as follows: (a) approximately 90%, representing approximately HK\$69,300,000, will be used for investment in business opportunities in order to expand into the mobility technology solutions and related business; and (b) approximately 10%, representing approximately HK\$7,700,000, will be used for general working capital of the Group. As at the end of the Period, the net proceeds were fully utilised as intended.

The subscription of the Walong Convertible Bonds offered a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. The Directors were of the view that the issue of the Walong Convertible Bonds would be an appropriate means of raising additional capital since (i) it will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company; and (ii) in the event that the Walong Convertible Bonds are converted into Shares, the Company can improve its capital base, benefiting the long-term development of the Company.

The subscription of the Walong Convertible Bonds was completed on 18 October 2021. Further details of the Walong Agreement are set out in the announcements of the Company dated 8 September 2021 and 9 September 2021.

Subscription of Convertible Bonds on 13 September 2021

On 13 September 2021, the Company entered into subscription agreements (the "13 September CB Subscription Agreements") with each of Able Catch Limited, Vivaldi International Limited and 45 Yi Capital Holdings Co., Ltd (collectively the "CB Subscribers"), pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the CB Subscribers have agreed to subscribe for the convertible bonds (the "13 September Convertible Bonds") in the principal amount of HK\$85,800,000. The 13 September Convertible Bonds are convertible into the Shares at the initial conversion price of HK\$0.55 per Share. Assuming that the conversion rights attaching to the 13 September Convertible Bonds have been exercised in full and there is no adjustment to the conversion price, 156,000,000 new Shares with aggregate nominal value of HK\$15,600,000 will be allotted and issued.

The closing price per Share as quoted on the Stock Exchange on 13 September 2021, being the date of the 13 September CB Subscription Agreements, was HK\$0.54.

The gross proceeds and the net proceeds (after deduction of relevant expenses) from the issue of the 13 September Convertible Bonds were HK\$85,800,000 and approximately HK\$85,000,000, respectively. The net issue price if the conversion Shares are issued at the initial conversion price would be approximately HK\$0.54. The Company intends to apply the net proceeds as follows: (a) approximately 90%, representing approximately HK\$76,500,000, will be used for the investment in business opportunities in order to expand into the mobility technology solutions and related business; and (b) approximately 10%, representing approximately HK\$8,500,000, will be used for general working capital of the Group. As at the end of the Period, up to approximately 34% of the net proceeds, being the amount of approximately HK\$28,900,000, had been utilised for investment in business opportunities in order to expand into the mobility technology solutions and related business; and up to approximately 10% of the net proceeds, being the amount of approximately HK\$8,500,000, had been utilised for general working capital. The remaining approximately 56% of the net proceeds, being the amount of approximately HK\$47,600,000, is expected to be fully utilised on or before 31 December 2022 for the intended purposes as previously disclosed.

The subscription of the 13 September Convertible Bonds offered a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development. The Directors were of the view that the issue of the 13 September Convertible Bonds would be an appropriate means of raising additional capital since (i) it will not have an immediate dilution effect on the shareholding of the existing shareholders of the Company; and (ii) in the event that the 13 September Convertible Bonds are converted into Shares, the Company can improve its capital base, benefiting the long-term development of the Company.

The subscription of the 13 September Convertible Bonds was completed on 5 October 2021. Further details of the 13 September CB Subscription Agreement are set out in the announcement of the Company dated 13 September 2021.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this report, there was no specific plan for material investments or capital assets as at 31 March 2022.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2022, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Directors	Capacity and nature of interest	Number of ordinary shares held	Number of share options held (Note 1)	Total interests	Percentage of interest (Note 2)
Mr. Ho King Fung, Eric (<i>Chairman</i>)	Personal	31,200,000	117,500,000	148,700,000	1.86%
Mr. Joseph Lee (<i>Vice Chairman</i>)	Personal	1,900,000	40,000,000	41,900,000	0.52%
Mr. Mirko Konta	Personal	115,244,000 (Note 3)	2,000,000	117,244,000	1.47%
Mr. Teoh Chun Ming	Personal	-	5,000,000	5,000,000	0.06%
Mr. Peter Edward Jackson	Personal	-	5,000,000	5,000,000	0.06%
Mr. Charles Matthew Pecot III	Personal	-	4,000,000	4,000,000	0.05%

Notes:

1. Details of share options held by the Directors are shown in the section "Share Option Scheme" below.
2. Based on 7,982,794,562 shares of the Company in issue as at 31 March 2022.
3. These represent the shares of the Company that may be allotted and issued by the Company to Mr. Mirko Konta as part of the total consideration payable to him for the acquisition of Ideonion Automobil AG.
4. All the interests disclosed above represent long positions in the shares of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section "Share Option Scheme" below, at no time during the six months ended 31 March 2022 was the Company, or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the six months ended 31 March 2022 and up to the date of this report, none of the Directors and directors of the Company's subsidiaries or their respective associates had any interests in any businesses, apart from the Group's business, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

SHARE OPTION SCHEME

The existing share option scheme (the "Share Option Scheme") was adopted by the Company on 1 March 2013, the purpose of which is to attract and retain the best available personnel, to provide additional incentive to employees, directors, consultants, advisors and shareholders of the Group and to promote the success of the business of the Group.

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date, after such period no further options may be granted under the Share Option Scheme but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto.

Eligible participants under the Share Option Scheme include, among others, employees, directors, customers, advisors, shareholders, consultants, suppliers or service providers of the Group.

Details of the Share Option Scheme are as follows:

- (a) The maximum number of ordinary shares issuable upon exercise of the share options (the "Share Options") which may be granted under the Share Option Scheme and any other share option scheme of the Group (if any) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company. Any further grant of Share Options in excess of this limit is subject to shareholders' approval in a general meeting;
- (b) The exercise period of the Share Options granted is determinable by the Board, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the grant of the Share Options or other expiry date(s) stipulated in the Share Option Scheme, whichever is the earlier;
- (c) The offer of a grant of Share Options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1.00 by the grantee; and
- (d) The exercise price of the Share Options is determinable by the Board but may not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer; or (iii) the nominal value of the Company's shares on the date of the offer.

Details of the movement of the Share Options during the six months ended 31 March 2022 under the Share Option Scheme are as follows:

	Date of Grant	Number of Share Options				As at 31 March 2022	Vesting and exercise period	Exercise price per share HK\$	Closing price per share immediately before date of grant HK\$
		As at 1 October 2021	Granted during the Period	Lapsed/Cancelled during the Period	Exercised during the Period				
Directors and Chief Executive									
Mr. Ho King Fung, Eric	6 April 2017	20,000,000	-	-	-	20,000,000	Note 1	0.85	0.84
	30 May 2019	30,000,000	-	-	-	30,000,000	Note 2	0.475	0.485
	4 January 2021	37,500,000	-	-	-	37,500,000	Note 6	0.78	0.77
	4 January 2022	-	30,000,000	-	-	30,000,000	Note 9	0.445	0.45
Mr. Joseph Lee (Note 8)	13 January 2022	-	40,000,000	-	-	40,000,000	Note 10	0.44	0.42
Mr. Sung Kin Man (Note 11)	30 May 2019	30,000,000	-	(30,000,000)	-	-	Note 2	0.475	0.485
	4 January 2021	37,500,000	-	(37,500,000)	-	-	Note 6	0.78	0.77
	4 January 2022	-	20,000,000	(20,000,000)	-	-	Note 9	0.445	0.45
Mr. Mirko Konta	4 January 2022	-	2,000,000	-	-	2,000,000	Note 9	0.445	0.45
Mr. Tam Ping Kuen, Daniel (Note 12)	19 July 2016	1,488,000	-	(1,488,000)	-	-	Note 3	0.65	0.65
	30 May 2019	1,000,000	-	(1,000,000)	-	-	Note 2	0.475	0.485
	4 January 2021	2,000,000	-	(2,000,000)	-	-	Note 6	0.78	0.77
	4 January 2022	-	2,000,000	(2,000,000)	-	-	Note 9	0.445	0.45
Mr. Teoh Chun Ming	30 May 2019	1,000,000	-	-	-	1,000,000	Note 2	0.475	0.485
	4 January 2021	2,000,000	-	-	-	2,000,000	Note 6	0.78	0.77
	4 January 2022	-	2,000,000	-	-	2,000,000	Note 9	0.445	0.45
Mr. Peter Edward Jackson	30 May 2019	1,000,000	-	-	-	1,000,000	Note 2	0.475	0.485
	4 January 2021	2,000,000	-	-	-	2,000,000	Note 6	0.78	0.77
	4 January 2022	-	2,000,000	-	-	2,000,000	Note 9	0.445	0.45
Mr. Charles Matthew Pecot III	4 January 2021	2,000,000	-	-	-	2,000,000	Note 6	0.78	0.77
	4 January 2022	-	2,000,000	-	-	2,000,000	Note 9	0.445	0.45
Former Director									
Mr. Zhang Jinbing (Note 7)	19 July 2016	1,488,000	-	-	-	1,488,000	Note 3	0.65	0.65
Others									
Substantial shareholders	13 March 2018	50,000,000	-	-	-	50,000,000	Note 4	1.782	1.71
Employees	30 May 2019	10,000,000	-	-	-	10,000,000	Note 2	0.475	0.485
	4 January 2021	72,000,000	-	-	-	72,000,000	Note 6	0.78	0.77
	4 January 2022	-	65,000,000	-	-	65,000,000	Note 9	0.445	0.45
Consultants	4 January 2021	225,000,000	-	-	-	225,000,000	Note 6	0.78	0.77
Total		525,976,000	165,000,000	(93,988,000)	-	596,988,000			

The total number of shares available for issue upon the exercise of all Share Options granted or to be granted under the Share Option Scheme is 830,507,856 (31 March 2021: 881,669,060), representing approximately 10.40% (31 March 2021: 11.04%) of the Company's total number of issued shares as at the date of this report.

Notes:

1. From 6 April 2017 to 5 April 2027.
2. From 30 May 2019 to 29 May 2029.
3. Subject to the rules of the Share Option Scheme, the Share Options are exercisable in the following manner for a period from the date of the acceptance of the Share Options to 10 years from the date of grant:

Percentage of the Share Options that are vested and exercisable

Period for the exercise of the relevant Share Options

20%
 Additional 20% (i.e. up to 40% in total)
 Additional 20% (i.e. up to 60% in total)
 Additional 20% (i.e. up to 80% in total)
 Additional 20% (i.e. up to 100% in total)

From 19 July 2017 to 18 July 2026
 From 19 July 2018 to 18 July 2026
 From 19 July 2019 to 18 July 2026
 From 19 July 2020 to 18 July 2026
 From 19 July 2021 to 18 July 2026

4. From 13 March 2018 to 12 March 2028.
5. From 3 April 2018 to 2 April 2028.
6. From 4 January 2021 to 3 January 2031.
7. Mr. Zhang Jinbing retired as a Director with effect from 19 March 2021.
8. Mr. Joseph Lee was appointed as a Director with effect from 13 January 2021.
9. From 4 January 2022 to 3 January 2032.
10. From 13 January 2022 to 12 January 2032.
11. Mr. Sung Kin Man resigned as a Director and the chief executive officer of the Company with effect from 14 March 2022.
12. Mr. Tam Ping Kuen, Daniel resigned as a Director with effect from 31 March 2022.

The fair value of the share options granted during the Period was HK\$41,679,000 (HK\$0.24 to HK\$0.26 each) (30 September 2021: 106,774,000 (HK\$0.27 each)). The Group recognised a share option expense of HK\$41,679,000 (2021: HK\$106,774,000) during the period ended 31 March 2022.

The fair value of equity-settled share options granted during the Period was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

31 March 2022

Dividend yield (%)	–
Expected volatility (%)	66.00
Risk-free interest rate (%)	1.64–1.79
Expected life of options (years)	10
Weighted average share price (HK\$ per share)	0.44

The expected life of the options is based on the historical exercise patterns and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 March 2022, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholders	Capacity and nature of interest	Number of shares held	Percentage of shares in issue (Note 1)
WM Motor Holdings Limited	Beneficial owner	2,275,545,343	28.51%
Mr. Ho King Man, Justin	Beneficial owner and interest in a controlled corporation	956,332,474 (Note 2)	11.98%
Ruby Charm Investment Limited	Beneficial owner	884,220,474 (Note 3)	11.08%
Sino-Alliance International, Ltd.	Beneficial owner	431,876,000 (Note 4)	5.41%
Shanghai Alliance Investment Ltd.	Interest in a controlled corporation	431,876,000 (Note 4)	5.41%

Notes:

1. Based on 7,982,794,562 shares of the Company in issue as at 31 March 2022.
2. Among 956,332,474 shares, (i) 884,220,474 shares are owned by Ruby Charm Investment Limited (see also note 3 below); (ii) 22,112,000 shares are owned by Jumbo Eagle Investments Limited, a private company directly wholly owned by Mr. Ho King Man, Justin; and (iii) 50,000,000 shares represent the Share Options granted to Mr. Ho King Man, Justin on 13 March 2018 pursuant to the terms of the Share Option Scheme, which entitle him to subscribe for shares of the Company. Details of share options held by Mr. Ho King Man, Justin as a substantial shareholder of the Company are shown in the section "Share Option Scheme" above.
3. Ruby Charm Investment Limited is a private company directly wholly owned by Mr. Ho King Man, Justin.
4. Sino-Alliance International, Ltd is a private company directly wholly owned by Shanghai Alliance Investment Ltd.
5. All the interests stated above represent long positions in the shares of the Company.

EMPLOYEES AND EMPLOYMENT POLICIES

As at 31 March 2022, the Group had 203 employees (30 September 2021: 193). The related employees' costs for the Period (including directors' remuneration) amounted to approximately HK\$111.2 million (six months ended 31 March 2021: HK\$110.7 million). In addition to basic salary, employees are entitled to other benefits including social insurance contributions, employee provident fund schemes and share option scheme of the Company. The remuneration of employees was in line with market trend and with reference to the market rate and the performance of individual employees, which are regularly reviewed each year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, the Company repurchased 672,000 Shares on the Stock Exchange for an aggregate consideration (before transaction costs) of approximately HK\$245,000 pursuant to the share repurchase mandate approved by the shareholders of the Company at the annual general meeting held on 10 March 2022. The repurchase was effected as the Board considered that the then trading price of the Shares did not reflect their intrinsic value and business prospects of the Company and that it presented a good opportunity for the Company to repurchase Shares. The Board believed that a share repurchase would demonstrate the Company's confidence in its own business outlook and prospects and would, ultimately, benefit the Company and create value to the shareholders of the Company. As at the date of this report, none of the repurchased Shares have been cancelled.

Details of the Shares repurchased during the Period are as follows:

Date of repurchase	No. of Shares	Highest price paid per Share HK\$	Lowest price paid per Share HK\$	Aggregate consideration HK\$'000
25 March 2022	672,000	0.365	0.365	245

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities during the six months ended 31 March 2022.

CORPORATE GOVERNANCE

During the six months ended 31 March 2022, the Company has complied with the code provisions set out in Part 2 of the Corporate Governance Code (the "Code") as stated in Appendix 14 of the Listing Rules).

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "Model Code") as set out in Appendix 10 of the Listing Rules regarding securities transactions by the Directors. Following specific enquiry by the Company, all Directors confirmed that they have fully complied with the Model Code during the six months ended 31 March 2022.

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with the Code.

As at the date of this report, the Audit Committee consists of the following members:

Mr. Teoh Chun Ming (*Chairman*)
 Mr. Freeman Hui Shen
 Mr. Peter Edward Jackson
 Mr. Charles Matthew Pecot III
 Ms. Hau Yan Hannah Lee

The primary responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Company's financial controls, internal control and risk management systems, to review and monitor the effectiveness of the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed and discussed the interim results of the Group for the six months ended 31 March 2022 and this report.

INTERIM DIVIDEND

The Board did not declare any interim dividend for the six months ended 31 March 2022 (six months ended 31 March 2021: Nil).

APPRECIATION

On behalf of the Board, I would like to express our appreciation to all our management and staff members for their ongoing contribution and hard work. We would also like to thank our shareholders for their continuing support.

On behalf of the Board
Apollo Future Mobility Group Limited
Ho King Fung, Eric
Chairman

Hong Kong, 30 May 2022