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**apollo**

**APOLLO FUTURE MOBILITY GROUP LIMITED**

**力世紀有限公司**

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

**(Stock Code: 860)**

**PROPOSED ISSUE OF CONVERTIBLE BONDS  
UNDER GENERAL MANDATE**

On 13 September 2021 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers respectively, pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the Subscribers have agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$85,800,000.

The initial Conversion Price is HK\$0.550 per Share. Assuming that the conversion rights attaching to the Convertible Bonds have been exercised in full and there is no adjustment to the Conversion Price pursuant to the Conditions, an aggregate of 156,000,000 new Shares will be allotted and issued to the Bondholders, representing (i) approximately 1.95% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.92% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company between the date of this announcement and full conversion of the Convertible Bonds).

The Conversion Shares will be allotted and issued under the General Mandate.

Application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

**As the Subscription is subject to the fulfillment of the conditions set out in the Subscription Agreements and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.**

## **INTRODUCTION**

On 13 September 2021 (after trading hours), the Company entered into the Subscription Agreements with each of the Subscribers respectively, pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the Subscribers have agreed to subscribe for the Convertible Bonds in the aggregate principal amount of HK\$85,800,000. Details of the Subscription Agreements and the terms of the Convertible Bonds are described below:

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS**

### **Date**

13 September 2021 (after trading hours)

### **Parties**

- (a) the Company as issuer;
- (b) Able Catch Limited as Subscriber A;
- (c) Vivaldi International Limited as Subscriber B; and
- (d) 45 Yi Capital Holdings Co., Ltd as Subscriber C.

## **Principal Amount**

Pursuant to the Subscription Agreements, (i) Subscriber A has conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$35,100,000; (ii) Subscriber B has conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$35,100,000; and (iii) Subscriber C has conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK\$15,600,000.

## **Closing**

The Closing will take place on the Issue Date, which shall be a date on the tenth (10)th business day after the conditions precedent below are fulfilled (or waived in accordance with the terms of the Subscription Agreements) or such later date as may be agreed by the Company and the Subscriber(s) in writing, not being later than sixty (60) days after the date of signing of the Subscription Agreements (the “**Closing Date**”).

## **Conditions precedent**

Closing is conditional upon the following conditions being fulfilled (or waived as the case may be):

- (a) the Stock Exchange having granted the listing of, and the permission to deal in, the Conversion Shares;
- (b) on or prior to the Closing Date there shall have been delivered to the Subscribers copies of, in form and substance reasonably satisfactory to the Subscribers and the Stock Exchange, all consents and approvals required in relation to the issue of the Convertible Bonds and the performance of the Company’s obligations under the Subscription Agreements and the Convertible Bonds; and
- (c) on the Closing Date (i) the representations and warranties of the Company in the Subscription Agreements being true, accurate and correct on the Closing Date; and (ii) the Company having performed all of its obligations under the Subscription Agreements on or before the Closing Date.

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The principal terms of the Convertible Bonds are set out below:

### **Interest**

The Convertible Bonds will bear interest from and including the Issue Date at the rate of 9% per annum payable semi-annually from the Issue Date.

## **Form and denomination**

The Convertible Bonds will be issued in registered form and in denominations of HK\$3,900,000 each.

## **Maturity**

The maturity date (the “**Maturity Date**”) of the Convertible Bonds will be the date falling (i) the third (3)rd anniversary of the Issue Date; or (ii) provided that the Bondholder(s) has notified the Company the change of maturity date in accordance with the terms of the bond instrument, the second (2)nd anniversary of the Issue Date.

## **Conversion Price**

The initial Conversion Price is HK\$0.550 per Share, which was determined after arm’s length negotiation between the Company and the Subscribers based on the prevailing market price of the Shares, representing:

- (a) a premium of approximately 1.85% to the closing price of 0.540 per Share as quoted on the Stock Exchange on 13 September 2021, being the date of the Subscription Agreements; and
- (b) the average of the closing prices of HK\$0.550 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including 10 September 2021, being the trading day of the Shares immediately prior to the date of the Subscription Agreements.

## **Adjustment to Conversion Price**

The initial Conversion Price is subject to adjustment(s) from time to time on the occurrence of any of the following events:

- (a) changes to the number of issued Shares as a result of consolidation, subdivision or re-classification of Shares;
- (b) issues of Shares credited as fully paid up by way of capitalisation of profits or reserves by the Company;
- (c) distributions by the Company to its Shareholders;
- (d) rights issues of Shares or issues of options to subscribe for Shares at less than 80% of the then market price per Share;

- (e) issues of any securities for cash which are convertible into or exchangeable for or carry rights of subscription for new Shares in each case at less than 80% of the then market price per Share;
- (f) issues of any Shares by the Company for cash, other than those issues referred in (d) and (e) above;
- (g) issues of Shares as consideration for acquisition of assets at less than 80% of the then market price per Share; and
- (h) any other event as determined by the Bondholder(s) or the Company to be subject to adjustment (whether it is covered in any of the events (a) to (g) above) after seeking the opinion of a recognised investment bank in connection with such.

### **Conversion**

Provided that upon exercising of conversion rights, (i) no obligation will arise on the Bondholders and any party acting in concert with it to make a general offer to all Shareholders under the Hong Kong Code on Takeovers and Mergers and Share Buy-backs; and (ii) the minimum public float requirements of the Company under the Listing Rules will be maintained and subject to and upon compliance with the Conditions, the Bondholders have the right to convert, in whole or in part, the principal amount of the Convertible Bonds into fully-paid Shares at any time during the Conversion Period at the Conversion Price.

### **Conversion Shares**

As at the date of this announcement, the Company has 7,982,794,562 Shares in issue.

The number of Shares to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds will be determined by dividing the principal amount of the Convertible Bonds by the Conversion Price in effect.

Assuming that the conversion rights attaching to the Convertible Bonds have been exercised in full and there is no adjustment to the Conversion Price pursuant to the Conditions, an aggregate of 156,000,000 new Shares will be allotted and issued to the Bondholders, representing (i) approximately 1.95% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.92% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (assuming that there is no change in the issued share capital of the Company between the date of this announcement and full conversion of the Convertible Bonds).

The aggregate nominal value of the Conversion Shares is HK\$15,600,000.

The Conversion Shares, when allotted and issued, will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the conversion date.

### **Status of the Convertible Bonds**

The Convertible Bonds will constitute general, unsubordinated, direct, unconditional and unsecured obligations of the Company and will enjoy equal rights and interests at all times and all other current and future unsecured and non-guaranteed obligations of the Company except for any right excluded by mandatory provisions of applicable law.

### **Redemption**

#### ***Redemption at maturity***

Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem the Convertible Bonds on the Maturity Date at 100% of its outstanding principal amount.

#### ***Redemption at the option of the Company***

The Company may redeem the Convertible Bonds in whole (but not in part) at such time and at such price as may be agreed between the Company and the Bondholders.

#### ***Redemption at the option of the Bondholder***

If any of the events of default specified below occurs, subject to the approval by the Bondholders, the Bondholders may give notice to the Company that the Convertible Bonds shall become immediately due and payable at 100% of its outstanding principal amount:

- (a) except when an offer is made to Shareholders to acquire all or any Shares becomes unconditional, the listing of the Shares on the Stock Exchange has been cancelled or suspended for thirty (30) consecutive trading days;
- (b) the Company breaches any material obligations under the Conditions and fails to rectify such breach within thirty (30) business days after its receipt of the request of Bondholders holding no less than 51% aggregate outstanding principal amount of the Convertible Bonds issued by the Company;

- (c) the Company fails to pay the principal amount or interest of the Convertible Bonds at maturity or the Company is overdue on the interest payment for more than thirty (30) days;
- (d) there is any event or any action taken or omitted by the Company, which renders unlawful the performance or compliance by the Company with any of its material obligations under the Conditions or otherwise result in any material terms unenforceable or render the Convertible Bonds inadmissible as evidence in court;
- (e) there is any default by the Company in respect of its indebtedness and the total amount of liabilities, guarantees and indemnities incurred due to such default equals to or exceeds HK\$5 million or its equivalent in any other currency;
- (f) with respect to all or any significant part of the Company's business, property, assets or revenue, the creditor takes possession or has appointed a receiver or other similar officer, which such possession have not been discharged, paid, withdrawn or remedied within thirty (30) business days;
- (g) the Company or any of its major subsidiaries becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or any of its major subsidiaries or the whole or any material part of their assets or revenue, or takes any legal proceeding to defer its obligations or enters into a general assignment or compromise with or for the benefit of its creditors;
- (h) there is any order or a valid resolution passed for the winding-up of the Company, except where approved by the Bondholders who hold or collectively hold not less than 51% of the outstanding Convertible Bonds of the Company at the time; or
- (i) a moratorium is agreed or declared in respect of any indebtedness of the Company or any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company.

## **Voting Rights**

The Bondholders will not be entitled to vote at any meetings of the Company by reason only of it being a holder of the Convertible Bonds.

## **Transferability**

The Convertible Bonds are generally transferable in whole or in part in the denomination as set out above provided that the Convertible Bonds (or any part thereof) may not be transferred to a connected person of the Company without the prior written consent of the Company.

There is no lock-up period of or restriction on the dealings in the Conversion Shares held by the Bondholders upon conversion.

## **INFORMATION ON THE COMPANY AND THE SUBSCRIBERS**

### **The Company**

The Company is principally engaged in investment holding and the principal activities of its subsidiaries are the provision of mobility technology solutions, retailing and wholesale of jewellery products and watches and money lending.

### **The Subscribers**

#### *Subscriber A*

Able Catch Limited is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding and is ultimately and beneficially owned by Mr. Li Ka Shing. At as the date of this announcement, Mr. Li Ka Shing is deemed to be interested in 663,090,100 Shares through corporations regarded as controlled by him by virtue of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 8.31% shareholding interest in the Company.

#### *Subscriber B*

Vivaldi International Limited is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding and is ultimately and beneficially owned by Ms. Chau Hoi Shuen Solina Holly. At as the date of this announcement, Vivaldi International Limited is an existing Shareholder holding 526,640,929 Shares, representing approximately 6.60% shareholding interest in the Company.

#### *Subscriber C*

45 Yi Capital Holdings Co., Ltd is a company incorporated in the British Virgin Islands with limited liability. It is principally engaged in investment holding and is ultimately and beneficially owned by Mr. Tsz Ho Tony Lau.



Save as disclosed above, none of the Subscribers or any of their respective ultimate beneficial owners has any interest in the Shares except pursuant to the Subscription Agreements. None of the Subscribers or any of their respective ultimate beneficial owner will become a substantial Shareholder (as defined in the Listing Rules) as a result of the Subscription upon the full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.550 (assuming that there is no change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscribers and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **USE OF PROCEEDS**

The gross proceeds and the net proceeds (after deduction of relevant expenses) from the issue of the Convertible Bonds will be 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.

## **REASONS FOR THE SUBSCRIPTION**

The Directors consider that the Subscription offers 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 consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital since (i) it will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) in the event that the Convertible Bonds are converted into Shares, the Company can improve its capital base, benefiting the long-term development of the Company.

The Directors consider that the terms of the Subscription Agreements, which were arrived at arm's length negotiations between the Company and the Subscribers, and the transactions contemplated thereunder (including but not limited to the Conversion Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## SHAREHOLDING STRUCTURE

For illustration purposes only, the following table sets out the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after the allotment and issue of the Conversion Shares upon the full conversion of the Convertible Bonds at the initial Conversion Price of HK\$0.550 (assuming that there is no change (i) of ownership of the Convertible Bonds after issuance; and (ii) in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

Shareholders	(a) Existing shareholding as at the date of this announcement		(b) immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds	
	Number of Shares held	% of the issued share capital of the Company	Number of Shares held	% of the issued share capital of the Company
Mr. Ho King Man, Justin ( <i>Note 1</i> )	1,747,196,474	21.89%	1,747,196,474	21.47%
Mr. Ho King Fung, Eric ( <i>Note 2</i> )	23,000,000	0.29%	23,000,000	0.28%
Mr. Tam Ping Kuen, Daniel ( <i>Note 3</i> )	960,000	0.01%	960,000	0.01%
Subscriber A ( <i>Note 4</i> )	—	—	63,818,182	0.78%
Subscriber B	526,640,929	6.60%	590,459,111	7.25%
Subscriber C	—	—	28,363,636	0.35%
Other Public Shareholders	<u>5,684,997,159</u>	<u>71.21%</u>	<u>5,684,997,159</u>	<u>69.86%</u>
<b>Total:</b>	<b><u>7,982,794,562</u></b>	<b><u>100.00%</u></b>	<b><u>8,138,794,562</u></b>	<b><u>100.00%</u></b>

### Notes:

- (1) Among the 1,747,196,474 Shares, (i) 1,699,220,474 Shares are held by Ruby Charm Investment Limited, which is wholly-owned by Mr. Ho King Man Justin and (ii) 47,976,000 Shares are beneficially owned by Mr. Ho King Man, Justin.
- (2) Mr. Ho King Fung, Eric, the chairman and an executive Director of the Company, holds 23,000,000 Shares.
- (3) Mr. Tam Ping Kuen, Daniel, an independent non-executive Director, holds 960,000 Shares.
- (4) Subscriber A is ultimately and beneficially owned by Mr. Li Ka Shing. As at the date of this announcement, Mr. Li Ka Shing is deemed to be interested in 663,090,100 Shares, representing approximately 8.31% shareholding interest in the Company. Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds, Mr. Li Ka Shing will be deemed to be interested in 726,908,282 Shares, representing approximately 8.93% shareholding interest in the Company.
- (5) The numbers in the above table have been subject to rounding adjustments.

- (6) To the extent the convertible bonds disclosed in the Company's announcements dated 8 September 2021 and 9 September 2021 are issued and converted in full at the initial conversion price, the percentages of the issued share capital of the Company held by each of Subscriber A, Subscriber B and Subscriber C immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bonds (assuming no other changes to the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds) will be approximately 0.77%, 7.13% and 0.34%, respectively.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for the following, the Company has not carried out any equity fund raising activities during the 12 months immediately preceding the date of this announcement.

<b>Publications</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
Announcements dated 8 September 2021 and 9 September 2021	Subscription of convertible bonds in the principal amount of HK\$78,000,000 <i>(Note)</i>	Approximately HK\$77.0 million	(1) Approximately 90%, representing approximately HK\$69.3 million, for the investment in business opportunities in order to expand into the mobility technology solutions and related business; and  (2) Approximately 10%, representing approximately HK\$7.7 million, for general working capital	None has been utilized <i>(Note)</i>

<b>Publications</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
Announcement dated 7 December 2020 and the interim report for the six months ended 31 March 2021	Subscription of 812,596,000 Shares	Approximately HK\$357.8 million	(1) Approximately 90%, representing approximately HK\$322.0 million, for future potential acquisition or investment in businesses and technologies related to new energy vehicle(s); and  (2) Approximately 10%, representing approximately HK\$35.8 million for general working capital	Fully utilized as intended

*Note:* The subscription of convertible bonds in the principal amount of HK\$78,000,000 as set out in the announcements of the Company dated 8 September 2021 and 9 September 2021 respectively is subject to certain conditions and has not been completed as at the date of this announcement.

## **LISTING APPLICATION AND GENERAL MANDATE**

No application will be made for the listing of, and permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange.

The Conversion Shares will be issued under the General Mandate. Reference is made to the announcements of the Company dated 8 September 2021 and 9 September 2021 in relation to the issue of convertible bonds involving a maximum of 141,818,181 new Shares which may be issued upon conversion. Save for such 141,818,181 Shares to be issued under the General Mandate, as at the date of this announcement, the Company is entitled to issue up to 1,454,740,731 Shares pursuant to the General Mandate and no separate Shareholders' approval is required for the allotment and issue of the Conversion Shares. Application will be made to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

**As the Subscription is subject to the fulfillment of the conditions set out in the Subscription Agreements and may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and should consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position or as to actions they should take.**

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, terms used in this announcement shall have the following meanings:

“Bondholders”	holders of the Convertible Bonds
“Board”	the board of Directors
“Closing”	closing of the Subscription
“Closing Date”	has the meaning ascribed to it under the paragraph headed “Closing” of this announcement
“Company”	Apollo Future Mobility Group Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 860)
“Condition(s)”	the terms and conditions of the Convertible Bonds
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Period”	the period beginning on, and including, the seventh (7)th day following the Issue Date and up to the date falling seven (7) days prior to the Maturity Date
“Conversion Price”	the initial conversion price of HK\$0.550 per Conversion Share, subject to any adjustment in accordance with Conditions
“Conversion Shares”	the Shares to be allotted and issued upon exercise of the conversion right attaching to the Convertible Bonds
“Convertible Bonds”	9% convertible bonds of the Company due 2024 in the aggregate principal amount of HK\$85,800,000

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolutions of the Shareholders passed at the annual general meeting of the Company held on 19 March 2021
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Date”	the date on which the Convertible Bonds are initially issued
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	has the meaning ascribed to it under the paragraph headed “Principal Terms of the Convertible Bonds — Maturity” of this announcement
“Share(s)”	the ordinary share(s) of the Company with a nominal value of HK\$0.10 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Able Catch Limited, a company with limited liability incorporated in the British Virgin Islands
“Subscriber B”	Vivaldi International Limited, a company with limited liability incorporated in the British Virgin Islands
“Subscriber C”	45 Yi Capital Holdings Co., Ltd, a company with limited liability incorporated in the British Virgin Islands
“Subscribers”	collectively, Subscriber A, Subscriber B and Subscriber C

“Subscription”	the subscription of the Convertible Bonds by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	the subscription agreements dated 13 September 2021 and entered into between the Company and each of the Subscribers respectively in relation to the subscription of the Convertible Bonds
“%”	per cent.

By order of the Board  
**Apollo Future Mobility Group Limited**  
**Ho King Fung, Eric**  
*Chairman*

Hong Kong, 13 September 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Ho King Fung, Eric (Chairman), Mr. Sung Kin Man and Mr. Mirko Konta; and four independent non-executive Directors, namely Mr. Tam Ping Kuen, Daniel, Mr. Teoh Chun Ming, Mr. Peter Edward Jackson and Mr. Charles Matthew Pecot III.*