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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 8 September 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the Subscriber has agreed to subscribe for the Convertible Bonds in the principal amount of HK\$78,000,000.

The initial Conversion Price is HK\$0.50 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, 156,000,000 new Shares will be allotted and issued to the Bondholder(s), 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 Agreement 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 8 September 2021 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which, on the terms and subject to the conditions therein, the Company has agreed to issue and the Subscriber has agreed to subscribe for the Convertible Bonds in the principal amount of HK\$78,000,000. Details of the Subscription Agreement and the terms of the Convertible Bonds are described below:

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT**

### **Date**

8 September 2021 (after trading hours)

### **Parties**

- (a) the Company as issuer; and
- (b) the Subscriber as subscriber.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

### **Closing**

The Closing will take place on the Issue Date, which shall be a date on the third (3)rd business day after the conditions precedent below are fulfilled (or waived in accordance with the terms of the Subscription Agreement) or such later date as may be agreed by the Company and the Subscriber in writing, not being later than sixty (60) days after the date of signing of the Subscription Agreement (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 Subscriber copies of, in form and substance reasonably satisfactory to the Subscriber 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 Agreement and the Convertible Bonds; and
- (c) on the Closing Date (i) the representations and warranties of the Company in the Subscription Agreement being true, accurate and correct on the Closing Date; and (ii) the Company having performed all of its obligations under the Subscription Agreement 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\$39,000,000 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\$0.50 per Share, which was determined after arm's length negotiation between the Company and the Subscriber based on the prevailing market price of the Shares, representing:

- (a) a discount of approximately 9.1% to the closing price of 0.550 per Share as quoted on the Stock Exchange on 8 September 2021, being the date of the Subscription Agreement; and
- (b) a discount of approximately 4.6% to approximately HK\$0.524 per Share, being the average of the closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including 7 September 2021, being the trading day of the Shares immediately prior to the date of the Subscription Agreement.

## **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 Bondholder 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 Bondholder has 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, 156,000,000 new Shares will be allotted and issued, 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 Bondholder(s).

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

If any of the events of default specified below occurs, subject to the approval by the Bondholder(s), the Bondholder(s) 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 due to the fault of the Company or any of its Directors, officers, employees or agent;
- (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 Bondholder(s) 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 Bondholder(s) 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 Bondholder(s) upon conversion.



## **INFORMATION ON THE COMPANY AND THE SUBSCRIBER**

### **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 Subscriber**

The Subscriber is a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, it is principally engaged in investment holding and is wholly-owned by Ms. Hoi Wa Fan.

## **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\$78,000,000 and approximately HK\$77,000,000, respectively. The net issue price if the Conversion Shares are issued at the initial Conversion Price would be approximately HK\$0.49. The Company intends to apply the net proceeds as follows: (a) approximately 90%, representing approximately HK\$69,300,000, 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\$7,700,000, 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 Agreement, which were arrived at arm's length negotiations between the Company and the Subscriber, 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\$0.50 (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).

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%
The Subscriber	—	—	156,000,000	1.92%
Other Public Shareholders	<u>6,211,638,088</u>	<u>77.81%</u>	<u>6,211,638,088</u>	<u>76.32%</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) The numbers in the above table have been subject to rounding adjustments.

## **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>
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

## **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. As at the date of this announcement, the Directors have not exercised the power to allot and issue any Shares pursuant to the General Mandate. Accordingly, as at the date of this announcement, the Company is entitled to issue up to 1,596,558,912 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 Agreement 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:

“Bondholder(s)”	holder(s) of the Convertible Bonds
“Board”	the board of Directors
“Convertible Bonds”	9% convertible bonds of the Company due 2024 in the aggregate principal amount of HK\$78,000,000
“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)
“Closing”	closing of the Subscription
“Closing Date”	has the meaning ascribed to it under the paragraph headed “Closing” of this announcement
“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\$0.50 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
“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”	Walong Holdings Limited, a company with limited liability incorporated under the laws of British Virgin Islands
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”

the subscription agreement dated 8 September 2021 entered into between the Company and the Subscriber 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, 8 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.*